

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT   
(highlight changes)

**APPLICATION FOR PERMIT TO DRILL**

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: ML-47218	6. SURFACE: State
		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: Moon Canyon	
2. NAME OF OPERATOR: Royale Energy, INC		9. WELL NAME and NUMBER: Trail Canyon 2-1	
3. ADDRESS OF OPERATOR: 7676 Hazard Center Dr CITY San Diego STATE CA ZIP 92108		PHONE NUMBER: (619) 881-2800	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1528' FNL 2627' FEL 624080X 39.447864 AT PROPOSED PRODUCING ZONE: Same 4367271Y -109.551028		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 65 Northwest of Fruita, CO		12. COUNTY: Grand	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1528 ft.	16. NUMBER OF ACRES IN LEASE: 1280	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NA	19. PROPOSED DEPTH: 11,000	20. BOND DESCRIPTION: Statewide Bond #291395	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7192 ft. GR	22. APPROXIMATE DATE WORK WILL START: 10/1/2007	23. ESTIMATED DURATION: 30 days	

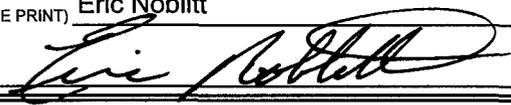
**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12-1/4"	9-5/8	K-55	36#	2,000	Class "G"	1200 sx	1.17	15.8 ppg
8-3/4"	7	N-80	23#	6,500	50/50 POZ	875 sx	1.26	14.2 ppg
6-1/4"	4-1/2	P-110	11.60#	11,200 <i>11,000</i>	50/50/ POZ	518 sx	1.26	14.2 ppg

**ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

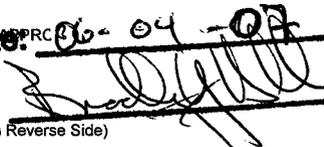
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Eric Noblitt TITLE Agent  
SIGNATURE 

Approved by the  
Utah Division of  
Oil, Gas and Mining

**RECEIVED**  
MAR 28 2007

API NUMBER ASSIGNED: 43-019-31532

Date: 06-04-07  
By:  DIV. OF OIL, GAS & MINING

T16S, R21E, S.L.B.&M.

ROYALE ENERGY, INC.

1920 Brass Cap,  
1.5' High, Pile of  
Stones

S89°59'02"W - 2643.90' (Meas.)

180°00'  
(G.L.O.)

2640.00' (G.L.O.)

T15 1/2S

Well Location, TRAIL CANYON #2-1, located as shown in the SW 1/4 NE 1/4 of Section 1, T16S, R21E, S.L.B.&M., Grand County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT AN OIL WELL LOCATED IN THE NE 1/4 OF SECTION 15, T16S, R21E, S.L.B.&M. TAKEN FROM THE TENMILE CANYON NORTH QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7620 FEET.

S00°02'13"W - 2639.54' (Meas.)

1920 Brass Cap,  
1.0' High, Pile of  
Stones

90°00'  
(G.L.O.)

Lot 4  
Lot 3  
Lot 2  
Lot 1  
TRAIL CANYON #2-1  
Elev. Ungraded Ground = 7192'

1528'  
(Comp.)

2627'  
(Comp.)

N67°18'11"E  
2687.82'

5280.00' (G.L.O.)

S00°11'47"E - 2640.81' (Meas.)

1920 Brass Cap,  
1.5' High, Pile of  
Stones

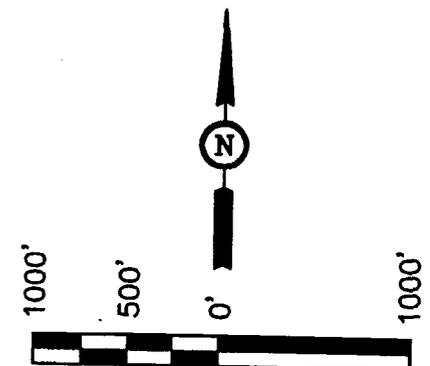
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

R R  
21 22  
E E

1920 Brass Cap,  
2.0' High, Pile of  
Stones

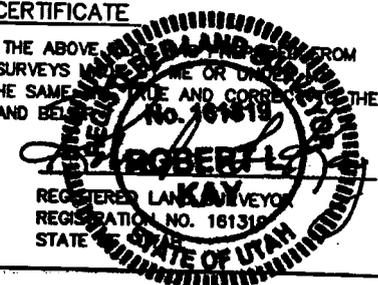
S89°58'W - 5290.56' (G.L.O.)



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE SURVEY WAS MADE FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



REVISED: 06-04-07 C.H.

UINTAH ENGINEERING & LAND SURVEYING  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

LEGEND:

- └─ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)  
LATITUDE = 39°26'52.28" (39.447856)  
LONGITUDE = 109°33'06.59" (110.551831)  
(AUTONOMOUS NAD 27)  
LATITUDE = 39°26'52.40" (39.447889)  
LONGITUDE = 109°33'04.13" (110.551147)

SCALE 1" = 1000'	DATE SURVEYED: 11-07-06	DATE DRAWN: 11-30-06
PARTY D.R. Q.B. C.H.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ROYALE ENERGY, INC.	

**MOON CANYON 2-1**  
Application For Permit To Drill (Attachment)  
State of Utah, Division of Oil, Gas and Mining Form 3

**Request for Exception to Location and Siting of Wells: R649-3-3, Moon Canyon 2-1,  
Surface Location: SWNE (2627' FEL & 1528' FNL) Sec. 1 – T16S-R21E, Grand County, Utah**

As part of the Application for Permit To Drill for the Moon Canyon 2-1, Royale Energy, Inc., as Operator of SITLA Lease ML-47218, request an exception to the general state siting rule for the Moon Canyon 2-1 well. The subject well is a proposed 11,000' gas well on State Lease ML-47218, located within the Moon Canyon Federal Unit Area. Geologic and topographic constraints on the physical well location force Royale to request this exception pursuant to Rule 649-3-3.

The proposed well surface location is 1528 feet from the nearest lease line and Unit boundary. Royale Energy, Inc. owns 75% working interest and National Fuels Corp. a 25% working interest in ML-47218 lease. SITLA owns the surface and minerals on the above described leases. There are no other owners within 460 feet of the proposed well.

Attached and made part of the subject APD are:

Survey Plat of the proposed location

Topographic maps showing location, section and unit boundaries.

# ROYALE ENERGY, INC.

Lease # ML-47218

Moon Canyon Unit

Trail Canyon 2-1

Multi-Pad Vertical Well

SW/4NE/4; Section 1, Township 16 South, Range 21 East, SLM  
Grand County, Utah

## *Surface Use & Operations Plan*

### Ownership

#### *Surface & Minerals:*

State of Utah  
School Trust Lands  
675 E. 500 S.  
Salt Lake City, UT 84102  
(801) 538-5100

1. EXISTING ROADS – Refer to Exhibit Topo Maps “A” and “B”.
  - A. The wellsite has been surveyed to memorialize the proposed well pad (see Location Layout Plat)
  - B. To reach the proposed location from the UT/CO state line proceed East on Interstate 70 approximately 4.6 miles to the Westwater exit; proceed north .3 mile, turn right and go East 2.2 miles to Hay Canyon & East Canyon road (At National Fuel sign) turn left, proceed Northwest 12.6 miles to Hay Canyon road, turn left and travel up Hay Canyon 13.8 miles to Divide road. Turn left. Heading west, travel 9.3 miles to Moon Ridge sign. Turn right. Proceed 5.6 miles to proposed new access road. Turn right. Travel North 4.7 miles on proposed access road. Turn right, travel 0.3 miles to Trail Canyon #2-1 location.
  - C. Access roads refer to Exhibit Topo Maps “A” and “B”.
  - D. Access roads within a one (1) mile radius, none – refer to Exhibit Topo Maps “A” and “B”.
  - E. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operation and said maintenance will continue until final abandonment and reclamation of said well location.
2. PROPOSED ACCESS ROAD – Refer to Map Exhibits “A” & “B”

Access to the location will be on Grand County maintained roads until you turn North (right) off the County road in the SW ¼, Section 26-T 16S-21E. The proposed new access road will be 5 miles in length crossing BLM and State lands to Trail Canyon #2-1 location.

- A. Width – This new access road will be built with a twenty (20) foot running surface.
- B. Construction Standard – Any road improvements will be conducted in accordance and with consultation with the appropriate governing authority.
- C. Maximum grade – The maximum grade is under 8%.
- D. Turnouts – No turnouts exist on the existing road any new turnouts will be consultation of the appropriate governing authority.
- E. Drainage design – The existing road shall be maintained to provide proper drainage along the road.
- F. Culverts and low water crossings – Culverts(if needed) sizes will be determined by anticipated runoff.
- G. Surface material – It is anticipated that no additional surface material will be required for drilling and production operations. Should spot graveling be required during drilling operations, gravel would be obtained from the nearest commercial site.
- H. Gates, cattleguards or fence cuts: No Fence cuts or cattleguards will be required along the proposed existing/new route. All gates will be maintained during operations.
- I. Road maintenance – During both the drilling and production phase of operations, the road surface will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards. The access road will be kept free and clear of trash during all operations.

3. LOCATION OF EXISTING WELL WITHIN A ONE-MILE RADIUS

- |    |                             |      |
|----|-----------------------------|------|
| A. | Water wells                 | none |
| B. | Abandoned wells             | none |
| C. | Temporarily abandoned wells | none |
| D. | Disposal wells              | none |
| E. | Proposed wells              | none |
| F. | Shut-in wells               | none |
| G. | Producing                   | none |

#### 4. LOCATION OF PROPOSED FACILITIES

- A. All production facilities will be located on the disturbed portion of the well pad and at a minimum from of twenty-five (25) feet from the toe of the back slope or top of the fill slope.
- B. Production facilities will be located on the drillsite location. A diagram showing the proposed production facility layout will be submitted to the Division via Sundry Notice (Form # 9) will be submitted upon completion and installation of facilities.
- C. An existing pipeline for gas gathering is in place in SW  $\frac{1}{4}$  of Sec. 26-T16S-R21E. If the subject well is commercial a 3" welded surface line will be laid adjacent to the new access road from the Drillsite to SW  $\frac{1}{4}$  of section 26 (tie-in point)
- D. All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective color to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required by OSHA may be excluded. Colors will be Juniper Black, unless otherwise advised by the governing authority.
- E. If a gas meter run is constructed, it will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream until it leaves the pad. The meter run will be housed. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of the Division and the American Gas Association (AGA) Report No. 3.
- F. If a tank battery is constructed on the lease, it will be surrounded by a berm of sufficient capacity to contain 1-1/2 times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurements shall conform to provisions of the Division.
- G. Production facilities on location may include a lined or unlined water pit as specified in Division rule R649-3-16. Any pit will be fenced with barbwire held in place by metal side post and wooden corner "H" braces in order to protect livestock and wildlife.
- H. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road, drill pad and any additional area specified in the approved Application for Permit to Drill (APD).
- I. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as provided for in Division rule R649-3-34.

## 5. LOCATION AND TYPE OF WATER SUPPLY

- A. Water supply for the subject well shall come from a private source in Sec. 6, T16S-R23, owned by Bert Delambert. Water Change Application t31712 authorizes such use.
- B. No water well will be drilled.

## 6. SOURCE OF CONSTRUCTION MATERIALS

- A. It is not anticipated that any construction materials (gravel) will be required during construction or operations. If required, a private contractor (or surface owner) having a previously approved source within the general area will be used.
- B. No construction material will be taken from State lands.

## 7. METHODS OF HANDLING WASTE MATERIALS

- A. Cuttings - The drill cuttings will be deposited in the reserve pit.
- B. Drilling fluids – All fluids including chemicals will be contained in the reserve pit. The reserve pit will be designed to prevent the collection of surface runoff and will be constructed with a minimum of one-half (1/2) total depth below the original ground level and at the lowest point within the pit. Pursuant to Division rule R649-3-16 & 34, prior to back-filling the reserve pit liquids will be disposed in an approved facility and the contents will be allowed to dry. The disturbed portion of the pad will be reclaimed. A 12-mil synthetic pit liner is proposed.
- C. Produced fluids – Liquid hydrocarbons that may be produced during completion operations will be placed in test tanks on the location. Produced water will be placed in the reserve pit for a period not to exceed ninety days after initial production.

Any spills of oil, gas, salt water or any other potentially hazardous substances will be cleaned up and immediately removed to an approved disposal site in accordance with Division rule R649-3-32.

- D. Sewage – Portable, self-contained chemical toilets will be provided for human waste disposal. Upon completion of operations, or as required, these toilets will be removed and the contents thereof disposed of in an approved sewage disposal facility.
- E. Garbage and other waste material – All garbage and non-flammable waste materials will be contained in a dumpster or trash cage. Upon completion of operations, or as needed, the accumulated trash will be hauled off-site to an approved sanitary landfill. No trash will be placed in the reserve pit during any operations pertaining to this well.

- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No potentially adverse materials or substances will be left on location.
- G. Any open pits will be fenced during the drilling operation and said fencing will be maintained until such time as the pits have been back-filled.

## 8. ANCILLARY FACILITIES

None anticipated.

## 9. WELLSITE LAYOUT

- A. Attached hereto is a diagram showing the proposed location layout. No permanent living facilities are planned. There will be approximately four (4) trailers on location during drilling operations: one each for the wellsite supervisor, geologist/mudloggers, drilling fluids engineer and toolpusher.
- B. Topsoil will be stock piled on the West and North of the drillpad. Brush and trees will also be stock piled on the East side of pad and will be used in the site reclamation process. Erosion ditches will be created along the side of the drill pad to control runoff from the drill pad. (see location layout plat)
- C. A diagram showing the proposed production facility layout will be submitted to the Division via *Sundry Notice* (form # 9) for approval (see # 4B).
- D. Prior to commencement of drilling operations, the reserve pit will be fenced on three (3) sides with four strand barbed wire held in place by metal side post and wooden corner "H" braces in order to protect livestock and wildlife.
  - 1. Corner post shall be braced in such a manner to keep the fence tight at all times.
  - 2. Standard steel, wood or pipe post shall be used between the corner braces. The maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
  - 3. All wire shall be stretched, by using a stretching devise, before it is attached to the corner posts.
  - 4. The fourth (4<sup>th</sup>) side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is back-filled.
- E. Any Hydrocarbons on the pit will be removed immediately.
- F. Flare pit will be a minimum of 100 feet from the wellhead and 30 feet from the reserve pit when applicable. The flare pit will be on laydown side of pad.

## 10. PLANS FOR RECLAMATION OF THE SURFACE

### Producing

- A. Any rat and mouse holes will be back-filled and compacted from top immediately upon release of the completion rig from the location. The location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.
- B. Any oil located on the pits will be removed immediately in accordance with Division rule R649-3-16 & 34.
- C. Back-filling, leveling and re-contouring are planned as soon as possible after cessation of drilling and completion operations. Waste and spoil materials will be disposed of immediately upon cessation of drilling and completion activities.

Fluids from the reserve pit shall be removed. The liner shall be torn and perforated before back-filling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours. The reserve pit will be reclaimed within six (6) months from the date of well completion. Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc., shall be removed.

Surface owner will be contacted for required seed mixture pursuant to Division rule R649-3-34.

### Dry Hole/Abandoned Location

1. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the DOGM/SITLA will attach the appropriate surface rehabilitation conditions of approval.

## 11. OTHER INFORMATION

- A. Proximity of Water, Occupied Dwellings, Archaeologist, Historical or Cultural Sites:
  1. There are no known, occupied dwellings within one (1) mile of the location.
  2. There are no known water wells within one (1) mile of location.
  3. Royale Energy, Inc. will be responsible for informing all persons in the area who are associated with the project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for

collecting artifacts. If historic or archaeological materials are uncovered, Royale will suspend all operations that might further disturb such materials and immediately contact the State Historical Preservation Office "SHIPO".

4. A Class III cultural resource inventory of the proposed Trail Canyon #2-1 location and its related 5 mile-long access road has been completed. The report will be filed with SHIPO and SITLA-State Office.

- B. The operator will, control noxious weeds along right-of-way for roads, pipelines, wellsites or other applicable facilities.

Prepared by:

Date: March 23, 2007



Eric Noblitt, Agent  
2275 Logos CT. #B-1  
Grand Junction, CO. 81505  
Phone: (970) 245-3951  
Fax: (970)245-3951  
enoblitt@bresnan.net

**LESSEE'S OR OPERATORS REPRESENTATIVE & CERTIFICATION**

**1. LESSEE'S OR OPERATORS REPRESENTATIVE**

Glenn Donaldson  
Chief Engineer  
Royale Energy, Inc.  
7676 Hazard Center Drive, Suite 1500  
San Diego CA 92108  
Phone: (619) 881-2870  
Fax (619) 881-2876  
drilling@royl.com

Eric Noblitt, Agent  
Energy Operating Company  
2275 Logos CT. #B-1  
Grand Junction, CO. 81505  
Phone: (970) 245-3951  
Fax: (970) 245-3951  
[enoblitt@bresnan.net](mailto:enoblitt@bresnan.net)

**2. CERTIFICATION**

I hereby certify that I or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements in the Plan are, to the best of my knowledge, true and correct; that the work associated with the operations proposed herein will be performed by Royale Energy, Inc. and it's contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

Please be advised that Royale Energy Inc. is considered to be the operator of the Trail Canyon 2-1 located in the SWNE Sec.1-TWP.16S-RNG 21E, Grand County, Utah. State Lease ML-47218. Royale Energy Inc. will be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by:

American Contractors Indemnity Company  
9841 Airport BLVD. 9<sup>th</sup> Floor  
Los Angeles, CA. 90045

Type of Bond: Statewide Oil and Gas  
Bond Amount: \$120,000.00  
Bond Number.: 291395

  
Eric Noblitt, Agent

3-26-2007  
Date

# ROYALE ENERGY, INC.

Lease # ML-47218

Moon Canyon Unit

Trail Canyon 2-1

Multi-Pad Vertical Well

SW/4NE/4; Section 1, Township 16 South, Range 21 East, SLM  
Grand County, Utah

## ***DRILLING PLAN***

### ***General***

NOTE: This well is to be drilled as a tight hole. Unauthorized personnel are not to be allowed on rig floor. All information is to be kept confidential.

Surface Location: 1528' FNL' and 2627' FEL  
SWNE; Sec.1-T16S-R21E, SLM  
Grand County, Utah

Bottomhole Location: Same

Proposed Total Depth: 11,000' TVD

Elevation: 7192' Ground Level (Ungraded)

Drilling Contractor: Yet to be determined

### ***Drilling Procedure***

#### **Location**

- 1) Build location, dig and line reserve pit as per pad layout specifications. Pit will be lined with a 12mil liner.

#### **Surface Hole**

- 1) Move in and rig up air drilling rig.
- 2) Drill a 12-1/4" surface hole to 2000' with air. Notify State of Utah DOGM as to cementing of surface casing.
- 3) Circulate and condition as required. Trip out of hole.
- 4) Run and cement 2000' of 9-5/8", 36#, K-55, ST&C, 8rd casing and as per cement recommendation. If cement returns to surface are not obtained, run 1" pipe in casing/hole annulus and top out w/ neat cement. Wait 8 hrs on cement.
- 5) Weld on 11" X 5,000 PSI flanged casing head.
- 6) Rig down and move off surface hole drilling rig.

Intermediate Hole

- 1) MIRU rotary rig. Notify State of Utah DOGM as to BOP/CSG pressure test. Nipple up and pressure test BOPE and 9-5/8" casing to 70% internal yield of 9-5/8" csg.
- 2) Mud up. Trip in hole w/ 8-3/4" bit. Drill out float collar and guide shoe
- 3) Drill 8-3/4" intermediate hole from base of surface casing to 6,500' (or 200'+/- into Mancos)
- 4) Condition hole as per mud program. Run openhole logs as per logging program.
- 5) Trip in hole w/ bit and drill string. Condition hole for running pipe.
- 6) Run and cement 7" 23# N-80 production casing according to cement recommendation.
- 7) Pressure test 7" casing string to 1,500 psi for thirty (30) minutes.
- 8) Drill out 7" intermediate casing with 6-1/4" bit.
- 9) Well will be drilled to a depth of 11,000'
- 10) At T.D., condition hole for running openhole logs as per mud program.
- 11) Run openhole logs as per logging program.

***Decision Point: Producible/Dryhole***

**Producible**

- 1) Trip in hole w/ bit and drill string. Condition hole for running pipe. Trip out of hole laying down drill- pipe and collars. Notify DOGM as to running and cementing of longstring.
- 2) Run and cement 4-1/2" production casing according to cement recommendation.

**Dryhole**

- 1) Notify State of Utah DOGM and receive plugging orders. Trip in hole open ended and plug well as per DOGM orders.
- 2) Release drilling rig. Reclaim location.

**Estimated Tops of Geological Markers**  
(From Ungraded GL)

<b>Formation</b>	<b>Tops</b>
Green River	Surface
Main Mancos	6,400
Dakota Silt	9,900
Entrada	10,800
<b>TD</b>	<b>11,000</b>

**Estimated Depths of Anticipated Water, Oil, Gas or Mineral Formations**  
(From Ungraded GL)

<b>Formation</b>	<b>Top</b>	<b>Possible Formation Content</b>
Dakota Sandstone	10,000'	gas
Cedar Mountain	10,100'	gas
Morrison	10,200'	gas or water
Entrada	10,800'	gas or water

**Pressure Control Equipment**

- 1) Type: 11" X 5,000 psi WP, double-gate BOP and 11" X 5,000 psi WP annular BOP with hydraulic closing unit. *See schematic #1*

The blowout preventer will be equipped as follows:

- 1) One set of blind rams
- 2) One set of pipe rams
- 3) Drilling spool with two side outlet ( choke side: 3" minimum and kill side 2" minimum )
- 4) Kill line: Two-inch minimum
- 5) Two kill line valves, one of which will be a check valve ( 2" minimum )
- 6) Choke line: Three-inch minimum.
- 7) Two choke line valves: Three-inch minimum.
- 8) One manually operated choke: Three-inch minimum.
- 9) Pressure gauge on choke manifold.
- 10) Upper kelly cock with handle readily available.
- 11) Full opening internal blowout preventer or drill pipe safety valve able to fit all connections.
- 12) Fill-up line to be located above uppermost preventer.

- 2) PRESSURE RATING: 5,000 PSI

- 3) TESTING PROCEDURE

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the approved BOP stack. (if isolated from the surface casing by means of a test plug) or 70% of the internal yield strength of the surface casing (if not isolated from the surface casing by means of a test plug). Pressure will be maintained for a period of at least ten minutes or until requirements of the test are met, whichever is longer.

At a minimum, this pressure test will be performed:

- 1) When the BOP is initially installed
- 2) Whenever any seal subject to test is broken.
- 3) Following related repairs.
- 4) At thirty day intervals.

In addition to the above, the pipe rams will be activated daily, and the blind rams will be activated on each trip (but not more frequently than once each day). All BOP tests and drills will be recorded in the IADC Driller's Log (tour sheet)

5) CHOKE MANIFOLD EQUIPMENT:

All choke lines will be straight lines, unless turns use tee-blocks, or are targeted with running tees.

These lines will be anchored to prevent whip and vibration. *See schematic #1*

6) ACCUMULATOR:

The accumulator will have sufficient capacity to close all rams (plus the annular preventer, if applicable) and maintain a minimum of 200 psi above the precharge pressure without the use of the closing-unit pumps. The fluid reservoir capacity will be double the accumulator capacity and the fluid level will be maintain at the manufacturer's recommendation. The BOP system will have two independent power sources to close preventers. Nitrogen bottles (three minimum) will be considered one of these sources and will maintain a charge equal to the manufacturer's specifications.

The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits of manufacturer's specifications.

7) MISCELLANEAUS INFORMATION:

The blowout preventer and related pressure-control equipment will be installed, tested, and maintained in compliance with the specifications in and requirements of DOGM's Drilling and Operating Practices #R649-3-7. The choke manifold and BOP extension rods will be located outside the rig sub-structure.

The hydraulic BOP closing unit will be located at least twenty-five feet from the wellhead, but will be readily accessible to the driller. Exact location and configuration of the hydraulic BOP closing unit will depend upon the particular drilling rig contracted to drill this hole.

### Casing and Cementing Programs

#### PROPOSED CASING DESIGN

<i>Size</i>	<i>Interval</i>	<i>Length</i>	<i>Description</i>
9-5/8"	0' – 2,000'	2,000'	36#, K-55, STC
7"	0' – 6,500'	6,500'	23#, N-80, LTC
4-1/2"	0'- 11,000'	11,000'	11.60# P-110, LTC

A regular guide shoe and insert float will be run on the bottom and top of the first joint on casing. The guide shoe and float collar will be made up with A.P.I. thread locking compound. On 4-1/2" casing, a stop ring and centralizer will be run in the middle of the shoe joint. Centralizers will be ran 1 joint above float and across all potential pay zones.

NOTE: Casing strings will be pressure tested to 0.22 psi/ft of casing string depth, or 1,500 psi, whichever is greater ( not to exceed 70 % of the internal yield strength of the casing ) after cementing and prior to drilling out from under the casing shoe.

#### PROPOSED CEMENTING PROGRAM

<u>Casing / Hole Size</u>	<u>Cement Slurry</u>	<u>SX</u>	<u>PPG</u>	<u>Yield</u>
9-5/8" / 12-1/4"	Tail: Class "G" w/ 2% CaCl <sub>2</sub> & 0.25 PPS Flocele ( 100% excess )	1200	15.8	1.17

Casing Equipment: 1 – Regular Guide Shoe  
 1 – Insert float collar

NOTE: Precede cement w/ 50 bbls of fresh water. Have 100 sx "neat" cement on location and 1" line pipe to pump a cement top job if cement is not circulated to surface and/or cement falls back. All waiting-on –cement times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

<u>Casing / Hole Size</u>	<u>Cement Slurry</u>	<u>SX</u>	<u>PPG</u>	<u>Yield</u>
7" / 8-3/4"	50/50 Pozmix w/.25 PPS Flocele (30% excess)	875	14.2	1.26

This section of hole may be two staged cemented if loss circulation is encountered.



### **Evaluation Program**

MUDLOGGING: Drilling samples will be caught every 20' from 2000' to 10,000'. Mudloggers will be on location and rigged up before drilling out surface casing. 10' samples will be caught from 10,000' to T.D. or as directed by wellsite geologist.

OPENHOLE LOGGING: 6500 –2000' – CNL/FDC w/ XY caliper and DLL  
11,000 –6500' – CNL/LDT w/ XY caliper and DLL

DRILLSTEM TESTING: None anticipated.

CORING: None anticipated.

STIMULATION: All prospective zones will be perforated, flow tested and evaluated to determine if acidizing and/or fracturing is required. The drill site will be of sufficient size to accommodate all completion operations.

The proposed Evaluation Program may change at the discretion of the well site drilling supervisor and geologist with the approval of the DOGM.

One copy of all logs, core descriptions, core analyses, DST test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during drilling, workover, and/or completion operations will be filed on form #8. Samples (cuttings, fluids, and/or gases) will be submitted when requested by DOGM.

### **Anticipated Bottomhole Pressure**

A bottomhole pressure of 3850 psi (.35 gradient) is anticipated at total depth (11,000')

### **ABNOMAL CONDITIONS:**

No abnormal temperature or pressures are anticipated in the drilling of the Trail Canyon #2-1.

### **Anticipated Starting Date and Miscellaneous**

1) ANTICIPATED STARTING DATE:	Location Construction	September 15, 2007
	Spud Date	October 1, 2007
	Drilling Days	30 days
	Completion Days	14 days

2) MISCELLANEOUS

There will be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices will be observed.

All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with R649-3-5. There will be a sign or marker with the name of the operator, lease serial number, well name and number and survey description of the well.

Any changes in operation must have prior approval from the DOGM. Pressure test will be performed before drilling out from under of all casing strings set and cemented in place. Blowout preventers controls will remain in use until the well is either completed or abandoned. Preventers will be inspected and operated at least daily to insure good mechanical working order, and inspection will be recorded on the daily drilling report. All BOP test will be recorded on the daily drilling report.

The spud date will be orally reported to the DOGM twenty-four (24) hours after spudding. If spudding occurs on a weekend or holiday, this report will be called in on the next regular work day following spudding of the well.

In accordance with R649-3-6, this well will be reported on form #6, *Entity Action Form*, starting within five working days of spudding the well.

All undesirable events ( fires, accidents, blowouts, spills, discharges ) as specified in R649-3-32 will be reported to the DOGM Office. Major events will be reported verbally within twenty-four (24) hours and will be followed with a written report within five (5) days.

No well abandonment operations will be commenced without the prior approval of the DOGM. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Division. A *Notice of Intention to Abandon* (Form #9) will be filed with the Division within five (5) days following the granting of oral approval to plug and abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with R649-3-25(7). The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welder: Company Name and Number, Location by Quarter/Quarter, Section, Township, Range and State Lease Number.

A *Subsequent Report of Abandonment* (Form #9) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate cement type and volumes, where plugs were placed, casing left in hole, statement of mud volumes used and the current status of surface restoration operations.

Pursuant to *R649-3-19*, operator will conduct a stabilized production test of at least 24 hours no later than fifteen (15) days following the completion of well. Lessees and operators are authorized to vent/flare gas during first calendar month after initial well evaluation tests and/or the production of three (3) MMCF of gas, whichever occurs first. An application must be filed with the DOGM, and approval received, for any venting /flaring of gas beyond the initial thirty (30) day or otherwise authorized test period.

Pursuant to *R649-2-1*, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner as to conserve the natural resources of oil and gas in the state, to protect human health and the environment, to prevent waste, to protect the correlative rights of all owners and to realize the greatest ultimate recovery of oil and gas.

Date:

March 23, 2007

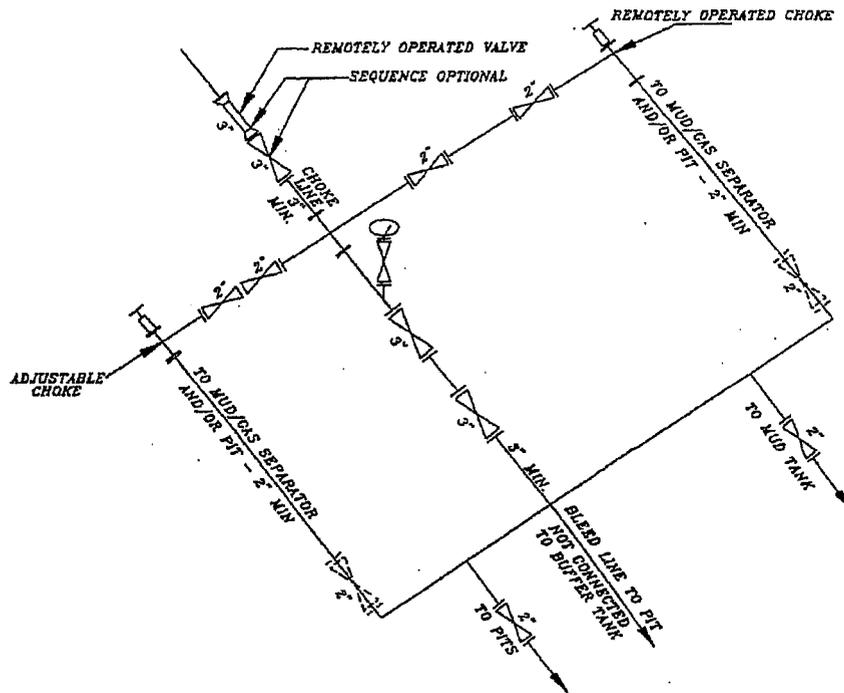
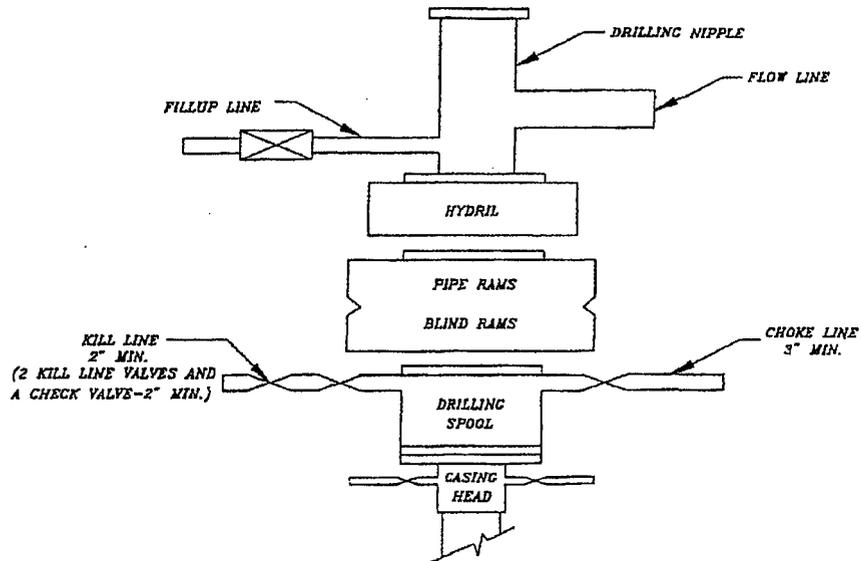
Prepared by:



---

Eric Noblitt, Agent  
Royale Energy, Inc.

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



STATE OF UTAH -- DIVISION OF WATER RIGHTS -- DATA PRINT OUT for t31712(49-123)

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 03/23/2007 Page 1

CHANGE: t31712 WATER RIGHT: 49-123 CERT. NO.: AMENDATORY? No

BASE WATER RIGHTS: 49-123

RIGHT EVIDENCED BY: 49-123(A8815)

CHANGES: Point of Diversion [ ], Place of Use [X], Nature of Use [X], Reservoir Storage [ ]

NAME: Burt and Christine DeLambert  
 ADDR: P. O. Box 607  
 Vernal UT 84078  
 INTEREST: 100% REMARKS:

FILED: 07/11/2006 PRIORITY: 07/11/2006 ADV BEGAN: ADV ENDED: NEWSPAPER: No Adv Required  
 ProtestEnd: PROTESTED: [No ] HEARNG HLD: SE ACTION: [Approved] ActionDate:07/17/2006 PROOF DUE:  
 EXTENSION: ELEC/PROOF:[ ] ELEC/PROOF: CERT/WUC: LAP, ETC: 08/01/2007 PROV LETTER:  
 RENOVATE: RECON REQ: TYPE: [ ]

Status: Approved

\*\*\*\*\* HERETOFORE \*\*\*\*\*  
 \*\*\*\*\* HEREAFTER \*\*\*\*\*

FLOW: 0.9034 cfs	FLOW: 20.0 acre-feet
SOURCE: A Spring Branch in Main Canyon	SOURCE: Unnamed Spring
COUNTY: Uintah	COUNTY: Uintah COM DESC: Main Canyon-Book Cliffs
	Water will be pumped into trucks and hauled to place of use.

POINT(S) OF DIVERSION -----> | SAME AS HERETOFORE

Point Surface: |  
 (1) N 2870 ft E 16 ft from SW cor, Sec 32, T 15S, R 23E, SLBM |  
 Dvrting Wks: Earth & Brush Dam |  
 Source: |

PLACE OF USE -----> | CHANGED as follows:

	--NW--	--NE--	--SW--	--SE--
Sec 30 T 15S R 23E SLBM	*	:	:	:
Sec 31 T 15S R 23E SLBM	*	:	:	:

	--NW--	--NE--	--SW--	--SE--
ALL T 15S R 23E SLBM	*	:	:	:
ALL T 15S R 24E SLBM	*	:	:	:
ALL T 16S R 23E SLBM	*	:	:	:
ALL T 16S R 24E SLBM	*	:	:	:

NATURE OF USE -----> | CHANGED as follows:

SUPPLEMENTAL to Other Water Rights: No | SUPPLEMENTAL to Other Water Rights: No

IRR: 64.0400 acs Sol/Sup: acs USED 03/01 - 10/31 |

OTH: OIL EXPLORATION: drilling and USED 08/01 - 07/31 |  
 completion of oil/gas wells in South Book Cliffs-8/1/06-7/31 |

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 4A

Bond No. 291395

Premium: \$6,000.00

**SURETY BOND**

**KNOW ALL MEN BY THESE PRESENTS:**

That we (operator name) ROYALE ENERGY INC as Principal,  
and

(surety name) AMERICAN CONTRACTORS INDEMNITY COMPANY as Surety, duly authorized  
and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

ONE HUNDRED TWENTY THOUSAND AND NO/100THS dollars (\$ \$120,000.00 )  
lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and  
benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and  
severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, re-drilling, deepening,  
repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of  
oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

- Blanket Bond: To cover all wells drilled in the State of Utah
- Individual Bond: Well No: \_\_\_\_\_  
Section: \_\_\_\_\_ Township: \_\_\_\_\_ Range: \_\_\_\_\_  
County: \_\_\_\_\_, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and  
requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells  
and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized  
officers and its corporate or notary seal to be affixed this

14<sup>th</sup> day of June, 2006

(Corporate or Notary Seal here)

Attestee: \_\_\_\_\_ Date: \_\_\_\_\_

ROYALE ENERGY INC  
Principal (company name)

By Donald H. Hosmer, President  
Name (print) Title

[Signature]  
Signature

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal  
to be affixed this

8<sup>TH</sup> day of JUNE, 2006

(Corporate or Notary Seal here)

Attestee: \_\_\_\_\_ Date: \_\_\_\_\_

AMERICAN CONTRACTORS INDEMNITY COMPANY  
Surety Company (Attach Power of Attorney)

By CARLA M. ALLEN ATTORNEY-IN-FACT  
Name (print) Title

[Signature]  
Signature

1081 Camino Del Rio South, Suite 107  
Surety Mailing Address

San Diego CA 92108  
City State Zip

**ROYALE ENERGY, INC.**  
**TRAIL CANYON #2-1 & #1-1**  
 LOCATED IN GRAND COUNTY, UTAH  
 SECTION 1, T16S, R21E, S.L.B.&M.

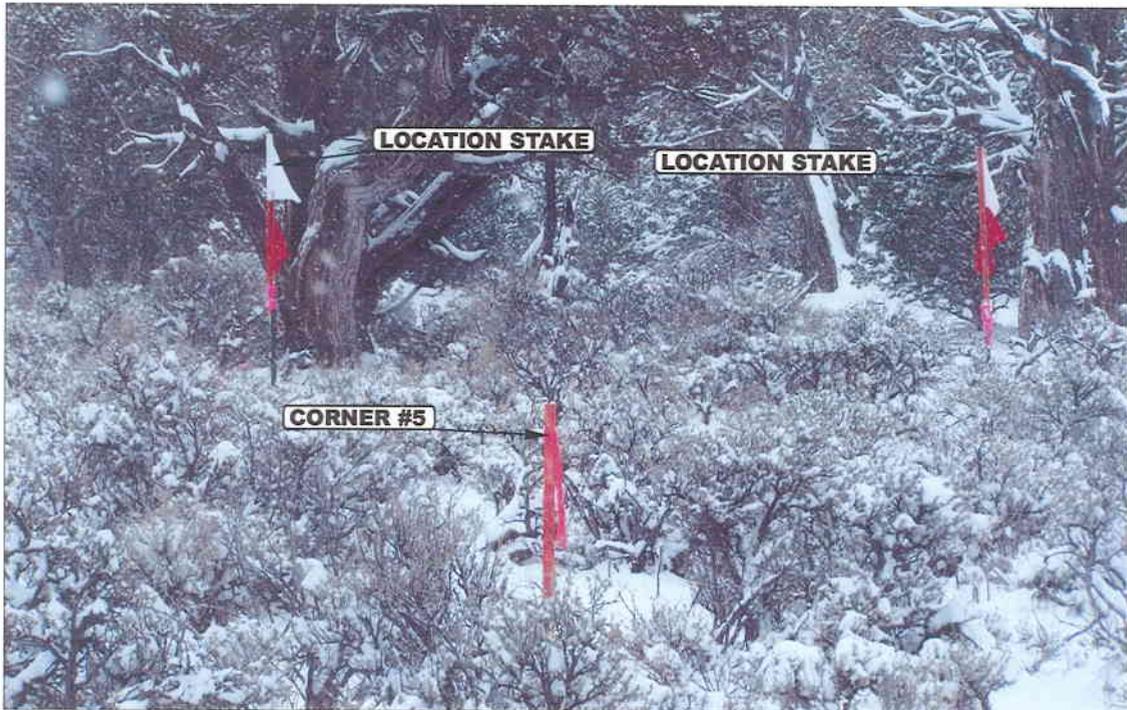


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKES

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

**UELS** Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 435-789-1017 uels@uelsinc.com

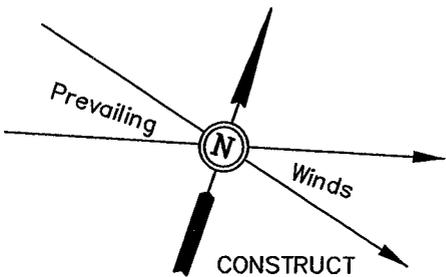
<b>LOCATION PHOTOS</b>	<b>11</b>	<b>30</b>	<b>06</b>	<b>PHOTO</b>
	MONTH	DAY	YEAR	
TAKEN BY: D.R.	DRAWN BY: C.P.		REVISED: 00-00-00	

ROYALE ENERGY, INC.

FIGURE #1

LOCATION LAYOUT FOR

TRAIL CANYON #2-1 & #1-1  
SECTION 1, T16S, R21E, S.L.B.&M.  
SW 1/4 NE 1/4



SCALE: 1" = 50'  
DATE: 11-30-06  
Drawn By: C.H.

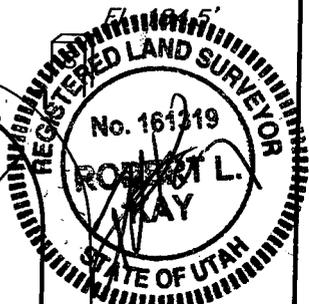
CONSTRUCT DIVERSION DITCH

Approx. Top of Cut Slope

C-5.9' El. 196.7'

C-3.2' El. 194.0' Topsoil Stockpile

F-6.3' El. 190.5'



NOTE:  
Flare Pit is to be located a min. of 100' from the Well Head.

Sta. 3+35

Round Corners as Needed



PIPE TUBS

PIPE RACKS

Reserve Pit Backfill & Spoils Stockpile

El. 205.0'  
C-24.2' (btm. pit)

Pit Topsoil

CATWALK

C-1.4' El. 192.2'

F-7.9' El. 182.9'

Sta. 1+60

C-0.7' El. 191.5'

TOILET

TRAILER

RESERVE PITS (10' Deep)

LIGHT PLANT

BOILER

COMPRESSOR

BOOSTER

WATER TANK

Approx. Toe of Fill Slope

MUD TANKS

PUMP HOUSE

Sta. 0+50

C-3.6' El. 194.4'

TRASH

PROPANE STORAGE

Sta. 0+00

10' WIDE BENCH

155'

Total Pit Capacity W/2' of Freeboard = 18,030 Bbls. ±  
Total Pit Volume = 4,950 Cu. Yds.

1 1/2:1 Slope

El. 200.7'

C-19.9' (btm. pit)

C-2.2' El. 193.0'

Reserve Pit Backfill & Spoils Stockpile

NOTES:

Elev. Ungraded Ground At Loc. Stake = 7192.2'

FINISHED GRADE ELEV. AT LOC. STAKE = 7190.8'

C-2.2' El. 193.0'

C-0.5' El. 191.3'

Proposed Access Road

F-7.9' El. 182.9'

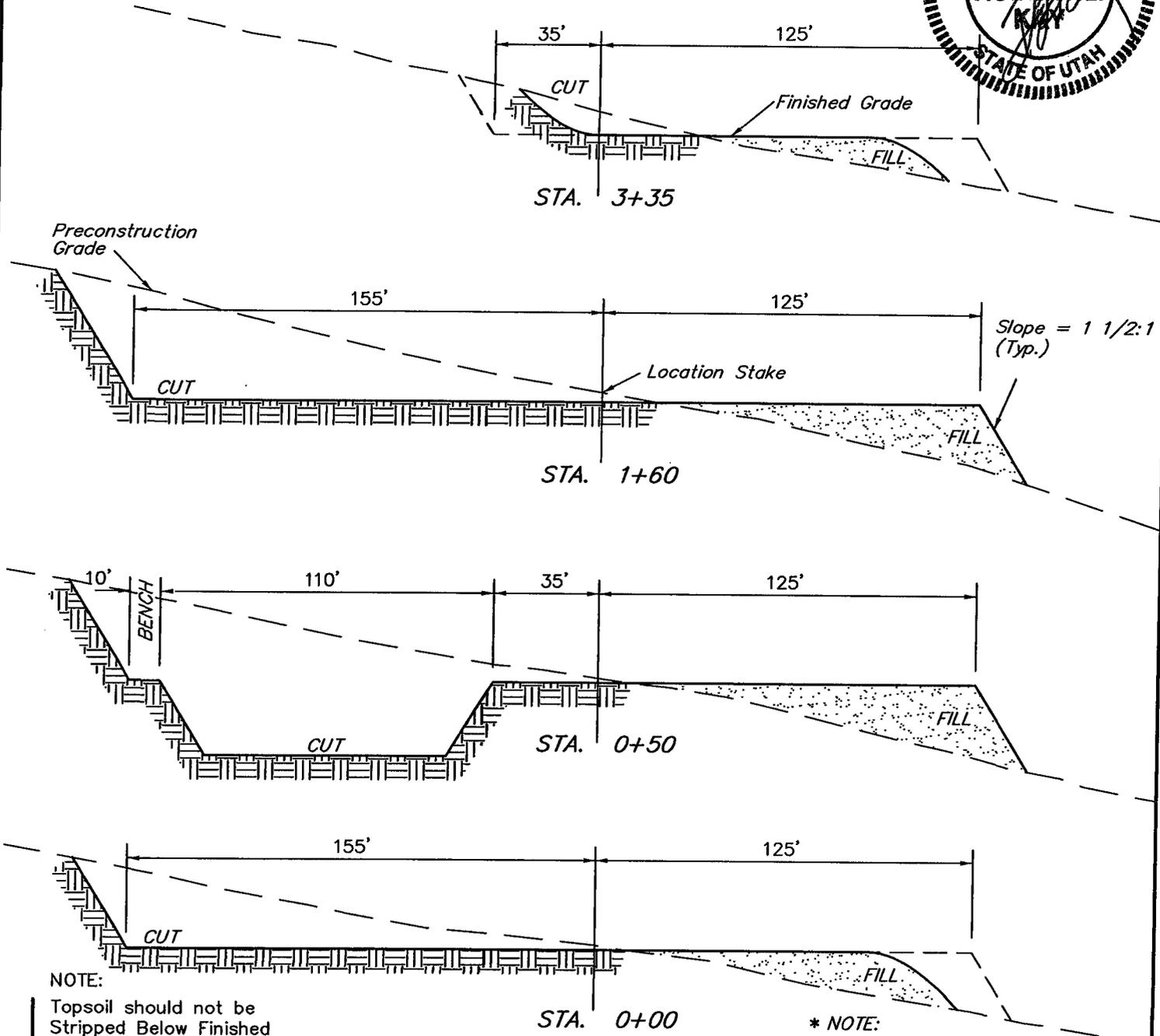
ROYALE ENERGY, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR  
 TRAIL CANYON #2-1 & #1-1  
 SECTION 1, T16S, R21E, S.L.B.&M.  
 SW 1/4 NE 1/4

1" = 20'  
 X-Section Scale  
 1" = 50'

DATE: 11-30-06  
 Drawn By: C.H.



NOTE:  
 Topsoil should not be Stripped Below Finished Grade on Substructure Area.

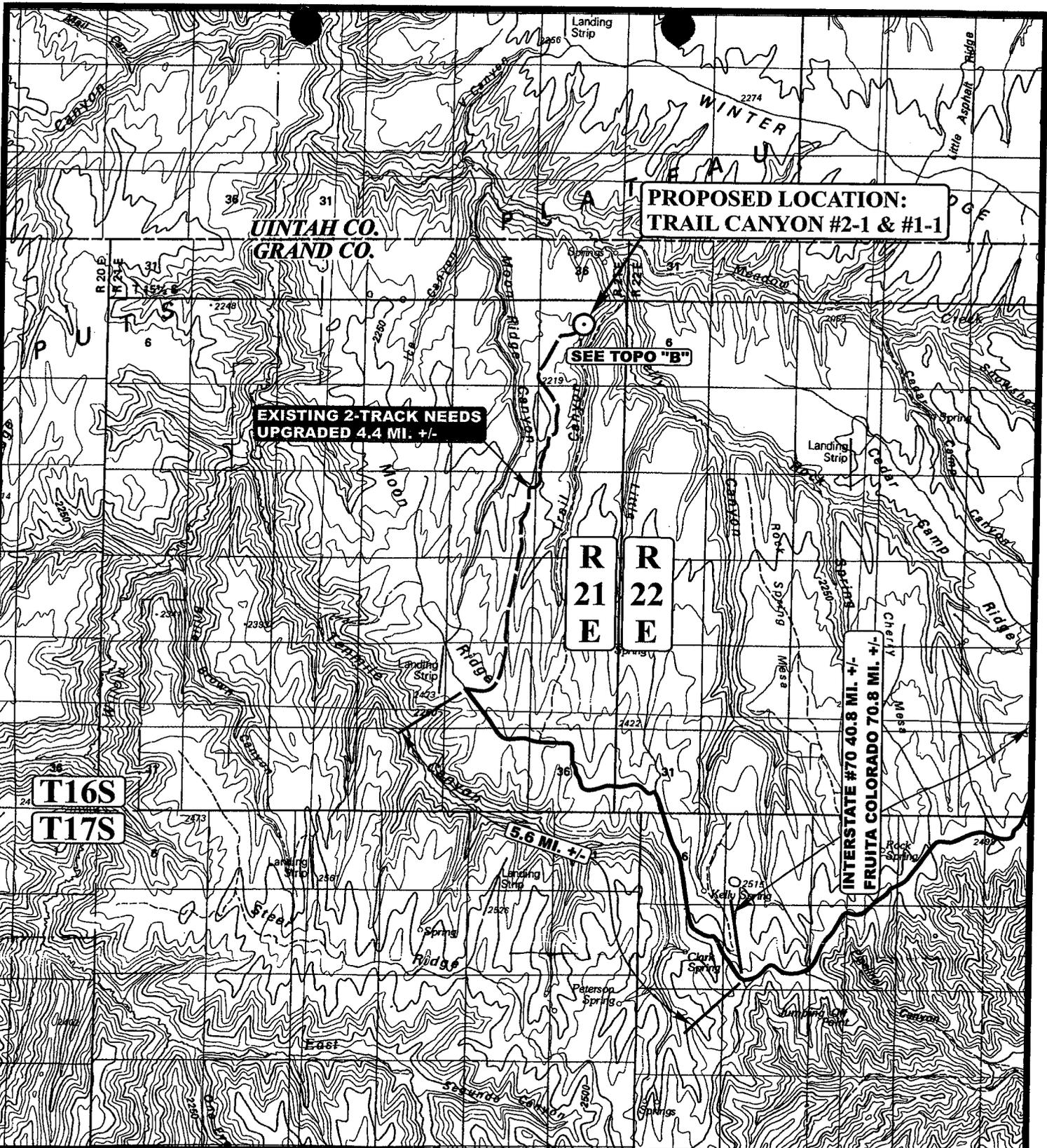
\* NOTE:  
 FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,730 Cu. Yds.
Remaining Location	= 12,980 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 14,710 CU.YDS.</b>
<b>FILL</b>	<b>= 7,090 CU.YDS.</b>

EXCESS MATERIAL	= 7,620 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,210 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 3,410 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING  
 85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017



**PROPOSED LOCATION:  
TRAIL CANYON #2-1 & #1-1**

**EXISTING 2-TRACK NEEDS  
UPGRADED 4.4 MI. +/-**

**R  
21  
E**

**R  
22  
E**

**T16S**

**T17S**

**INTERSTATE #70 40.8 MI. +/-**

**FRUITA COLORADO 70.8 MI. +/-**

**5.6 MI. +/-**

**LEGEND:**

○ PROPOSED LOCATION



**ROYALE ENERGY, INC.**

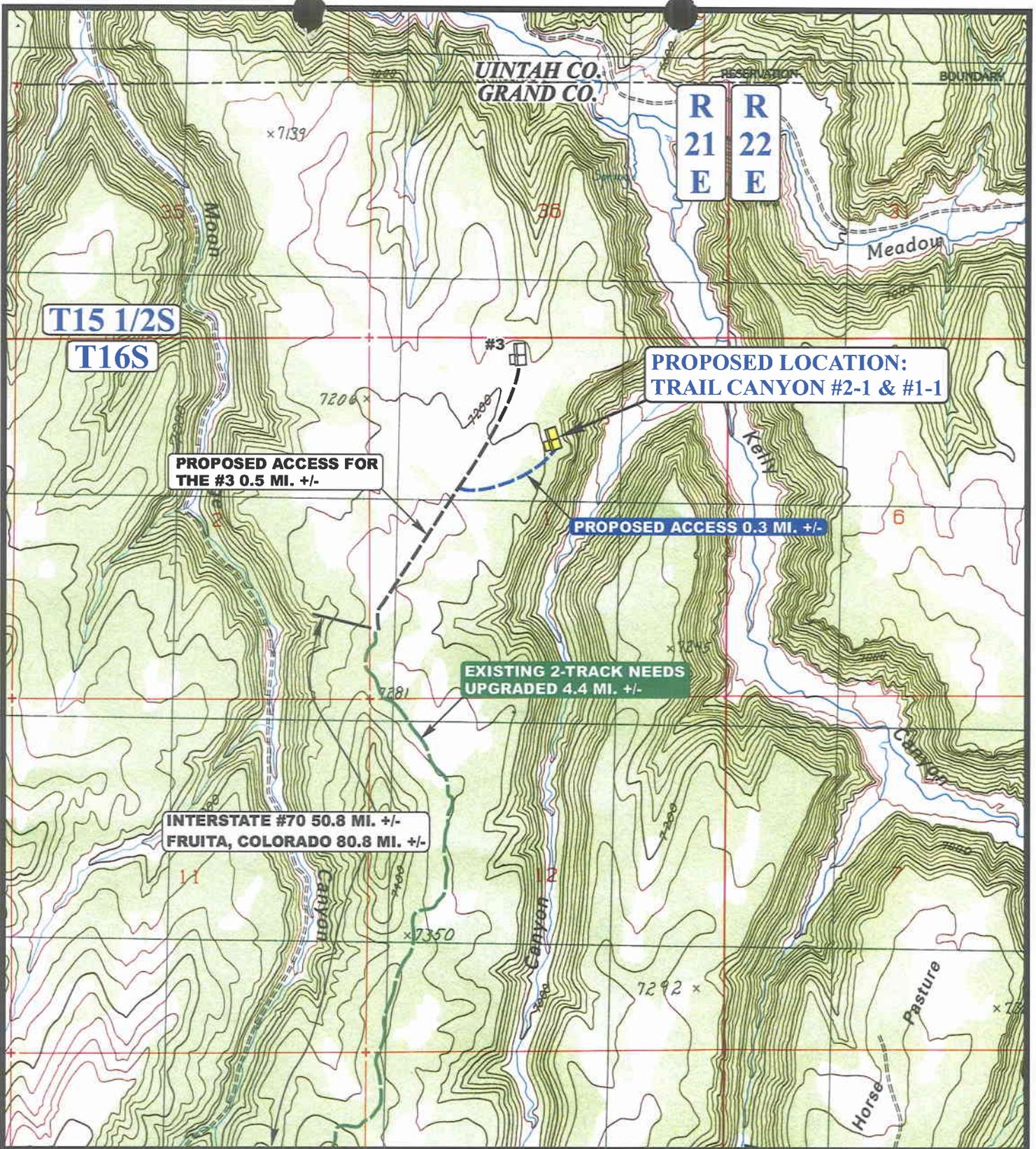
**TRAIL CANYON #2-1 & #1-1**  
**SECTION 1, T16S, R21E, S.L.B.&M.**  
**SW 1/4 NE 1/4**



**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 11 30 06  
**MAP** MONTH DAY YEAR  
 SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD
-  EXISTING 2-TRACK NEEDS UPGRADED



**ROYALE ENERGY, INC.**

**TRAIL CANYON #2-1 & #1-1**  
**SECTION 1, T16S, R21E, S.L.B.&M.**  
**SW 1/4 NE 1/4**

**U E I S** Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 11 30 06  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00 **B**  
 TOPO

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 03/28/2007

API NO. ASSIGNED: 43-019-31532
--------------------------------

WELL NAME: TRAIL CYN 2-1  
 OPERATOR: ROYALE ENERGY, INC. ( N2465 )  
 CONTACT: ERIC NOBLITT

PHONE NUMBER: 619-881-2800

PROPOSED LOCATION:

SWNE 01 160S 210E  
 SURFACE: 1528 FNL 2627 FEL  
 BOTTOM: 1528 FNL 2627 FEL  
 COUNTY: GRAND  
 LATITUDE: 39.44786 LONGITUDE: -109.5510  
 UTM SURF EASTINGS: 624680 NORTHINGS: 4367271  
 FIELD NAME: WILDCAT ( 1 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	4/18/07
Geology		
Surface		

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-47218  
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: ENRD  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 291395 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. T31712 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- \_\_\_ R649-2-3.
- Unit: MOON CANYON
- \_\_\_ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- \_\_\_ Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- \_\_\_ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (04-03-07)

STIPULATIONS:

1- Spacing Strip  
2- STATEMENT OF BASIS

T15.5S R21E

T15.5S R22E

T16S R21E

T16S R22E

MOON CYN 3

TRAIL CYN 2-1  
TRAIL CYN 1-1

BHL  
1-1

### MOON CANYON UNIT

OPERATOR: ROYALE ENERGY (N2465)

SEC: 1 T.16S R. 21E

FIELD: WILDCAT (001)

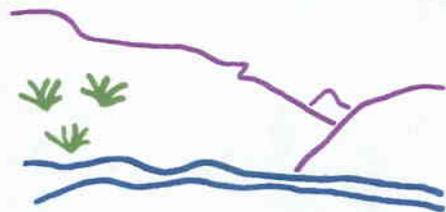
COUNTY: GRAND

SPACING: R649-3-3 / EXCEPTION LOCATION

- Field Status**
- ABANDONED
  - ACTIVE
  - COMBINED
  - INACTIVE
  - PROPOSED
  - STORAGE
  - TERMINATED

- Unit Status**
- EXPLORATORY
  - GAS STORAGE
  - NF PP OIL
  - NF SECONDARY
  - PENDING
  - PI OIL
  - PP GAS
  - PP GEOTHERML
  - PP OIL
  - SECONDARY
  - TERMINATED

- Wells Status**
- GAS INJECTION
  - GAS STORAGE
  - LOCATION ABANDONED
  - NEW LOCATION
  - PLUGGED & ABANDONED
  - PRODUCING GAS
  - PRODUCING OIL
  - SHUT-IN GAS
  - SHUT-IN OIL
  - TEMP. ABANDONED
  - TEST WELL
  - WATER INJECTION
  - WATER SUPPLY
  - WATER DISPOSAL
  - DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON  
DATE: 29-MARCH-2007

# Application for Permit to Drill

## Statement of Basis

4/11/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
358	43-019-31532-00-00		GW	S	No
<b>Operator</b>	ROYALE ENERGY, INC.		<b>Surface Owner-APD</b>		
<b>Well Name</b>	TRAIL CYN 2-1		<b>Unit</b>		
<b>Field</b>	UNDESIGNATED		<b>Type of Work</b>		
<b>Location</b>	SWNE 1 16S 21E S 1528 FNL 2627 FEL GPS Coord (UTM) 624680E 4367271N				

### Geologic Statement of Basis

A well at this location will spud into the Tertiary age lower part of the Parachute Creek Member of the Green River Formation. A poorly to moderately permeable soil is developed on the Parachute Creek Member of the Green River Formation. The Parachute Creek Member is regarded as an aquifer in the Uinta Basin and is likely to contain a high quality ground water resource. In addition, the Wasatch Formation (Wasatch Aquifer) is closely subjacent. The base of moderately saline ground water is found at approximately 2,800', Total Depth (TD). The Operator proposes to set 9 5/8" surface casing at 2,000' TD and 7" intermediate casing at 6,500' TD. According to the proposed cementing program they will cement the surface casing up to the surface, including one-inching to surface if needed. It is recommended that the cement program for the intermediate casing include a requirement for cementing to 100' above the base of the surface casing (~1900"TD) in order to isolate the low quality water from the high quality water above. No underground water rights exist within a mile of the location.

Chris Kierst  
APD Evaluator

4/11/2007  
Date / Time

### Surface Statement of Basis

On-site evaluation conducted April 3, 2007. Participants included:

Bart Kettle (Division of Oil, Gas and Mining), Ben Williams (Division of Wildlife Resources), Jim Davis (School and Institutional Trust Land Administration), Eric Noblitt (Agent for Royale), Glen Donaldson (Royale) and Ron Glendive (Halliburton).

Due to resource damage resulting from drilling activities conducted during spring thaw on the Bookcliff divide in previous years, it is recommended that drilling be avoided during the months of February through April. DWR recommending that access road be moved in to the Pinyon/Juniper trees. Reserve pit should be fenced on all four sides upon the removal of the drilling rig to prevent entrapment of wildlife, livestock and wild horses.

Bart Kettle  
Onsite Evaluator

4/3/2007  
Date / Time

### Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
Pits	Drainages adjacent to the proposed pad shall be diverted around the location.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

**Operator** ROYALE ENERGY, INC.  
**Well Name** TRAIL CYN 2-1  
**API Number** 43-019-31532-0      **APD No** 358      **Field/Unit** UNDESIGNATED  
**Location:** 1/4,1/4 SWNE      **Sec** 1      **Tw** 16S      **Rng** 21E      1528 FNL 2627 FEL  
**GPS Coord (UTM)**      **Surface Owner**

### Participants

Bart Kettle (DOG M), Ben Williams (DWR), Jim Davis (SITLA), Eric Noblitt (Agent for Royale), Glen Donaldson (Royale) and Ron Glendive (Halliburton)

### Regional/Local Setting & Topography

Project site is 60 miles northwest of Fruita Colorado in Grand County Utah. The project site is located near the Bookcliffs divide on the north side above Meadow Creek in a 14-16" precept zone. Pinyon/Juniper rangelands dominate the surroundings. Many deep rocky pinyon/juniper, Douglas fir and mountain browse canyons surround the well site. Topography to the south rises to the Bookcliff divide, and then drops off quickly into a narrow band of P/J woodlands, with extensive salt scrub clay flats in the Grand Valley below. Slopes are more gradual to the north, with extensive P/J woodland eventually giving way to the salt scrub communities bordering the White and Green Rivers. Project site is located towards the end of a long mesa overlooking the Meadow Creek drainage. No perennial water was observed during the on-site inspection, however Meadow Creek, a perennial stream, is located within 1/2 mile of the well site. Drainages in the immediate area are ephemeral in nature. Perennial and intermittent springs are shown on 7.5 min maps near the bottom of adjacent canyons. Access to the well site can be gained via the Moon Ridge Road either from V Canyon or the Bookcliff Divide Roads.

### Surface Use Plan

#### **Current Surface Use**

Grazing  
Wildlife Habitat

#### **New Road**

<b>Miles</b>	<b>Well Pad</b>	<b>Src Const Material</b>	<b>Surface Formation</b>
5	<b>Width</b> 280 <b>Length</b> 335	Onsite	GRRV

**Ancillary Facilities** N

### Waste Management Plan Adequate? N

### Environmental Parameters

**Affected Floodplains and/or Wetland** N

#### **Flora / Fauna**

##### Flora

Forbs: Spring parsley, spiny phlox

Grass: Sandburg's blue grass, needle and thread grass, bottle brush squirrel tail, western wheat grass, Indian rice grass, Elk sedge, blue bunch wheat grass, thickspike wheat grass.

Shrubs: Birch leaf mountain mahogany, Wyoming sage

Trees: Two needle pinyon, Utah juniper, Douglas fir.

##### Fauna

Elk, mule deer, black bear, cougar, bobcat, cotton tail rabbits, black tail jack rabbit, pinyon jay, canyon wren, Clarks nutcracker, black capped chickadee, deer mouse. Potential for many species of rodents, song birds, raptors and

reptiles.

**Soil Type and Characteristics**

Orange sandy loam, sandstone fragments

**Erosion Issues Y**

Soils erosive when disturbed

**Sedimentation Issues N**

**Site Stability Issues N**

**Drainage Diversion Required Y**

**Berm Required? N**

**Erosion Sedimentation Control Required? N**

Reseed well pad and top soil as soon as possible to prevent erosion.

**Paleo Survey Run? N    Paleo Potential Observed? N    Cultural Survey Run? N    Cultural Resources?**

**Reserve Pit**

<b>Site-Specific Factors</b>		<b>Site Ranking</b>	
<b>Distance to Groundwater (feet)</b>	>200		0
<b>Distance to Surface Water (feet)</b>	>1000		0
<b>Dist. Nearest Municipal Well (ft)</b>	>5280		0
<b>Distance to Other Wells (feet)</b>	>1320		0
<b>Native Soil Type</b>	Mod permeability		10
<b>Fluid Type</b>	Fresh Water		5
<b>Drill Cuttings</b>	Normal Rock		0
<b>Annual Precipitation (inches)</b>	10 to 20		5
<b>Affected Populations</b>	<10		0
<b>Presence Nearby Utility Conduits</b>	Not Present		0
		<b>Final Score</b>	20    1 <b>Sensitivity Level</b>

**Characteristics / Requirements**

**Closed Loop Mud Required? N    Liner Required? Y    Liner Thickness 12    Pit Underlayment Required? N**

**Other Observations / Comments**

Division of Wildlife Resources (DWR) comments that the project area lies within High value mule deer summer range and critical elk summer range. DWR recommends that Royale move the access road out of the sage brush flat into P/J interface. School and Institutional Trust Lands Administration (SITLA) concerned about impacts of rig traffic on roads during wet season of the year. Recommending Royale avoid drilling during the months of Dec-April. SITLA requesting that if well proves to be a produce pipeline be buried for a bulk of it's length. SITLA recommending a raised bed road surface to prevent excessive erosion, some culverts will be require along the length of the road. Division of Oil, Gas and Mining concerned about impacts caused in the region when operators attempt to drill wells during the spring break up period occurring from Feb. early April. DOGM recommends that Royale be prepared to deal with powdery road conditions and dust problems during the months of May-July.

Bart Kettle  
Evaluator

4/3/2007  
Date / Time



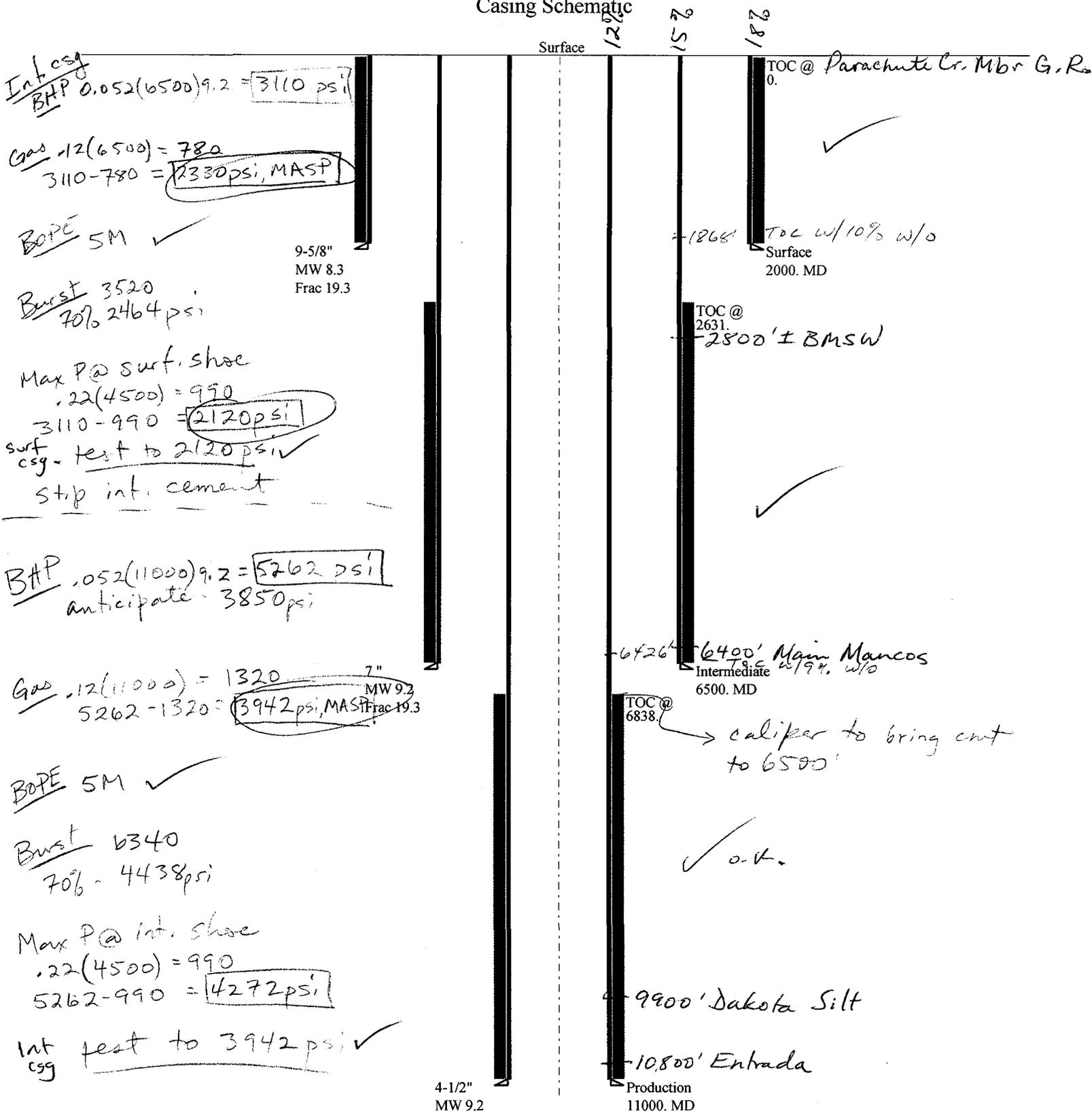
# UTAH DIVISION OF WATER RIGHTS

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# 2007-04 Royale Trail CYN 2-1

## Casing Schematic



Int. csg  
BHP  $0.052(6500)9.2 = 3110 \text{ psi}$

Gas  $.12(6500) = 780$   
 $3110 - 780 = 2330 \text{ psi, MASP}$

BOPE 5M ✓

Burst 3520  
70% 2464 psi

Max P @ surf. shoe  
 $.22(4500) = 990$   
 $3110 - 990 = 2120 \text{ psi}$   
surf. test to 2120 psi ✓  
stip int. cement

BHP  $.052(11000)9.2 = 5262 \text{ psi}$   
anticipate 3850 psi

Gas  $.12(11000) = 1320$   
 $5262 - 1320 = 3942 \text{ psi, MASP}$

BOPE 5M ✓

Burst 6340  
70% 4438 psi

Max P @ int. shoe  
 $.22(4500) = 990$   
 $5262 - 990 = 4272 \text{ psi}$

Int test to 3942 psi ✓

Stip

✓ Adequate ✓ 4/18/07

Well name:	<b>2007-04 Royale Trail CYN 2-1</b>		
Operator:	<b>Royale Energy Inc.</b>	Project ID:	43-019-31532
String type:	Surface		
Location:	Grand County		

**Design parameters:**

**Collapse**

Mud weight: 8.300 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 1,760 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP: 2,000 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

8 Round STC: 1.80 (J)  
 8 Round LTC: 1.80 (J)  
 Buttress: 1.60 (J)  
 Premium: 1.50 (J)  
 Body yield: 1.50 (B)

Tension is based on air weight.  
 Neutral point: 1,754 ft

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 93 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 185 ft

Cement top: Surface

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 6,500 ft  
 Next mud weight: 9.200 ppg  
 Next setting BHP: 3,106 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 2,000 ft  
 Injection pressure: 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	9.625	36.00	K-55	ST&C	2000	2000	8.765	868.1

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	862	2020	2.343	2000	3520	1.76	72	423	5.88 J

Prepared by: Helen Sadik-Macdonald  
 Div of Oil, Gas & Minerals

Phone: 801-538-5357

Date: April 16, 2007  
 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
 Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.3 ppg. The casing is considered to be evacuated for collapse purposes.  
 Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:	<b>2007-04 Royale Trail CYN 2-1</b>		
Operator:	<b>Royale Energy Inc.</b>	Project ID:	43-019-31532
String type:	Intermediate		
Location:	Grand County		

**Design parameters:**

**Collapse**

Mud weight: 9.200 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 156 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 2,631 ft

**Burst**

Max anticipated surface pressure: 2,837 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 4,267 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.  
Neutral point: 5,601 ft

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 11,000 ft  
Next mud weight: 9.200 ppg  
Next setting BHP: 5,257 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 6,500 ft  
Injection pressure: 6,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	6500	7	23.00	N-80	LT&C	6500	6500	6.25	1436.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3106	3830	1.233	4267	6340	1.49	149	442	2.96 J

Prepared by: Helen Sadik-Macdonald  
Div of Oil, Gas & Minerals

Phone: 801-538-5357

Date: April 16, 2007  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
Collapse is based on a vertical depth of 6500 ft, a mud weight of 9.2 ppg. The casing is considered to be evacuated for collapse purposes.  
Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:	<b>2007-04 Royale Trail CYN 2-1</b>		
Operator:	<b>Royale Energy Inc.</b>		Project ID:
String type:	Production		43-019-31532
Location:	Grand County		

**Design parameters:**

**Collapse**

Mud weight: 9.200 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 2,837 psi  
 Internal gradient: 0.220 psi/ft  
 Calculated BHP: 5,257 psi  
  
 No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

8 Round STC: 1.80 (J)  
 8 Round LTC: 1.80 (J)  
 Buttress: 1.60 (J)  
 Premium: 1.50 (J)  
 Body yield: 1.50 (B)

Tension is based on air weight.  
 Neutral point: 9,487 ft

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 219 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 368 ft  
  
 Cement top: 6,838 ft

**Non-directional string.**

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	11000	4.5	11.60	P-110	LT&C	11000	11000	3.875	959.9

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5257	7580	1.442	5257	10690	2.03	128	279	2.19 J

Prepared by: Helen Sadik-Macdonald  
 Div of Oil, Gas & Minerals

Phone: 801-538-5357

Date: April 16, 2007  
 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
 Collapse is based on a vertical depth of 11000 ft, a mud weight of 9.2 ppg. The casing is considered to be evacuated for collapse purposes.  
 Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*



## United States Department of the Interior



### BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov>

IN REPLY REFER TO:

3160

(U-922)

April 17, 2007

Royale Energy, Inc.  
7676 Hazard Center Drive  
Suite 1500  
San Diego, CA 92108

Re: Amendment to 2007 Plan of Development  
Moon Canyon Unit  
Grand and Uintah Counties, Utah

Dear Ms. Hartwell:

We are in receipt of your letter dated February 23, 2007, received April 16<sup>th</sup> 2007, requesting approval of modifications to your 2007 Plan of Development dated February 23, 2007 approved February 27, 2007.

Pursuant to your request and information provided by the Utah Division of Oil, Gas, and Mining the plan is modified as follows:

The Trail Canyon 1-1 will be directionally drilled to the Entrada Formation in Calendar year 2008 at the following location:

43-019-31531 Trail Cyn 1-1 Sec 01 T16S R21E 1542 FNL 2622 FEL  
BHL Sec 01 T16S R21E 2424 FNL 1170 FEL

The Trail Canyon 2-1 will be drilled to the Entrada Formation in Calendar year 2007 at the following location

43-019-31532 Trail Cyn 2-1 Sec 01 T16S R21E 1528 FNL 2627 FEL

If you have any questions regarding this correspondence please contact the undersigned at (801) 539-4042.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael L. Coulthard". The signature is written in a cursive style with a large initial 'M' and a long horizontal stroke at the end.

Michael L. Coulthard  
Petroleum Engineer

AREA CODE 303  
PHONE 220-7772

FAX  
220-7773

## National Fuel Corporation

8400 EAST PRENTICE AVENUE, SUITE 1100  
GREENWOOD VILLAGE, COLORADO 80111-2926



May 9, 2007

Ms. Diana Mason  
Division of Oil, Gas & Mining  
Box 145801  
Salt Lake City, UT 84114-5801

RE: **Exception to Location and Siting of Well – Rule 649-3-3**  
**Royale Energy, Inc. Trail Canyon 2-1**  
**Township 16 South - Range 21 East**  
**Surface Location: Section 1: SWNE (2,627' FEL & 1,528' FNL)**  
**Grand County, Utah**

Dear Ms. Mason:

Pursuant to the Application for Permit To Drill for the Trail Canyon 2-1 submitted by Royale Energy, Inc., please allow this letter to serve that National Fuel Corporation, as 25 percent working interest owner in SITLA Lease ML-47218, supports the above-referenced proposed well location due to topographic constraints.

If you need anything further, please do not hesitate to contact our office.

Sincerely,

National Fuel Corporation

By: *Diane Thompson*  
Diane Thompson  
President

Date: 5/9/2007

**From:** Ed Bonner  
**To:** Mason, Diana  
**Date:** 5/22/2007 5:05 PM  
**Subject:** Well Clearance

**CC:** Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resources clearance by the Trust Lands Cultural Resources Group:

Dominion Exploration & Production, Inc  
LCU 5-36F (API 43 047 38785)

Gasco Production Company  
State 21-32B (API 43 047 39170)  
State 22-32A (API 43 047 39171)  
State 21-32A (API 43 047 39172)

Kerr McGee Oil & Gas Onshore LP  
NBU 1021-29L (API 43 047 39009)  
NBU 1021-29O (API 43 047 39010)  
NBU 1021-29N (API 43 047 39011)  
NBU 1021-29J (API 43 047 39012)  
NBU 1021-29K (API 43 047 39013)  
NBU 1021-29I (API 43 047 39014)  
NBU 1021-29G (API 43 047 39015)  
NBU 1021-29F (API 43 047 39016)  
NBU 1021-29E (API 43 047 39017)  
NBU 1021-29C (API 43 047 39018)  
NBU 1021-29A (API 43 047 39019)  
NBU 1021-29P (API 43 047 39110)

Royale Energy, Inc  
Trail Canyon 1-1 (API 43 019 31531)  
Trail Canyon 2-1 (API 43 019 31532)

XTO Energy, Inc  
State of Utah 18-7-1-13 (API 43 015 30694)

If you have any questions regarding this matter please give me a call.



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

**Division of Oil Gas and Mining**

JOHN R. BAZA  
Division Director

June 4, 2007

Royale Energy, Inc.  
7676 Energy, Inc.  
San Diego, CA 92108

Re: Trail Canyon 2-1 Well, 1528' FNL, 2627' FEL, SW NE, Sec. 1,  
T. 16 South, R. 21 East, Grand County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31532.

Sincerely,

Gil Hunt  
Associate Director

er  
Enclosures

cc: Grand County Assessor  
Bureau of Land Management, Moab Office  
SITLA





4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF OIL, GAS AND MINING**

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-47218</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: <b>Moon Canyon</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Trail Canyon 2-1</b>
2. NAME OF OPERATOR: <b>Royale Energy, Inc</b>		9. API NUMBER: <b>4301931532</b>
3. ADDRESS OF OPERATOR: <b>7676 Hazard Ctr, Dr. #1500 San Diego CA 92108</b>	PHONE NUMBER: <b>(619) 881-2800</b>	10. FIELD AND POOL, OR WILDCAT <b>Wildcat</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1528 'FNL, 2627' FEL</b>		COUNTY: <b>Grand</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SW1E 1 16S 21E</b>		STATE: <b>UTAH</b>

**11 CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12 DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Royale Energy, Inc request that the above referenced well name be changed to the Trail Canyon 1-2.  
 Also, Royale request that well information pertaining to the Trail Canyon 1-2 be held confidential.

NAME (PLEASE PRINT) <u>Eric Noblitt</u>	TITLE <u>Agent</u>
SIGNATURE	DATE <u>7/18/2007</u>

(This space for State use only)

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: ROYALE ENERGY INC

Well Name: TRAIL CYN 1-2

Api No: 43-019-31532 Lease Type: STATE

Section 01 Township 16S Range 21E County GRAND

Drilling Contractor PETE MARTIN RIG # RATHOLE

**SPUDDED:**

Date 08/0707

Time 8:00 AM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by KEITH

Telephone # (701) 770-1376

Date 08/09/07 Signed CHD

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Royale Energy Inc. Operator Account Number: N2465  
 Address: 7676 Hazard Center Drive, Suite 1500  
city San Diego  
state CA zip 92108 Phone Number: 619-881-2800

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38968	V Canyon 20-1		NWSE NEW	20	15S	21E	Utah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	N/A	16331	8-10-07		8/28/07		
Comments: <u>ENRD</u>							CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
40-019-31532	Trail Canyon 1-2		SUNE	1	16S	21E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	N/A	16332	8-12-07		8/28/07		
Comments: <u>ENRD</u>							CONFIDENTIAL

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Rachele Walchko  
 Name (Please Print)  
Rachele Walchko  
 Signature  
Executive Assistant Title  
8-23-07 Date

(6/2000)

RECEIVED

AUG 23 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**CONFIDENTIAL**

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML - 47218</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>Moon Canyon</b>
2. NAME OF OPERATOR: <b>Royale Energy, Inc</b>		8. WELL NAME and NUMBER: <b>Trail Canyon 1-2</b>
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		9. API NUMBER: <del>047-38968</del> <b>43-019-31532</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1528' FNL, 2627' FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNE 1 16S 21E</b>		COUNTY: <b>Grand</b>
		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>12/3/2007</b>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Drilling History</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please see attached

NAME (PLEASE PRINT) <u>Glenn Donaldson</u>	TITLE <u>Chief Engineer</u>
SIGNATURE <u><i>W.D. Donaldson</i></u>	DATE <u>16 June 08</u>

(This space for State use only)

**RECEIVED**  
**JAN 09 2008**

**Halliburton Energy Services**  
**Operations Summary Report**

Legal Well Name:	TRAIL CANYON 1-2		
Common Well Name:	TRAIL CANYON 1-2	Spud Date:	10/28/2007
Event Name:	ORIG DRILLING	Start:	10/28/2007
Contractor Name:	NABORS DRILLING	End:	12/3/2007
Rig Name:	NABORS	Rig Release:	12/3/2007
		Group:	
		Rig Number:	124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
10/24/2007	07:00 - 18:00	11.00	01	E	RDMO	10/19/2007 WE ARE 80% RIGGED DOWN THIS MORNING. SECOND CRANE DUE THIS MORN. TO ASSIST IN REMOVING DRAW WORKS AND DERRICK FROM RIG FLOOR.
	07:00 - 18:00	11.00	01	E	RDMO	10/20/2007 MOVED ELEVEN LOADS TO TRAIL CANYON LAST 24 HOURS. ESTIMATE TEN MORE TO COMPLETE MOVE TO NEW LOCATION. WE WILL SEE DELAY TODAY DUE TO LACK OF CRANES LARGE ENOUGH TO REMOVE DRAW WORKS AND DERRICK FROM RIG FLOOR. WE ARE CALLING ON ALL VENDORS ATTEMPTING TO LOCATE THIS CRANE. BEST PROMISE IS FOR NEXT MONDAY. WEATHER THREATENING TO SNOW AND RAIN.
	07:00 - 18:00	11.00	01	E	RDMO	10/21/2007 IN THE LAST 24 HOURS WE MOVED FOUR LOADS TO TRAIL CANYON. WE SET TWO PUMPS AND PLUMBED SAME. BOTH MUD PITS SET AND LINES MADE UP. SECOND CRANE ARRIVED LAST NIGHT AND WE ANTICIPATE REMOVING THE DRAW WORKS AND DERRICK FROM RIG FLOOR AND TRANSPORTING SAME TO NEW LOCATION TODAY. RECIEVED THREE INCHES OF FRESH SNOW.
	07:00 - 18:00	11.00	01	E	RDMO	10/22/2007 WE ARE 100% RIGGED DOWN ON V-CANYON. READY TO TRANSPORT DRAW WORKS AND DERRICK. WE WILL HAVE SEVERAL LOADS OF MISCELLANEOUS MATERIAL TO TRANSPORT BEFORE VACATING V-CANYON. WHILE SEPARATING DERRICK, TRUCK PUSHER MISCALCULATED WEIGHTS ON DERRICK AND WHEN IT WAS SEPARATED THE A LEG SECTION THRUST UPWARDS AND DAMAGED THE PAD EYES USED TO PIN THE DERRICK TOGETHER. HAVE ADVISED THE TOOLPUSHER TO CONTACT NABORS AND REQUEST AN INSPECTOR TO EVALUATE THE DAMAGED PRIOR TO REPAIRING BY WELDING A NEW PAD EYE ON THE DERRICK. IT DOES NOT APPEAR TO BE THAT SIGNIFICANT. THE CRANE OPERATOR THAT DROPPED THE DERRICK WAS NOT CERTIFIED.
	07:00 - 18:00	11.00	01	E	RDMO	10/23/2007 WE ARE TOTALLY MOVED FROM THE V-CANYON LOCATION WITH THE EXCEPTION OF THE USUSAL CLEAN UP. IN THE LAST 24 HOURS WE TRANSPORTED THE DRAW WORKS AND THE DERRICK TO TRAIL CANYON. SET ALL THE MATTING BOARDS, SET BOX SUBSTRUCTURE, GENERATORS, FRUEL TANKS, BOILER, AND HAD WELDER BEGIN FABING PUMP LINES. PARTIALLY COMPLETED RIGGING ELECTRICAL SYSTEM. WILL BE MOVING MAN CAMP TODAY AND ANTICIPATE POSSIBLY A DISRUPTION IN PHONE SERVICE OF FOUR TO FIVE HOURS. WE WILL ALSO BE REPAIRING THE DAMAGE DONE TO THE DERRICK UNDER THE SUPERVISION OF THE THIRD PARTY INSPECTION MAN SUPPLIED BY NABORS.
	07:00 - 18:00	11.00	08	A	RDMO	10/24/2007 AFTER FURTHER INSPECTION OF THE DERRICK, IT HAS BEEN NOTED THAT THE DAMAGE IS MORE THAN ORIGINALLY THOUGHT. THE DERRICK LEG ON THE DRILLER'S SIDE IS +/- 1-1/2" INCH BOWED INSIDE AND THE OFFSIDE IS ABOUT 3/4 IN. BOWED TO THE INSIDE. THE WELDING JOB DONE BY THE HYLAND CERTIFIED WELDER HAS BEEN REJECTED BY THE

## Operations Summary Report

Legal Well Name: TRAIL CANYON 1-2  
 Common Well Name: TRAIL CANYON 1-2  
 Event Name: ORIG DRILLING  
 Contractor Name: NABORS DRILLING  
 Rig Name: NABORS

Start: 10/28/2007 End: 12/3/2007  
 Spud Date: 10/28/2007  
 Rig Release: 12/3/2007 Group:  
 Rig Number: 124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
10/24/2007	07:00 - 18:00	11.00	08	A	RDMO	THIRD PARTY INSPECTOR. THE INSPECTOR HAS ESTIMATED THAT THE ADDITIONAL REPAIR PLUS THE REPAIR OF THE ORIGINAL JOB WILL COST AROUND \$7,200.00. HYLAND HAS AGREED IN PRINCIPLE TO PAY FOR THE REPAIR.
	07:00 - 18:00	11.00	08	A	RDMO	10/25/2007 WE ARE A POINT THAT WE CAN NOT DO MUCH MORE IN THE WAY OF RIGGING UP AS WE ARE WAITING NOW ON THE REPAIR OF THE DERRICK. SOME OF THE PROGRESS SEEN IN THE PAST 24 HOURS IS; WE PLUMBED ALL LINES TO MUD PITS, PLACED AND CONNECTED ALL LINES TO CHOKE AND KILL MANIFOLD, REPLACED VALVES IN MUD PITS, PLACED WATER TANKS, KOOMEY HOSE AND CONNECTED SAME, PARTS HOUSE, CHANGED OUT F-1000 PUMP FOR NEW ONE, PLUMBED MANIFOLD TO PUMP NUMBER THREE, SET DOG HOUSE ON DRILL FLOOR, AND BEGAN PLUMBING PUMP NUMBER THREE.
	07:00 - 18:00	11.00	08	A	RDMO	10/26/2007 WHILE DERRICK REPAIR WAS IN PROCESS, WE CONTINUED TO PLUMB BOILER, PRESSURED UP KOOMEY AND FUNCTION TESTED BOP, CHANGED PIPE RAMS IN BOP FROM 3-1/2 TO 4-1/2, FILLED PITS WITH RESERVE PIT WATER, COMPLETED REPAIR ON DERRICK TO SATISFACTION OF THIRD PARTY INSPECTOR. PLAN TO RAISE DERRICK TO RIG FLOOR AND PIN OFF MID MORNING.
10/29/2007	06:00 - 06:00	24.00	01	E	RDMO	10/27/2007 BROKE TOURS TODAY. SET DERRICK ON RIG FLOOR, PINNED AND RAISED. STRING UP CREW STRUNG BLOCKS, INSTALLED ALL FLOOR PLATES, AND TUGGERS, AND INSTALLED CHAIN GUARD. COMPLETED RIGGING UP DRILL FLOOR, STABBED KELLY SOCK AND MOUSEHOLE, TORQUED LOWER KELLY VALVE AND RIGGED UP TESTERS TO TEST BOP STACK PREJOB SAFETY MEETING DISCUSSING HIGH PRESSURE LINES.
	06:00 - 09:30	3.50	14	C	P2	TESTED BOP'S, VALVES, CHOKE MANIFOLD, AND PUMPS. OK.
	09:30 - 11:00	1.50	15	A	P2	ATTEMPTED TO TEST CASING WHEN OBSERVED CASING EMPTY. FILLING CASING WITH RIG WATER HOSE. REPORTED SAME TO SR. RUEDA. CONTINUED AND DID FILL CASING. PUMPED INTO CASING WITH 10 GAL/MIN FOR TEN MINUTES.. STOPPED PUMP AND GUAGE WENT TO +/- 500 PSI. PRESSURE RAPIDLY BLEDED OFF. PUMPED UP AGAIN, SAME RESULTS.
10/29/2007	11:00 - 12:30	1.50	15	A	P2	FILLED 9-5/8" CASING AND OBSERVED THE LEVEL DROP +/- .65 GAL/MIN. PRESSURED UP AGAIN ON CASING AND WHEN PUMPS SHUT DOWN, PRESSURE BLEDS OFF TO ZERO.
	12:30 - 18:00	5.50	06	B	P2	WHILE AWAITING SCRAPER AND RETRIEVABLE PACKER, PICKED UP AND MADE UP BHA AND DRILL PIPE. MADE UP TRIPLES AND STOOD BACK IN DERRICK. STRAPPED BHA .
	18:00 - 21:00	3.00	06	A	P2	TRIPPED INTO HOLE MAKING UP TRIPLES.
	21:00 - 21:30	0.50	06	A	P2	TRIPPING OUT OF HOLE STANDING BACK TRIPLES.
	21:30 - 22:00	0.50	06	A	P2	STRAPPED DRILL PIPE PRIOR TO RUNNING INTO HOLE.
	22:00 - 03:30	5.50	06	A	P2	TRIPPED INTO HOLE WITH 9-5/8" CASING SCRAPER. TAGGED BOTTOM AT 1,942 FT. NO RESISTANCE OBSERVED.
	03:30 - 04:00	0.50	06	A	P2	TRIPPED DRILL PIPE AND SCRAPER OUT OF HOLE.
	04:00 - 05:00	1.00	06	A	P2	PICKING UP AND MAKING UP 9-5/8" RETRIEVABLE PACKER. HALLIBURTON RTTS.
05:00 - 06:00	1.00	06	A	P2	TRIPPING DRILL PIPE INTO HOLE WITH RETRIEVABLE PACKER.	

**Halliburton Energy Services**  
**Operations Summary Report**

Legal Well Name:	TRAIL CANYON 1-2		
Common Well Name:	TRAIL CANYON 1-2	Spud Date:	10/28/2007
Event Name:	ORIG DRILLING	Start:	10/28/2007
Contractor Name:	NABORS DRILLING	End:	12/3/2007
Rig Name:	NABORS	Rig Release:	12/3/2007
		Group:	
		Rig Number:	124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
10/30/2007	06:00 - 07:45	1.75	06	A	P2	<p>TRIPPING INTO HOLE WITH HALLIBURTON RTTS TOOL. SET RTTS TOOL AT 1940 FEET, ENERGIZED AND PRESSURED UP WITH TEST PUMP TO 500 PSI. PUMPED TEN GAL/MIN FOR TEN MIN. AND STOPPED PUMPS. PRESSURE BLED OFF TO ZERO. INDICATES A LEAK IN CASING ABOVE PACKER. PRESSURE UP ON DRILL PIPE TO 1500 PSI, AND HELD FOR TWENTY MINUTES. PRESSURE HELD OK FOR NINE MIN. AND THEN BLED OFF TO 1000 PSI. MADE SEVERAL ATTEMPTS, SAME RESULTS.</p> <p>DISENGAGED RTTS TOOL, PULLED FIVE STANDS, RESET RTTS TOOL.</p> <p>PRESSURED UP ON ANNULUS SIDE TO 1500 PSI, PACKER SET AT 1475 FEET. UNABLE TO PRESSURE ABOVE FIVE HUNDRED PSI. PRESSURE IMMEDIATELY BLED OFF TO ZERO</p> <p>PULLED FIVE STANDS MORE TO 999.78 FEET. PRESSURED UP TO 1500 PSI AND PRESSURE HELD FOR TWENTY MINUTES.</p> <p>RIH WITH THREE STANDS TO 1253.40 FEET, AND PRESSURED TO 1500 PSI. PRESSURE HELD.</p> <p>RIH WITH ONE THIRTY FOOT JOINT, TO 1380.68, PRESSURE UP TO 1500 PSI AND PRESSURE HELD.</p> <p>RIH WITH SECOND SINGLE, SET PACKER AT 1412.72 FEET., PRESSURED UP TO 1500 PSI, PRESSURE HELD.</p> <p>RIH WITH THIRD SINGLE, SET PACKER AT 1444.12. PRESSURED UP TO 700 PSI, PRESSURE CIRCULATED THROUGH THE PACKER. UN SET PACKER, PICKED UP SIX FEET, RESET PACKER AND PRESSURED UP 1500 PSI. PRESSURED HELD. RESET PACKER AT 1451.22. PRESSURED UP AND PRESSURE BLED OFF. THIS DETERMINES LEAK IS BETWEEN 1439. FEET AND 1451 FEET. PERFORMED INJECTION RATE TEST AND PUMPED TEN GALLONS/MINUTE AT 700 PSI. FOR FIVE MINUTES. PUMPED DOWN DRILL PIPE TO 850 PSI AND HELD FOR TWENTY MINUTES. HELD PRESSURE OK.</p> <p>TRIPPED OUT OF HOLE WITH HALLIBURTON RTTS TOOL AND LAYED DOWN SAME.</p> <p>CONTINUED WITH MISCEANEOUS RIGGIN UP RIG; SET WIND WALLS ON RIG FLOOR, RAN BOILER FUEL LINES, RIG WATER LINES, RIGGED HOPPER HOUUSE LIGHTS.</p> <p>PRETOUR SAFETY METING WITH NABORS PERSONEL. CONTINUE TO RIG UP MISCELANEOUS EQUIPMENT. PICKED UP AND MADE UP HALLIBURTON BRIDGE PLUG RUN IN HOLE WITH HALLIBURTON BRIDE PLUG TYPE EZ DRILL. SET HALLIBURTON BRIDGE PLUG @ +/- 1,500'.</p> <p>POOH</p> <p>BREAK TOOLS AND LAY DOWN SAME.</p> <p>CONTINUE TO RIG UP MISCELANEOUS EQUIPMENT. HALLIBURTON CEMENTERS ARRIVED AND LAYED THIER LINES AND TESTED SAME TO 4000#. ALL PERSONEL MET FOR PREJOB SAFETY MEETING, EXPLAINING PROCEDURES AND DANGERS OF HIGH PRESSURE LINES.</p> <p>RIH HOLE WITH OPEN ENDED DRILL PIPE TO PERFORM INJECTION RATE TEST.</p> <p>BEGAN INJECTION TEST AND RESULTS WERE 1 BBL/MIN. AT 590 PSI.</p>
	07:45 - 08:30	0.75	15	A	P2	
	08:30 - 11:00	2.50	15	A	P2	
	11:00 - 11:30	0.50	15	A	P2	
	11:30 - 12:00	0.50	15	A	P2	
	12:00 - 12:30	0.50	15	A	P2	
	12:30 - 13:00	0.50	15	A	P2	
	13:00 - 14:00	1.00	15	A	P2	
	14:00 - 14:30	0.50	15	A	P2	
	14:30 - 15:00	0.50	15	A	P2	
	15:00 - 15:30	0.50	15	A	P2	
	15:30 - 17:00	1.50	15	A	P2	
	17:00 - 20:00	3.00	06	A	P2	
	20:00 - 06:00	10.00	13	C	P2	
10/31/2007	06:00 - 06:30	0.50	17	A	P2	
	06:30 - 08:30	2.00	13	C	P2	
	08:30 - 09:00	0.50	06	A	P2	
	09:00 - 10:00	1.00	06	A	P2	
	10:00 - 10:30	0.50	06	A	P2	
	10:30 - 11:30	1.00	06	A	P2	
	11:30 - 12:00	0.50	06	A	P2	
	12:00 - 12:30	0.50	13	C	P2	
	12:30 - 13:30	1.00	12	E	P2	
	13:30 - 15:45	2.25	06	A	P2	
15:45 - 16:00	0.25	15	A	P2		

**Halliburton Energy Services**  
**Operations Summary Report**

Legal Well Name:	TRAIL CANYON 1-2		Spud Date: 10/28/2007
Common Well Name:	TRAIL CANYON 1-2		
Event Name:	ORIG DRILLING	Start: 10/28/2007	End: 12/3/2007
Contractor Name:	NABORS DRILLING	Rig Release: 12/3/2007	Group:
Rig Name:	NABORS	Rig Number: 124	

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
10/31/2007	16:00 - 16:15	0.25	15	A	P2	PUMPED BALANCED PLUG OF CEMENT. 15.8 PPG SLURREY
	16:15 - 16:30	0.25	12	E	P2	DISPLACED WITH 16 BBLs OF FRESH WATER.
	16:30 - 17:00	0.50	05	F	P2	PULLED FIVE STANDS AND CIRCULATED BOTTOMS UP FROM 980 FEET.
	17:00 - 17:15	0.25	15	A	P2	CLOSED ANNULAR AND BEGAN INJECTING CEMENT IN INCREMENTAL PRESSURE VALUES.
	17:15 - 20:00	2.75	15	A	P2	1ST PRESSURED UP TO 500 PSI, INJECTED 1.1 BBL, PRESSURE FELL TO 365 PSI. PRESSURED UP TO 570 PSI, INJECTED .3 BBL AND PRESSURE FELL TO 175 PSI. PRESSURED TO 600 PSI AND INJECTEED .2 BBL. PRESSURE FELL TO 380 PSI. PRESSURE UP TO 600 PSI AND INJECTED .3 BBL, AND PRESSURE FELL TO 100 PSI. PRESSURED UP TO 750 PSI, INJECTED 1.5 BBLs, PRESSURE FELL TO 270 PSI. PRESSURED UP TO 750 PSI, INJECTED 1.5 BBL. PRESSURE FELL TO 270 PSI. PRESSURED UP TO 750 PSI, INJECTED .4 BBL, PRESSURE FELL TO 340 PSI. PRESSURED UP TO 750 PSI, INJECTED .3 BBL, PRESSURE FELL 325 PSI. PRESSURED UP TO 750 PSI, INJECTED .2 BBL, INJECTED A TOTAL OF FIVE BBLs OF CEMENT INTO FORMATION. CALCULATE TWENTY BBLs OF CEMENT LEFT IN CASING. CALCULATE TAGGING CEMENT AT +/-1200 FT.
	20:00 - 20:30	0.50	06	A	P2	TRIPPING OUT OF HOLE.
	20:30 - 00:30	4.00	06	A	P2	MADE UP TRICONE BIT AND SLICK BHA, TRIPPED INTO HOLE TO 1255 FEET. TAGGED CEMENT.
	00:30 - 01:00	0.50	06	A	P2	PULLED THREE STANDS OUT OF HOLE.
	01:00 - 05:00	4.00	12	F	P2	WAITING ON CEMENT.
	05:00 - 06:00	1.00	02	D	P2	TRIPPED INTO HOLE WITH THREE STANDS, TAGGED CMENT AT 1255 FEET AND DRILLED OUT TO 1280 FEET, AT REPORT TIME. GOOD CEMENT, CURRENT KELLY DOWN WILL PLACE BIT AT 1327.79 FEET.
11/1/2007	06:00 - 07:30	1.50	02	D	P2	CONTINUED TO DRILL OUT CEMENT TO 1346 FEET. CEMENT VERY HARD.
	07:30 - 08:00	0.50	14	A	P2	INSTALLED ROTATING HEAD INSERT.
	08:00 - 09:00	1.00	02	D	P2	CONTINUED DRILLING OUT CEMENT TO 1500 FEET.
	09:00 - 09:30	0.50	15	A	P2	TESTED CASING TO 500 PSI. HELD FOR THIRTY MINUTES. OK.
	09:30 - 14:30	5.00	02	D	P2	DRILLED UP HALLIBURTON EZ DRILL BRIDGE PLUG. OBSERVED VERY DIFFICULT TO DRILL OUT.
	14:30 - 22:00	7.50	02	D	P2	RUN IN HOLE TO 1,942 FT. CONTINUED TO ATTEMPT TO DRILL OUT TO 1,982 FT. OBSERVED EXTREMELY HARD DRILLING. DRILL STRING BOUNCING BADLY. NO PROGRESS MADE IN LAST HOUR.
11/2/2007	22:00 - 02:00	4.00	06	A	P2	TRIPPED OUT OF HOLE TO EVALUATE BIT CONDITION.
	02:00 - 02:30	0.50	06	B	P2	BIT IN NEAR PERFECT CONDITION, NO WEAR OR TEETH BROKEN.
	02:30 - 06:00	3.50	06	B	P2	MAKING UP NEW BHA WITH CAVO MUD MOTOR.
	06:00 - 07:00	1.00	06	B	P2	MADE UP MUD MOTOR AND TESTED SAME.
	07:00 - 12:00	5.00	06	B	P2	MADE UP STABILIZERS, DRILL COLLARS, STABILIZERS, 4-1/2" HEAVY WEIGHT DRILL PIPE. RIH WITH NEW BHA, TAGGED CMENT AT 1982 FEET.
	12:00 - 14:00	2.00	06	A	P2	DRILLED CEMENT FROM 1982 FEET TO 2012 FEET.
	14:00 - 14:30	0.50	05	F	P2	CIRCULATED AND CONDITIONED HOLE. PUMPED BOTTOMS UP. OBSERVED CEMENT RETURNS OVER SHAKER.
	14:30 - 15:30	1.00	02	D	P2	DRILLED CEMENT FROM 2012 FEET TO 2052 FEET.
15:30 - 16:00	0.50	05	E	P2	CIRCULATED TO TAKE SAMPLES. OBSERVED IN 100% NEW	

## Operations Summary Report

Legal Well Name: TRAIL CANYON 1-2  
 Common Well Name: TRAIL CANYON 1-2  
 Event Name: ORIG DRILLING  
 Contractor Name: NABORS DRILLING  
 Rig Name: NABORS

Start: 10/28/2007  
 Rig Release: 12/3/2007  
 Rig Number: 124

Spud Date: 10/28/2007  
 End: 12/3/2007  
 Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/2/2007	15:30 - 16:00	0.50	05	E	P2	FORMATION.
	16:00 - 16:30	0.50	15	B	P2	PERFORMED FIT, PUMPED 272 PSI ON SURFACE FOR AN 11 PPG EMW. MUD WEIGHT ON SURFACE IS 8.4 PPG. TEST OK. HELD PRESSURE FO TWENTY MINUTES.
11/3/2007	16:30 - 06:00	13.50	02	B	P2	DRILLING AHEAD FROM 2052 FEET TO 2236 FEET.
	06:00 - 18:30	12.50	02	B	P2	PRETOUR SAFETY MEETING WITH NABORS PERSONNEL. DRILLING FROM 2236 FEET TO 2575 FEET.
	18:30 - 19:00	0.50	10	A	P2	PERFORMED WIRELINE SURVEY AT 2545. ONE HALF OF ONE DEGREE
	19:00 - 06:00	11.00	02	B	P2	PRETOUR SAFETY MEETING. DRILLING AHEAD FROM 2575 FEET TO 2870 FEET. NO FLUID LOSSES IN LAST TWENTY FOUR HOURS
11/4/2007	06:00 - 10:15	4.25	02	B	P2	DRILLING FROM 2870 FEET TO 3055 FEET.
	10:15 - 11:00	0.75	10	A	P2	TOOK DEVIATION SURVEY, WIRELINE AT 3032 FOOT DEPTH. ONE HALF ONE DEGREE.
	11:00 - 16:30	5.50	02	B	P2	DRILLING AHEAD FROM 3055 FEET TO 3277 FEET.
	16:30 - 17:00	0.50	07	A	P2	RIG SERVICE
	17:00 - 23:30	6.50	02	B	P2	DRILLING AHEAD FROM 3277 FEET TO 3532 FEET.
	23:30 - 00:00	0.50	02	B	P2	PERFORMED WIRELINE SURVEY AT 3508 FEET. ONE HALF DEGREE FROM BULLSEYE.
	00:00 - 06:00	6.00	02	B	P2	DRILLING AHEAD FROM 3532 FEET TO 3753 FEET.
11/5/2007	06:00 - 13:30	7.50	02	B	P2	DRILLING AHEAD FROM 3753 FEET TO 4044 FEET.
	13:30 - 14:00	0.50	10	A	P2	WIRE LINE SURVEY AT 4006 FEET. ONE DEGREE FROM BULLSEYE.
	14:00 - 21:00	7.00	02	B	P2	DRILLED AHEAD FROM 4044 FEET TO 4267 FEET.
	21:00 - 21:30	0.50	08	B	P2	REPAIRED NUMBER ONE SHAKER
11/6/2007	21:30 - 06:00	8.50	02	B	P2	DRILLED AHEAD FROM 4267 FEET TO 4465 FEET PUMPED HEAVY VISCOSITY SWEEPS 25 BBL EACH, AT 4207 FEET, 4360 FEET, AND 4430 FEET. EXCESSIVE CUTTINGS AND RETURNS OBSERVED AT EACH SWEEP.
	06:00 - 06:30	0.50	17	A	P2	MAINTAINING MUD WEIGHT AT 8.8-8.7 PPG. PRETOUR SAFETY MEETING WITH DALBO AND NABORS PEROSNNEL.
	06:30 - 07:00	0.50	10	A	P2	TOOK WIRE LINE SURVEY @ 4433 FT IN PREPARATION TO TRIPPING OUT OF HOLE. INC = 1.5 DREGREES.
	07:00 - 07:30	0.50	05	F	P2	CIRCULATED HIGH VISCOSITY, 9.0 PPG SWEEP, SURFACE TO SURFACE. OBSERVED EXCESSIVE CUTTINGS OVER THE SHAKER. SLUGGED PIPE TO TRIP OUT OF HOLE DRY.
	07:30 - 09:30	2.00	06	A	P2	MADE A TWENTY STAND WIPER TRIP. OBSERVED VERY TIGHT SPOT AT 2877 FEET. KELLYED UP AND REAMED THROUGH WITH TWO SINGLES. OBSERVED SEVERAL MORE TIGHT SPOTS AND WORKED PIPE THROUGH EACH UNTIL SLICK.
	09:30 - 11:00	1.50	03	A	P2	REAMED LAST THREE SINGLES TO BOTTOM. HOLE SLICK RIGHT ON BOTTOM.
	11:00 - 18:00	7.00	02	B	P2	DRILLED AHEAD FROM 4465 FEET TO 4539 FEET. DRILLING PARAMETERS ARE 460 GPM, RPM = 40+124, WOB 20K/25K, PUMP PRESSURE 1250 PSI, ROP FROM 3 FT/HR TO 55 FT/HR.
	18:00 - 20:30	2.50	02	B	P2	DRILLING AHEAD FROM 4539 FEET TO 4554 FEET. VARIED DRILLING PARAMETERS, REDUCED AND INCREASED RPM VALUES, REDUCED SPM, VARIED WOB, AND UNABLE TO INCREASE THE ROP. REPORTED SAME TO HOUSTON.
	20:30 - 21:00	0.50	05	F	P2	PUMPED HIGH VISCOSITY SWEEP AND BOTTOMS UP FOR THIRTY MINUTES.

**Halliburton Energy Services**  
**Operations Summary Report**

Legal Well Name: TRAIL CANYON 1-2  
 Common Well Name: TRAIL CANYON 1-2  
 Event Name: ORIG DRILLING  
 Contractor Name: NABORS DRILLING  
 Rig Name: NABORS

Spud Date: 10/28/2007  
 Start: 10/28/2007 End: 12/3/2007  
 Rig Release: 12/3/2007 Group:  
 Rig Number: 124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/6/2007	21:00 - 02:00	5.00	06	A	P2	TRIPPED OUT OF HOLE. HOLE IN GOOD CONDITION, NO SIGNIFICANT DRAG COMING OUT.
	02:00 - 03:30	1.50	06	B	P2	OBSERVED PDC HC506ZX IN GOOD CONDITION, CUTTERS ALL IN PLACE, MINIMUM WEAR, AND IN GAUGE. ALL STABILIZERS IN GAUGE. KELLYED UP AND TESTED MUD MOTOR, MOTOR LEAKED HEAVILY AT GAP BELOW STABILIZER. CHANGED OUT MUD MOTOR TO HIGH TORQUE, SLOWER SPEED. AND NEW PDC HC506ZX HUGHES BIT.
11/7/2007	03:30 - 06:00	2.50	06	A	P2	TRIPPING INTO HOLE, BIT IS AT 2870 AT REPORT TIME.
	06:00 - 07:30	1.50	06	A	P2	RIH WITH OUT ANY PROBLEMS
	07:30 - 08:00	0.50	03	A	P2	PRECAUTIONARY REAM THE LAST JT DN TO 4554' W/O PROBLEMS.
	08:00 - 21:30	13.50	02	B	P2	DRILL FM 4554' TO 4973'. 419'/13.5 HRS; ROP = 31 FPH. MIX SWEEP WHILE DRILLING
	21:30 - 22:00 22:00 - 06:00	0.50 8.00	10 02	A B	P2 P2	CIRC SWEEP AROUND AND SURVEY AT 4944' = 1.5 DEG DRILL FM 4973' TO 5293'. 320'/8 HRS; ROP = 40 FPH. DRILLING PARAMETERS: 460 GPM, RPM = 55+78, WOB 10K/20K, PUMP PRESSURE 1250/1400 PSI.
11/8/2007	06:00 - 11:00	5.00	17	A	P2	PRE TOUR SAFETY MEETING. DRILL FM 5293' TO 5451'. 158'/5 HRS. ROP = 31.6 FPH. DRILLING PARAMETERS: 460 GPM, RPM = 50+78, WOB 12K/25K, PUMP PRESSURE 1400/1550 PSI.
	11:00 - 11:30	0.50	10	A	P2	SURVEY AT 5412' = 1.25 DEG (COMING BACK TO VERTICAL A BIT)
	11:30 - 17:30	6.00	02	B	P2	DRILL FM 5451' TO 5609'. 158'/6 HRS. ROP = 26.3 FPH. SAME PARAMETERS. TOP OF BUCK TONGUE FORMATION @ 5590'.
	17:30 - 18:00	0.50	07	A	P2	RIG SERVICE
	18:00 - 23:00	5.00	02	B	P2	DRILL FM 5609' TO 5799'. 190'/5 HRS. ROP = 38.0 FPH. SAME PARAMETERS.
	23:00 - 00:00	1.00	05	E	P2	CIRCULATE UP BOTTOM SAMPLE TO CHECK FOR CHERT. NONE BUT DRILLING HAS SLOWED TO +/- 8 - 12 FPH. ALL SAND
	00:00 - 06:00	6.00	02	B	P2	DRILL FM 5799' TO 5894'. 95'/6 HRS. ROP = 15.8 FPH. DRILLING PARAMETERS: 460 GPM, RPM = 50+78, WOB 10K/20K, PUMP PRESSURE 1550/1700 PSI. SANDS DRILL SLOWLY, SHALE DRILLS FAST. APPEARED TO DRILL INTO CASTLEGATE, BUT NO CHERT AND ABOUT 10' OF SANDST, THEN BACK TO DRILLING SHALE AND SILT.
11/9/2007	06:00 - 06:30	0.50	17	A	P2	PRE TOUR SAFETY MEETING WITH DALBO AND NABORS
	06:30 - 11:00	4.50	02	B	P2	DRILL FM 5894' TO 5916'. 22'/4.5 HRS = 4.9 FPH. DRILLING IN CASTLEGATE, 70% HARD SANDST.
	11:00 - 11:30	0.50	07	A	P2	RIG SERVICE
	11:30 - 18:00	6.50	02	B	P2	DRILL FM 5916' TO 5939'. 23'/6.5 HRS = 3.5 FPH - 4 HRS TO CHANGE SWABS IN PUMP #2. DRILLING WITH PUMPS #1 AND #3 - LOST 400 PSI WHEN #3 PUMP WAS PUT ON LINE.
	18:00 - 22:00	4.00	02	B	P2	DRILL FM 5939' TO 5959'. 20'/4 HRS = 5 FPH - DRILLING IN CASTLEGATE
	22:00 - 22:30	0.50	10	A	P2	SURVEY AT 5921' = 1.75 DEG (HAVING TO RUN MORE WT AND BIT MAYBE GETTING DULL)
11/10/2007	22:30 - 06:00	7.50	02	B	P2	DRILL FM 5959' TO 5987'. 28'/7.5 HRS = 3.73 FPH.
	06:00 - 06:30	0.50	17	A	P2	PRE TOUR SAFETY MEETING WITH DALBO AND NABORS.
	06:30 - 06:00	23.50	02	B	P2	DRILL FM 5897' TO 6120'. HARD SST IN THE CASTLEGATE. ROP (CASTLEGATE) = 4 - 6 FPH. DRILLING IN MANCOS SHALE @ 6090 LITHOLOGY WAS: 80% SH, 10% SLT, 10% SST. ROP (MANCOS) = 8 - 20 FPH.

## Operations Summary Report

Legal Well Name: TRAIL CANYON 1-2  
 Common Well Name: TRAIL CANYON 1-2  
 Event Name: ORIG DRILLING  
 Contractor Name: NABORS DRILLING  
 Rig Name: NABORS

Spud Date: 10/28/2007  
 Start: 10/28/2007 End: 12/3/2007  
 Rig Release: 12/3/2007 Group:  
 Rig Number: 124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/10/2007	06:30 - 06:00	23.50	02	B	P2	
11/11/2007	06:00 - 06:30	0.50	17	A	P2	PRE TOUR SAFETY MEETING W/ DALBO AND NABORS
	06:30 - 20:00	13.50	02	B	P2	DRILL FM 6120' TO 6275'. 156'/13.5 HRS. ROP = 11.55 FPH. MANCOS
	20:00 - 21:00	1.00	05	A	P2	CIRC AND PREP TO POH AND BUILD SLUG.
	21:00 - 00:30	3.50	06	A	P2	SHORT TRIP TO 4000'. PULLED 3 EXTRA STANDS BECAUSE HOLE WAS TIGHT (60K OVER STRING WT) WORKED PIPE. RIH TO TD.
	00:30 - 01:30	1.00	10	A	P2	SURVEY AT 6210' = 0.5 DEG
	01:30 - 02:30	1.00	05	A	P2	PUMP SLUG, STAND BACK KELLY AND DRAIN IT.
	02:30 - 06:00	3.50	06	A	P2	POH TO LOG W/ BAKER ATLAS.
11/12/2007	06:00 - 06:30	0.50	17	A	P2	PRE TOUR SAFETY MEETING W/ DALBO AND NABORS
	06:30 - 07:00	0.50	06	B	P2	POH, L/D BHA
	07:00 - 08:00	1.00	06	B	P2	L/D MUD MOTOR, IBS STABS, BIT (GENERAL WEAR= 25% _ 30% WORN) BIT IN GREAT CONDITION.
	08:00 - 15:30	7.50	11	A	P2	SAFETY MEETING W/ BAKER ATLAS, RIG UP LOGGING EQUIP AND TOOLS, RIH TO 6299' (LOGGING DEPTH) AND LOG OUT. LOGS ARE INDUCTION,GR, NEUTRON,DENSITY,CALIPER, SONIC. HOLE IN GOOD SHAPE, AND GOOD RESOLUTION ON LOGS. 1 RUN ONLY, R/D LOGGERS.
	15:30 - 18:00	2.50	06	B	P2	P/U BIT, AND MAKE BHA AND RIH
	18:00 - 20:30	2.50	06	A	P2	RIH ON DP TO TD 6275', HOLE IN GOOD CONDITION, PRECAUTIONARY REAM IN LAST 2 JOINTS. LIGHT REAMING REQUIRED.
	20:30 - 00:00	3.50	05	A	P2	CIRCULATE AND SWEEP HOLE, WAIT ON L/D TRUCK. ARRIVED AT 11:30
	00:00 - 01:00	1.00	06	A	P2	RIG UP LAY DAWN TRUCK AND CONDUCT SAFETY MEETING WITH CREW. PUMP SLUG AND DRAIN KELLY.
11/13/2007	01:00 - 06:00	5.00	06	A	P2	POH AND L/D 4.5" DP. GOING WELL.
	06:00 - 06:30	0.50	17	A	P2	PRETOUR SAFETY MEETING WITH DALBO AND NABORS
	06:30 - 08:30	2.00	06	C	P2	LAY DOWN DRILL PIPE
	08:30 - 09:30	1.00	06	C	P2	BREAK KELLY
	09:30 - 11:00	1.50	06	C	P2	LAY DOWN DC'S, AND HWDP
	11:00 - 11:30	0.50	06	C	P2	PULL WEAR BUSHING
	11:30 - 12:30	1.00	17	A	P2	HOLD SAFETY MEETING W/ CALIBER CSG CREW AND RIG UP
	12:30 - 17:30	5.00	12	A	P2	RUN 157 JTS, 7", N-80, 23#, LTC, PLUS GUIDE SHOE, AND FLOAT COLLAR, PLUS 24 BOW TYPE CENTRALIZERS. SHOE AT 6260'. LOST 80 BBLs MUD RUNNING CSG.
	17:30 - 18:00	0.50	12	A	P2	LAND OUT ON LOAD SHOULDER, W/ CSG HANGER MADE UP ON LANDING JT AND THE RUNNING TOOL.
	18:00 - 19:00	1.00	12	A	P2	RIG DOWN CASING EQUIP. AND RELEASE
	19:00 - 21:00	2.00	05	A	P2	CIRCULATE WITH 100% RETURNS, SLOWLY STARTED LOSING PRESSURE AND HOLE TRYING TO PACK OFF, RECIPROCATATE PIPE AT A FASTER RATE AND REGAIN PARTIAL RETURNS. MIX LCM, GEL, AND CAUSTIC, AND REGAIN 100% RETURNS.
	21:00 - 21:30	0.50	12	B	P2	HOLD SAFETY MEETING W/ HALLIBURTON CEMENTERS.
	21:30 - 23:00	1.50	12	B	P2	PRESSURE TEST LINE AND PUMP 50 BBL F/WATER, PUMP 40 BBL SUPER FLUSH SPACER, PUMP 10 BBLs F/WATER, MIX AND PUMP 126 BBL LEAD CMT, ECONOCEM V3- 190SX AT 11.0 PPG, YIELD 3.48, PLUS 3 LBM GRANULITE 1/4, 50 LB SX.; TAIL CMT BONDCEM SYSTEM 166 SX AT 14.8 PPG, 1.09 YIELD, PLUS .03% HALAD R-344, + 0.125 LBM POLY-E-FLAKE, + 0.2 % CFR-3, W/O DEFOAMER, 50 LB SX. DROP PLUG, DISPLACE W/ 223 BBLs OF F/WATER AND BUMPED PLUG. THE PLUG IS GOOD. LOST 40 BBLs

**Halliburton Energy Services**  
**Operations Summary Report**

Legal Well Name:	TRAIL CANYON 1-2		Spud Date: 10/28/2007
Common Well Name:	TRAIL CANYON 1-2		
Event Name:	ORIG DRILLING	Start: 10/28/2007	End: 12/3/2007
Contractor Name:	NABORS DRILLING	Rig Release: 12/3/2007	Group:
Rig Name:	NABORS	Rig Number: 124	

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/13/2007	21:30 - 23:00	1.50	12	B	P2	OF LEAD CMT, RECIPROCATED PIPE THEN GOT BACK FULL RETURNS, HAD FULL RETURNS TO END OF JOB.. HELD 1500 PSI ON PLUG FOR 5 MIN.
	23:00 - 23:30	0.50	12	B	P2	R/D CEMENTERS
	23:30 - 04:00	4.50	14	A	P2	CHANGE OUT PIPE RAMS AND C/O KELLY
11/14/2007	04:00 - 06:00	2.00	14	C	P2	RIG UP DOUBLE JACK TESTERS AND TEST BOPS
	06:00 - 06:30	0.50	17	A	PROD	PRE TOUR SAFETY MEETING W/ NABORS
	06:30 - 11:30	5.00	14	C	PROD	BLACK JACK, CONT TO TEST BOPS, TEST ALL FLOOR VALVES, KELLY AND ALL KELLY V/V'S, WELLHEAD, BOP BODY AND RAMS, WING V/V'S, HCR, AND MANIFOLD. ALL TESTED TO 250 LOW PRESSURE AND 3000 HI PRESSURE. TESTED THE HYDRILL AND THE 7" CSG TO 1500 PSI. ALL GOOD TEST, NO REPEATS. R/D TESTER
	11:30 - 12:00	0.50	07	A	PROD	RIG SERVICE
	12:00 - 13:00	1.00	07	C	PROD	MEASURE PIPE/ R/U FLOOR FOR 3 5"
	13:00 - 18:00	5.00	06	A	PROD	R/U - L/D CREW AND PICK UP/ MAKE UP BIT AND BHA, 3.5" DP
	18:00 - 20:00	2.00	06	C	PROD	CONT TO P/U 3.5" DP TO 3115'
	20:00 - 21:00	1.00	05	A	PROD	ATTEMPT TO FILL DP AND CIRC. STRING PLUGGED. PREP TO POH
	21:00 - 23:30	2.50	06	A	PROD	POH TO TOP OF MUD MOTOR TO THE FLOAT. MOTOR PLUGGED WITH LCM.
	23:30 - 03:00	3.50	05	A	PROD	TRY TO DRAIN M/MOTOR, NO GO, TRY TO CIRC THROUGH MOTOR, NO GO -- CHANGE OUT MUD MOTOR. NEW MM IS A (4 X .55). TEST M/M AT SURFACE
11/15/2007	03:00 - 05:00	2.00	06	A	PROD	RIH TO 3115', INSTALL ROTATING HEAD RUBBER.
	05:00 - 05:30	0.50	06	A	PROD	FILL PIPE AND CIRC 10 MIN., ALL APPEARS TO BE OK
	05:30 - 06:00	0.50	06	C	PROD	CONT TO PICK UP DRILL PIPE AND RIH.
	06:00 - 10:00	4.00	06	A	PROD	PRE TOUR SAFETY MEETING WITH NABORS AND CALIBER. CONT TO PICK UP DP AND RIH. TAG TOP OF CMT AT 6152'. PICK KELLY AND BREAK CIRC.
	10:00 - 13:00	3.00	02	D	PROD	CLEAN OUT CMT TO TOP OF FLOAT COLLAR AT 6217', DRILL F/C SHOE TRACK AND SHOE. CLEAN OUT RAT HOLE. TO 6275'
	13:00 - 13:30	0.50	02	B	PROD	DRILL NEW HOLE FM 6275' TO 6295' (20')
	13:30 - 14:30	1.00	15	B	PROD	CIRC AND R/U DOUBLE JACK TESTERS, PRESSURE TEST TO 883 PSI WITH 8.8 PPG MUD.
	14:30 - 04:00	13.50	02	B	PROD	E.M.W. = 11.5 PPG. R/D DOUBLE JACK AND RELEASE. DRILL FM 6295' TO 6802'. 507'/13.5 HRS. ROP = 37.6 FPH. WOB = 9 - 11K; GPM = 270; PUMP PRESS = 1970 PSI; ROTARY / M-MOTOR = 35 + 150.
	04:00 - 05:00	1.00	10	A	PROD	CIRC AND SURVEY @ 6779' = 1.75 DEG (DRILLING 800' TO NEXT SUVEY)
	05:00 - 06:00	1.00	02	B	PROD	DRILL FM 6802' TO 6830' (28')
11/16/2007	06:00 - 07:00	1.00	17	A	PROD	SAFETY MEETING WITH NABORS. DRILL FM 6830' TO 6890' (60')
	07:00 - 08:30	1.50	05	F	PROD	CIRC AND CONDITION HOLE. UNLOAD ANNULUS, MUD CLEANING HOLE WELL. NOT GETTING MUCH IN ADDITIONAL CUTTINGS WITH SWEEPS. ( 20 BBL, 90 VIS, 9.1 PPG)
	08:30 - 16:30	8.00	02	B	PROD	DRILL FM 6890' TO 7088' (198')
	16:30 - 17:00	0.50	07	A	PROD	RIG SERVICE
	17:00 - 18:30	1.50	05	F	PROD	CIRC AND WORK PIPE (RECIPROCATING), SWEEP HOLE, REDUCED S/P PRESSURE 50 - 75 PSI
11/17/2007	18:30 - 06:00	11.50	02	B	PROD	DRILL FM 7088' TO 7470' (382')
	06:00 - 06:30	0.50	17	A	PROD	PRE TOUR SAFETY MEETING WITH NABORS, DALBO.
	06:30 - 09:00	2.50	02	B	PROD	DRILL FM 7470' TO 7600' (130')

## Operations Summary Report

Legal Well Name: TRAIL CANYON 1-2  
 Common Well Name: TRAIL CANYON 1-2  
 Event Name: ORIG DRILLING  
 Contractor Name: NABORS DRILLING  
 Rig Name: NABORS

Start: 10/28/2007  
 Rig Release: 12/3/2007  
 Rig Number: 124

Spud Date: 10/28/2007  
 End: 12/3/2007  
 Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/17/2007	09:00 - 10:00	1.00	10	A	PROD	SURVEY @ 7600' = 1.0 DEG
	10:00 - 16:30	6.50	02	B	PROD	DRILL FM 7600' TO 7887' (287')
	16:30 - 17:00	0.50	07	A	PROD	RIG SERVICE
	17:00 - 18:00	1.00	02	B	PROD	DRILL FM 7887' TO 7919' (32')
	18:00 - 06:00	12.00	02	B	PROD	DRILL FM 7919' TO 8400' (481')
11/18/2007	06:00 - 07:00	1.00	17	A	PROD	TOTCO SURVEY AT 8,400'. 1.5 DEGREE
	07:00 - 11:00	4.00	02	B	PROD	DRILL FM 8,400' TO 8,548' (148'). 37 FPH.
	11:00 - 11:30	0.50	05	F	PROD	CIRC AND CONDITION HOLE, WORK PIPE TO REDUCE TORQUE, SWEEP HOLE ON THE FLY WITH 20 BBL HI-VIS AND 9.1 WT PILL.
	11:30 - 14:00	2.50	02	B	PROD	DRILL FM 8,548' TO 8,622' (74'). 29.6 FPH.
	14:00 - 15:00	1.00	05	F	PROD	CIRCULATE OUT 4,145 UNITS OF GAS THROUGH GAS SEPERATOR FOR SAFETY. GAS FELL OUT, NO GAIN IN MUD TANKS, NO FLOW INCREASE.
11/19/2007	15:00 - 06:00	15.00	02	B	PROD	CONTINUE TO MOTOR DRILL 6-1/4" HOLE WITH PDC BIT #4 FROM 8,622' TO 9,095' (473'). 29.6 FPH, AROP. MUD WEIGHT 8.9 PPG. 2,800 PSI PUMP PRESSURE, 8,000 / 10,000 WEIGHT ON BIT, 150 RPM.
	06:00 - 09:00	3.00	02	B	PROD	MOTOR DRILL 6-1/4" HOLE WITH PDC BIT #4 FROM 9,095' TO 9,220' (125'). 41.7 FPH AROP. 820' FROM LAST TOTCO SURVEY.
	09:00 - 10:00	1.00	10	A	PROD	SWEEP HOLE AND RUN TOTCO SLICKLINE SURVEY AT 9,209'. 1.5 DEGREE.
	10:00 - 16:00	6.00	02	B	PROD	DRILL FROM 9,220' TO 9,542' (322'). 53.7 FPH AROP.
	16:00 - 16:30	0.50	07	A	PROD	SERVICE RIG. LUBRICATE EQUIPMENT.
11/20/2007	16:30 - 06:00	13.50	02	B	PROD	DRILL FROM 9,542' TO 9,897' (355'). 26.3 FPH AROP. 7 / 10,000 WEIGHT ON BIT, 2,800 PSI PUMP PRESSURE, 50 RPM ON ROTARY, 150 RPM ON MOTOR, 8.8 PPG MUD WEIGHT, 918 UNITS OF BACKGROUND GAS.
	06:00 - 02:00	20.00	02	B	PROD	MOTOR DRILL 6-1/4" HOLE WITH PDC BIT #4 FROM 9,897' TO 10,038' (141'). 7 FPH AROP. 2 TO 3 FPH FOR LAST 4 HRS. WITH STALL AND TORQUE. WOB = 5,000 / 12,000#, 2,800 PSI PUMP PRESSURE, 50 RPM ON ROTARY, 150 RPM ON MOTOR, 8.8 PPG MUD WEIGHT, 42 VISCOSITY, BACK GROUND GAS VARIED FROM 963 UNITS TO 2,600 UNITS. PULL OUT OF HOLE BECAUSE OF PENETRATION RATE, DRILL STRING TORQUE AND STALL OUT.
	02:00 - 03:30	1.50	05	F	PROD	CIRCULATE BOTTOMS UP AND REMOVE BACK GROUND GAS FROM ANNULUS.
	03:30 - 04:00	0.50	05	F	PROD	FLOW CHECK WELL, STATIC. SLUG PIPE AND SET BACK KELLY.
	04:00 - 06:00	2.00	06	A	PROD	PULL OUT OF HOLE FOR BIT #5 AND NEW MUD MOTOR.
11/21/2007	06:00 - 09:30	3.50	06	A	PROD	FINISH PULLING OUT OF HOLE WITH 3-1/2" DRILL PIPE TO BOTTOM HOLE ASSEMBLY. HOLE TAKING PROPER MUD FILL. NO TIGHT SPOTS ON TRIP, HOLE IN GOOD CONDITION. DRILL PIPE COUNT IS CORRECT. 280 JOINTS.
	09:30 - 10:30	1.00	06	B	PROD	PULL OUT OF HOLE WITH BOTTOM HOLE ASSEMBLY AND LAY DOWN PDC BIT #4. OUTER ROW OF CUTTERS WORN DOWN TO BIT BODY. BIT IN GAUGE. INNER ROW OF CUTTERS IN GOOD CONDITION. BIT IS REBUILDABLE. STABILIZER IN GAUGE.
	10:30 - 12:30	2.00	06	B	PROD	LAY DOWN .55 RPG CAVO MUD MOTOR AND PICK UP .46 RPG HUNTING MUD MOTOR, INSTALL NEW DRILL STRING FLOAT VALVE WITH BAFFLE PLATE, MAKE UP PDC BIT #5 DRESSED WITH 3 X 12 AND 3 X 16 NOZZLES (.92 TFA), PICK UP KELLY AND SURFACE TEST MUD MOTOR FOR INTEGRITY. MOTOR TESTED POSITIVE. 150 GPM MINIMUM FLOW RATE X 300 GPM MAXIMUM FLOW RATE OPERATING RANGE FOR MOTOR, PER HUNTING

**Halliburton Energy Services**  
**Operations Summary Report**

Legal Well Name:	TRAIL CANYON 1-2		Spud Date: 10/28/2007
Common Well Name:	TRAIL CANYON 1-2		
Event Name:	ORIG DRILLING	Start: 10/28/2007	End: 12/3/2007
Contractor Name:	NABORS DRILLING	Rig Release: 12/3/2007	Group:
Rig Name:	NABORS	Rig Number: 124	

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/21/2007	10:30 - 12:30	2.00	06	B	PROD	REP. RACK KELLY.
	12:30 - 13:30	1.00	06	B	PROD	TRIP IN HOLE WITH BOTTOM HOLE ASSEMBLY.
	13:30 - 19:00	5.50	06	A	PROD	CONTINUE TRIP IN HOLE WITH 3-1/2" DRILL PIPE TO 7" CASING SHOE, BREAK CIRCULATION.
	19:00 - 22:00	3.00	07	B	PROD	CUT AND SLIP 1-1/8" DRILL LINE.
	22:00 - 23:00	1.00	06	A	PROD	CONTINUE TRIP IN HOLE WITH DRILL PIPE TO 7,239'.
	23:00 - 01:00	2.00	03	A	PROD	PICK UP KELLY, BREAK CIRCULATION, CIRCULATE BOTTOMS UP TO CHECK GAS. 4,634 MAXIMUM GAS UNITS. CIRCULATE OUT GAS THROUGH GAS SEPERATOR. STOP PUMP, CHECK FLOW. STATIC.
	01:00 - 02:30	1.50	06	A	PROD	SET KELLY BACK AND CONTINUE TRIP IN HOLE TO 9,998'. HOLE CLEAN.
	02:30 - 04:00	1.50	05	F	PROD	CIRCULATE BOTTOMS UP AND GAS OUT BEFORE CONTINUE DRILLING OPERATIONS. 2,146 UNITS MAXIMUM GAS AT 9,998'.
	04:00 - 04:30	0.50	09	A	PROD	REPAIR DATA LOG EQUIPMENT.
	04:30 - 06:00	1.50	02	B	PROD	WASH TO BOTTOM AT 10,038' AND MOTOR DRILL 6-1/4" HOLE WITH PDC BIT #5 FROM 10,038' TO 10,070' (32'). 21.3 FPH AROP.
11/22/2007	06:00 - 15:30	9.50	02	B	PROD	MOTOR DRILL 6-1/4" HOLE WITH PDC BIT #5 FROM 10,070' TO 10,197' (127'). 13.4 FPH AROP.
	15:30 - 16:00	0.50	05	F	PROD	CIRCULATE WELL PRIOR TO RUNNING SLICKLINE SURVEY.
	16:00 - 17:30	1.50	10	A	PROD	RUN TOTCO SURVEY AT 10,171'. 1 DEGREE DEVIATION.
11/23/2007	17:30 - 06:00	12.50	02	B	PROD	MOTOR DRILL FROM 10,197' TO 10,297' (100'). 8 FPH AROP. MORRISON FORMATION IS SOMEWHAT HARDER. 80 SPM AT 1650 PSI, 50 RPM ON ROTARY, 90 RPM ON MOTOR, 10 TO 12,000# WEIGHT ON BIT. 8.9 PPG WITH 42 VISCOSITY MUD PROPERTIES.
	06:00 - 17:30	11.50	02	B	PROD	MOTOR DRILL 6-1/4" HOLE WITH PDC BIT #5 FROM 10,297' TO 10,410' (113'). 9.8 FPH AROP.
	17:30 - 18:00	0.50	07	A	PROD	SERVICE RIG
11/24/2007	18:00 - 06:00	12.00	02	B	PROD	MOTOR DRILL FROM 10,410' TO 10,497' (87'). 7.3 FPH AROP. DRILLING IN HARD SILTSTONE. 80 SPM AT 1650 PSI, 50 RPM ON ROTARY, 90 RPM ON MOTOR, 12,000# TO 14,000# WEIGHT ON BIT, 8.9 PPG WITH 43 VISCOSITY MUD PROPERTIES. 2590 UNITS MAXIMUM GAS, 1755 UNITS AVERAGE BACKGROUND GAS.
	06:00 - 16:00	10.00	02	B	PROD	MOTOR DRILL 6-1/4" HOLE WITH PDC BIT #5 FROM 10,497' TO 10,570' (73'). 7.3 FPH AROP.
	16:00 - 16:30	0.50	07	A	PROD	SERVICE RIG
11/25/2007	16:30 - 06:00	13.50	02	B	PROD	MOTOR DRILL FROM 10,570' TO 10,670' (100'). 7.4 FPH AROP. 80 SPM AT 1725 PSI, 50 RPM ON ROTARY, 90 RPM ON MOTOR, 14,000# TO 15,000# WEIGHT ON BIT, 8.8 PPG WITH 43 VISCOSITY MUD PROPERTIES. 2,520 UNITS MAXIMUM GAS, 1,058 UNITS OF BACKGROUND GAS AT PRESENT.
	06:00 - 06:00	24.00	02	B	PROD	MOTOR DRILL 6-1/4" HOLE WITH PDC BIT #5 FROM 10,670' TO 10,824' (154'). 6.4 FPH AROP. 80 SPM AT 1675 PSI, 50 RPM ON ROTARY, 90 RPM ON MOTOR, 14,000# TO 16,000# WOB, 8.8 PPG WITH 43 VISCOSITY MUD PROPERTIES. 1,647 UNITS MAXIMUM GAS, 1,180 UNITS OF BACKGROUND GAS AT PRESENT.
11/26/2007	06:00 - 12:30	6.50	02	B	PROD	MOTOR DRILL 6-1/4" HOLE WITH PDC BIT #5 FROM 10,824' TO 10,853' (29'). 4.4 FPH AROP. PENETRATION RATE DOWN TO 3 FPH AND TRENDING DOWNWARD. DIFFERENTIAL PRESSURE DECLINING. 89.5 HOURS ON BIT. 80 SPM AT 1675 PSI, 50 RPM ON ROTARY AND 90 RPM ON MOTOR. 14,000# - 15,000# WOB, 8.8 PPG WITH 43 VISCOSITY MUD PROPERTIES.
	12:30 - 14:30	2.00	05	F	PROD	STOP MUD PUMP FOR 20 MINUTES TO ALLOW POSSIBLE GAS

## Operations Summary Report

Legal Well Name: TRAIL CANYON 1-2  
 Common Well Name: TRAIL CANYON 1-2  
 Event Name: ORIG DRILLING  
 Contractor Name: NABORS DRILLING  
 Rig Name: NABORS

Spud Date: 10/28/2007  
 Start: 10/28/2007 End: 12/3/2007  
 Rig Release: 12/3/2007 Group:  
 Rig Number: 124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/26/2007	12:30 - 14:30	2.00	05	F	PROD	FEED IN, CIRCULATE BOTTOMS UP. MAX GAS 1,950 UNITS FALLING TO 196 UNITS. STOP PUMP AND FLOW CHECK WELL FOR 10 MINUTES. STATIC. DROP TOTCO SURVEY AND SLUG PIPE.
	14:30 - 22:30	8.00	06	A	PROD	PULL OUT OF HOLE FOR BIT #6. MEASURE DRILL PIPE ON TRIP OUT (SLM). HOLE CLEAN AND TOOK PROPER FLUID TO FILL. PIPE COUNT CORRECT (305 JOINTS). PIPE BOOK LENGTH = 9,710.70', SLM = 9,712.62'. 1.92' DIFFERENCE. SHALL CONTINUE TO USE PIPE BOOK. BIT CUTTERS ARE WORN FLAT ON SHOULDER, TAPER AND NOSE, OTHERWISE, IN GOOD CONDITION. IN GAUGE AND RETURNABLE. FLAT CUTTERS UNABLE TO CUT FORMATION. 2 DEGRESS SURVEY.
	22:30 - 00:30	2.00	06	B	PROD	LAY DOWN BIT #5 AND MUD MOTOR, MAKE UP IADC TYPE 617 TRICONE BIT #6 WITH 3 X 20 NOZZLES, BIT SUB WITH PLUNGER FLOAT AND BAFFLE PLATE, 6-1/8" OD IBS, (1) 4-3/4" DC, 6-1/8" OD IBS, (10) DRILL COLLARS AND TRIP IN HOLE WITH BHA. WILL ROTARY DRILL THIS BIT.
	00:30 - 06:00	5.50	06	A	PROD	TRIP IN HOLE WITH DRILL PIPE. FILL PIPE AT 7" CASING SHOE. CONTINUE IN HOLE. 45 STANDS LEFT AT REPORT TIME.
11/27/2007	06:00 - 08:30	2.50	06	A	PROD	FINISH TRIP IN HOLE WITH 45 STANDS OF DRILL PIPE TO 10,808'. HOLE CLEAN. NO GAIN OR LOSSES ON TRIP. WASH TO BOTTOM.
	08:30 - 13:00	4.50	02	A	PROD	ROTARY DRILL 6-1/4" HOLE WITH TRICONE BIT #6 FROM 10,853' TO 10,871' (18'). 4 FPH AROP. WEIGHT INDICATOR WORKING ERRATIC.
	13:00 - 14:00	1.00	08	A	PROD	CHANGE OUT WEIGHT INDICATORS.
	14:00 - 06:00	16.00	02	A	PROD	ROTARY DRILL FROM 10,871' TO 10,935' (64'). 4 FPH AROP. 100 SPM AT 2,080 PSI, 50 TO 80 RPM ON ROTARY, 12,000# TO 20,000# WOB, 8.8 PPG WITH 48 VISCOSITY MUD PROPERTIES. 2,864 UNITS MAX GAS, 239 UNITS OF BACKGROUND GAS.
11/28/2007	06:00 - 11:00	5.00	02	A	PROD	ROTARY DRILL 6-1/4" HOLE WITH TRICONE BIT #6 FROM 10,935' TO 10,957' (4.4') FPH AROP. ROTARY CHAIN BROKE.
	11:00 - 12:30	1.50	08	A	PROD	CIRCULATE AND REPAIR ROTARY CHAIN.
	12:30 - 06:00	17.50	02	A	PROD	ROTARY DRILL FROM 10,957' TO 11,032' (75'). 4.3 FPH AROP. 97' TOTAL FOR DAY. 110 SPM AT 2,391 PSI, 14,000# TO 20,000# WOB, 65 - 75 ROTARY RPM, 8.8 PPG MUD WEIGHT. 1,223 UNITS MAX GAS, 207 UNITS AVERAGE BACKGROUND GAS.
11/29/2007	06:00 - 15:30	9.50	02	A	PROD	ROTARY DRILL 6-1/4" HOLE WITH TRICONE BIT #6 FROM 11,032' TO 11,075' (43'). 4.5 FPH AROP.
	15:30 - 16:00	0.50	08	A	PROD	CHANGE OUT VALVE IN #1 MUD PUMP.
	16:00 - 23:30	7.50	02	A	PROD	DRILL FROM 11,075' TO 11,093' (18'). 2.4 FPH AROP. BIT QUIT, PROBABLY DAMAGED. 11,093' TD. 110 SPM AT 2560 PSI, 75 ROTARY RPM, 17,000# WOB, 9.0 PPG WITH 50 VISCOSITY MUD PROPERTIES.
	23:30 - 02:00	2.50	06	A	PROD	SHORT TRIP 18 STANDS TO 9,400', ABOVE THE DAKOTA SILTSTONE FORMATION. HOLE CLEAN.
	02:00 - 06:00	4.00	05	D	PROD	CIRCULATE AND CONDITION MUD TO LOG. 4,862 UNITS OF GAS ON BOTTOMS UP. CIRCULATE THROUGH GAS SEPERATOR AND RAISING MUD WEIGHT TO 9.1 PPG.
11/30/2007	06:00 - 11:00	5.00	05	D	PROD	CIRCULATE AND CONDITION MUD AND RAISE MUD WEIGHT TO 9.1+ IN AND OUT WITH 63 VISCOSITY. WELL STATIC WITH 14 UNITS OF GAS. DRILLED DEPTH IS 11,155' TRUE DEPTH. A 62' PIPE TALLY CORRECTION WAS MADE. THE ERROR OCCURRED

**Halliburton Energy Services**  
**Operations Summary Report**

Legal Well Name: TRAIL CANYON 1-2  
 Common Well Name: TRAIL CANYON 1-2  
 Event Name: ORIG DRILLING  
 Contractor Name: NABORS DRILLING  
 Rig Name: NABORS

Spud Date: 10/28/2007  
 Start: 10/28/2007 End: 12/3/2007  
 Rig Release: 12/3/2007 Group:  
 Rig Number: 124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/30/2007	06:00 - 11:00	5.00	05	D	PROD	WHEN THE PIPE WAS ORIGINALLY PICKED UP OFF THE PIPE RACK.
	11:00 - 19:30	8.50	06	A	PROD	SLUG PIPE AND PULL OUT SLOWLY THROUGH OPEN HOLE TO PREVENT ANY POSSIBILITY OF SWABBING THE WELL. CONTINUE OUT OF HOLE AND LAY DOWN TWO 4-3/4" DC, STABILIZERS, BIT #6.
	19:30 - 06:00	10.50	11	A	PROD	RIG UP BAKER ATLAS LOGGING EQUIPMENT AND RUN HDIL / DAL / ZDL / CN / GR / ORIT LOGS. LOGGING DEPTH = 11,162'. ALMOST FINISHED AT REPORT TIME.
12/1/2007	06:00 - 07:30	1.50	11	A	PROD	RIG DOWN BAKER ATLAS LOGGING TOOLS.
	07:30 - 11:00	3.50	06	B	PROD	TIH WITH DRILL COLLARS, JAR, TWO HWDP AND LAY DOWN SAME.
	11:00 - 13:00	2.00	12	A	PROD	RIG UP CALIPER PICK UP MACHINE AND CASING RUNNING EQUIPMENT.
	13:00 - 19:00	6.00	12	A	PROD	MAKE UP FLOAT SHOE, (1) JT. OF CASING, FLOAT COLLAR, LANDING COLLAR AND RUN A TOTAL OF 115 JOINTS OF 4-1/2", 11.6 PPF, P-110, LTC PRODUCTION LINER. PLACE CENTRALIZERS ACCORDING TO RUNNING PROCEDURE.
	19:00 - 20:00	1.00	12	A	PROD	RIG DOWN CASING RUNNING EQUIPMENT.
	20:00 - 21:00	1.00	12	A	PROD	MAKE UP WEATHERFORD LINER HANGER AND SETTING TOOL. MAKE UP CEMENT HEAD ON 1 JT. OF DRILL PIPE AND LAY ON CAT WALK.
	21:00 - 22:30	1.50	06	A	PROD	TRIP IN HOLE WITH 8 STANDS OF 3-1/2" HWDP AND 2 STANDS OF 3-1/2" DRILL PIPE. INSTALL ROTATING HEAD RUBBER, PICK UP KELLY AND FILL PIPE. LINER CASING SHOE AT 7" CASING SHOE. HALLIBURTON CEMENTERS CALLED AND SAID THEY ARE STOPPED ABOUT 35 MILES FROM LOCATION. TOO MUCH SNOW AND ROAD IS NOT TRAVELABLE.
	22:30 - 06:00	7.50	13	A	PROD	CALLED STUBBS AND STUBBS THE LOCATION CONTRACTOR, THEY ARE SENDING A GRADER AND OTHER EQUIPMENT TO CLEAR ROAD AND IF NECESSARY, PULL THE CEMENT TRUCKS. WAITING ON CEMENTERS. ROAD GRADER CLEARING SNOW FROM ROAD AHEAD OF TRUCKS.
12/2/2007	06:00 - 20:00	14.00	13	A	PROD	ROAD GRADER AND CEMENT TRUCKS ARRIVED AT 1930 HRS. DRAIN KELLY AND RACK BACK. CONTINUE TIH IN HOLE SLOWLY AT 2.5 MINUTES PER STAND WITH 3-1/2" DRILL PIPE TO 11,127'. FILL PIPE EVERY 20 STANDS.
	20:00 - 00:30	4.50	06	A	PROD	MAKE UP WEATHERFORD CEMENT HEAD AND HALLIBURTON HARD PIPE TO HEAD.
	00:30 - 02:00	1.50	05	F	PROD	CIRCULATE AND CONDITION HOLE TO CEMENT LINER. 2,902 MAXIMUM UNITS OF GAS
	02:00 - 04:30	2.50	05	F	PROD	SET SLIPS ON HANGER. VERIFY SLIPS SET. PLACE 50,000# DOWN ON HANGER. TOP OF TIE-BACK SLEEVE (PBR) AT 6,100'+-. HELD SAFETY MEETING WITH HALLIBURTON CEMENTERS AND DRILL CREW.
	04:30 - 05:00	0.50	12	B	PROD	HALLIBURTON PREPARING TO MIX SPACERS.
12/3/2007	05:00 - 05:30	0.50	12	B	PROD	THAW HALLIBURTON CMT EQUIPMENT. PRESSURE TEST CEMENT LINES TO 6,580 PSI, TEST NITROGEN LINES TO 10,400 PSI.
	05:30 - 06:00	0.50	12	B	PROD	PUMP 20 BBLs. OF WATER AHEAD, 40 BBLs. OF MUD FLUSH II.
	06:00 - 08:30	2.50	12	B	PROD	PUMP 40 BBLs. OF TUNED SPACER III (10 PPG) FOLLOWED BY 270 SXS (70.6 BBLs.) OF FOAM LEAD CEMENT AT 14.3 PPG (FOAMED DOWN TO 11.0 PPG), 1.47 YIELD, 6.4 GPS OF MIX FLUID
	08:30 - 10:00	1.50	12	B	PROD	

## Operations Summary Report

Legal Well Name:	TRAIL CANYON 1-2		Spud Date: 10/28/2007
Common Well Name:	TRAIL CANYON 1-2		
Event Name:	ORIG DRILLING	Start: 10/28/2007	End: 12/3/2007
Contractor Name:	NABORS DRILLING	Rig Release: 12/3/2007	Group:
Rig Name:	NABORS	Rig Number: 124	

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
12/3/2007	08:30 - 10:00	1.50	12	B	PROD	WITH THE FOLLOWING ADDITIVES: 5 lbm SILICALITE; 20% SAND-SSA-1-SILICA FLOUR-200 MESH; .2% VERSASET; .2% HALAD-766; 1.5% ZONESEALANT 2000; 6.4 GAL FRESH WATER. 350 SXS (92.7 BBLs.) OF UNFOAMED TAIL CEMENT AT 13.5 PPG, 1.48 YIELD, 7.1 GPS OF MIX FLUID WITH THE FOLLOWING ADDITIVES: 2% MICROBOND M; .2% SUPER CBL; .3% HALAD-R-344; .3% HALAD-R-413; .3% HR-5; 4 lbm SILICALITE; 6.8 GAL FRESH WATER. DISPLACE WITH 120.8 BBLs. OF CLAYFIX II. BUMP LINER WIPER PLUG WITH 2,700 PSI, INCREASE TO 3,400 PSI (700 PSI OVER). RELEASE PREASURE AND CHECK FLOATS. 1 BBL RETURN, FLOATS HOLDING.
	10:00 - 11:30	1.50	05	F	PROD	SHEAR PINS AND SET TOP PACKER, PULL UP 40' FROM PBR AND CIRCULATE WELL. 100% CEMENT TO SURFACE FOLLOWED BY TONS OF FOAM. CONTINUE TO CIRCULATE UNTIL CLEAN MUD RETURNS.
	11:30 - 12:00	0.50	05	F	PROD	RIG UP TO DISPLACE WELL WITH FRESH WATER AND FLUSH MUD PUMPS.
	12:00 - 15:00	3.00	05	F	PROD	DISPLACE 9.2 PPG MUD FROM WELL WITH FRESH WATER.
	15:00 - 15:30	0.50	06	C	PROD	RIG UP LAY DOWN MACHINE TO LAY DOWN 104 STANDS OF 3-1/2" DRILL PIPE AND 8 STANDS OF HWDP.
	15:30 - 02:00	10.50	06	C	PROD	LAY DOWN DRILL PIPE AND HWDP.
	02:00 - 06:00	4.00	01	E	PROD	REST CREW. THEY WILL TAKE OFF 6 HRS., THEN WORK WITH DAY CREW RIGGING DOWN.
12/4/2007	06:00 - 18:00	12.00	01	E	PROD	LAY DOWN DRILL PIPE AND HWDP. THE RIG WAS RELEASED TO NABORS FOR RIG DOWN OPERATIONS ON 12/3/2007 AT 1800 HRS.

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**CONFIDENTIAL**

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML - 47218</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>Moon Canyon</b>
2. NAME OF OPERATOR: <b>Royale Energy, Inc</b>		8. WELL NAME and NUMBER: <b>Trail Canyon 1-2</b>
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		9. API NUMBER: <b>43-019-31532</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1528' FNL, 2627' FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNE 1 16S 21E</b>		COUNTY: <b>Grand</b>
		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>12/1/2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Initial Production Test</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>Multiple Zones</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Run Cement Evaluation Log. Production Test the following zones for potential production - Segro 5266 - 5528'; Castlegate 5920 - 6037'; Mancos 8580 - 8710'; Mancos B 9500 - 9750'; Dakota Silt 9756 - 9760'; Cedar Mountain 9955 - 10,000'; Buckhorn 10,000 - 10,010; Brushy Basin 10,290 - 10,546' and Entrada 10,711 - 10,898'.

Based on the production results, the well will be completed and placed on production.

If commingling is acquired it will be in accordance with Rule R649-3-22.

**COPY SENT TO OPERATOR**

Date: 1-24-2008

Initials: KS

**RECEIVED**  
**JAN 09 2008**  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Glenn Donaldson TITLE Chief Engineer

SIGNATURE *WB Donaldson* DATE 7 Jan 08

(This space for State use only)

**APPROVED BY THE STATE**  
**OF UTAH DIVISION OF**  
**OIL, GAS, AND MINING**

DATE: 1/22/08

BY: *[Signature]*

\* An application for commingling (See Instructions on Reverse Side) shall be submitted and approved prior to commingling in accordance with R649-3-22

## NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
  - Form 8, Well Completion or Recompletion Report and Log
  - A copy of electric and radioactivity logs, if run
  - A copy of drillstem test reports,
  - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
  - A copy of core analyses, and lithologic logs or sample descriptions if compiled
  - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

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As of the mailing of this notice, the division has not received the required reports for

Operator: Royale Energy, Inc Today's Date: 02/14/2008

Well:	API Number:	Drilling Commenced:
Trail Cyn 1-2 drlg rpts/wcr	4301931532	08/07/2007

165 21E 1

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File  
Compliance File

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML - 47218</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>Moon Canyon</b>
2. NAME OF OPERATOR: <b>Royale Energy, Inc</b>		8. WELL NAME and NUMBER: <b>Trail Canyon 1-2</b>
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		9. API NUMBER: <b>019-31532</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1528' FNL, 2627' FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNE 1 16S 21E</b>		COUNTY: <b>Grand</b>
		STATE: <b>UTAH</b>

CONFIDENTIAL

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Completion</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

**Well started Completion process on 2-7-07 to 2-8-08. The Entrada formation was perforated. Due to the weather conditions the completion process has been put on hold until further notice.**

NAME (PLEASE PRINT) <u>Glenn Donaldson</u>	TITLE <u>Chief Engineer</u>
SIGNATURE <u><i>Glenn Donaldson</i></u>	DATE <u>21 Feb 08</u>

(This space for State use only)

RECEIVED  
FEB 26 2008  
DIV. OF OIL, GAS & MINING

**NOTICE OF LATE REPORTING  
DRILLING & COMPLETION INFORMATION**

Utah Oil and Gas Conservation General Rule R649-3-6 states that,

- Operators shall submit monthly status reports for each drilling well (including wells where drilling operations have been suspended).

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
  
- Within 30 days after the completion or plugging of a well, the following shall be filed:
  - Form 8, Well Completion or Recompletion Report and Log
  - A copy of electric and radioactivity logs, if run
  - A copy of drillstem test reports,
  - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
  - A copy of core analyses, and lithologic logs or sample descriptions if compiled
  - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

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As of the mailing of this notice, the division has not received the required reports for

Operator: Royale Energy, Inc. Today's Date: 04/21/2008

Well:	API Number:	Drilling Commenced:
Ten Mile Cyn 22-1	4301931526	06/13/2007
Trail Cyn 1-2      16S      21E      1	4301931532	08/07/2007

List Attached

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please contact Rachel Medina  
at (801) 538-5260.

cc: Well File  
Compliance File

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML - 47218

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Moon Canyon

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:

Trail Canyon 1-2

2. NAME OF OPERATOR:

Royale Energy, Inc

9. API NUMBER:

019-31532

3. ADDRESS OF OPERATOR:

7676 Hazard Center Drive, S CITY San Diego

STATE CA

ZIP 92108

PHONE NUMBER:

(619) 881-2800

10. FIELD AND POOL, OR WILDCAT:

Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1528' FNL, 2627' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____  <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well Completion</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The well has not been completed at this time. Due to the weather conditions the completion process has been put on hold until further notice.

NAME (PLEASE PRINT) Glenn Donaldson

TITLE Chief Engineer

SIGNATURE WB Donaldson

DATE 4/28/2008

(This space for State use only)

RECEIVED

APR 30 2008

DIV. OF OIL, GAS & MINING

**UTAH DIVISION OF OIL, GAS AND MINING**

**NOTICE OF REPORTING PROBLEMS**

Operator: Royale Energy, Inc Account: N2465 Today's Date: 10/23/2008

**Problems:**

- Late Report(s)
- Inaccurate Report(s)
- Incomplete Report(s)
- Other: \_\_\_\_\_

Failure to submit reports in a timely, accurate, and complete manner may result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

**To avoid compliance action, these reporting problems should be resolved within 7 days.**

**Send reports to:**

Utah Division of Oil, Gas and Mining  
 1594 West North Temple, Suite 1210  
 P.O. Box 145801  
 Salt Lake City, Utah 84114-5801

**Fax to:**

(801) 359-3940

*1 165 212*

Type of Report	Month(s) of Problem Report		
<input type="checkbox"/> Production – Form 10 <input type="checkbox"/> Disposition – Form 11 <input type="checkbox"/> Gas Plant – Form 13 <input type="checkbox"/> Enhanced Recovery – UIC Form 2 <input type="checkbox"/> Injection – UIC Form 3 <input type="checkbox"/> Other _____			
Type of Report	Well Name(s)	API Number(s)	Drilling Commenced
<input type="checkbox"/> Spud Notice – Form 9 <input checked="" type="checkbox"/> Drilling Reports – Form 9 <input type="checkbox"/> Well Completion Report – Form 8 <input type="checkbox"/> Other _____	Ten Mile Cyn 22-1 Trail Cyn 1-2  <input checked="" type="checkbox"/> List Attached	4301931526 4301931532	06/13/2007 08/07/2007

**Description of Problem:**

Per R649-3-6 2.4 The operator shall submit a monthly status report for each drilling well on Form 9, Sundry Notice and Reports on Wells. The report should include the well depth and a description of the operations conducted on the well during the month.

If you have questions or concerns regarding this matter, please contact Rachel Medina at (801) 538-5260 .

cc: Compliance File  
 RAM  
 Well File  
 CHD

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML - 47218</b>
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3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		9. API NUMBER: <b>019-31532</b>
		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
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QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNE 1 16S 21E</b> STATE: <b>UTAH</b>		

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<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>2/8/2008</b>	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
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	<input type="checkbox"/> CONVERT WELL TYPE	<input checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<b>comp. of other zones</b>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
**Please see attached.**

NAME (PLEASE PRINT) <b>Mohamed Abdel-Rahman</b>	TITLE <b>VP of Exploration</b>
SIGNATURE	DATE <b>10/28/2008</b>

## Trail Canyon 1-2 – Completion Summary

**12/10/07**

Rig up rig and nep up bops, spot catwalk and piperacks.

**12/11/07**

RIH with sandline and check PBTB 11,138 okay. Run hardline from pump to well head. Start pump. Shut down waiting on tbg.

**12/12/07**

Unload 378 jts of N80 tbg 238 jts. Make up 4 ½” scraper. Start picking up tbg. Tag PBTB on jt #347 11,078’. Rig up pump circulate hole with 320 bbls of fresh water 20 bbls over bottoms up was mud. Pull 10 jts EOT 10,755’ shut well in.

**12/13/07**

Trip out of hole with remainder of tbg and 4 ½” scraper. Mill. Puck up 7’s scraper and N80 2 3/8” to 6086’ circ hole with 240 bbls. Trip out of hole with N80 tbg and scraper. Rig up Baker. Running CBL log.

**12/14/07**

Running CBL log and Gas View log. Rig down. Shut well in.

**12/15/07**

Start rig and pump. Rig up Casehole, pick up 4 ½” drillable composite plug. Set plug @ 6200’. Test plug to 1000psi, no bleed off. Casehole picked up bailer dump 2 sx of sand on top of plug. Rig down Casehole. Run in hole with NC jt setting nep. Run in hole and tag sand at 6105’. Pull up to 6082’ circ hole with 235 bbls of 3% KCL water. Pull 10 jts of tbg EOT 5790’. Shut well in.

**12/16/07**

Swab well down to 2000’. Trip out of hole with N80 2 3/8 tbg. Rig up Casehole to **per Castlegate with 4” expendable guns loaded 6 SPF interval 5920-5930’** no pressure increase. Run Halliburton 7” rttts pkr 1 jt XN nipple run tbg and pkr in hole and set at 5858’. XN nipple at 5818’ rig up to swab.

**12/17/07**

Release Halliburton rttts 7” pkr. Trip out of hole 2 3/8” tbg and pkr. Run sand line in hole tag sand at 6160’ POOH. Rig up Casehole to perf. **Perforate Sege 5266-5528’**, rig down casehole shut well in.

**12/18/07**

Pick Halliburton 7” rttts pkr. Trip in hole with pkr and N80 tbg. Set pkr @ 5207’ above top perf 5266’. Blow well down fill tbg with 12 bbls pump into formation at 1.6 bbls per min pump 4 bbls in formation.

**12/19/07**

Rig up to swab. Shut well in due to storm.

**12/20-12/26/07**

No work performed.

**12/27/07**

Rig up to swab. SITP 50psi. Shut well in.

**12/28/07**

Make swab run fluid level 4600' pulled from 5150' no recovery. Rig up hot oiler to steam froze up bops. Trip out of hole with 164 jts of N80 tbg and Halliburton 7" rtts pkr. Trip in hole with 7" scraper to 6055' pull back up to 5209'. Rig up pump and lines.

**12/29/07**

Start pump, water hit pump and ice up rig up hot oiler and pump hot water threw pump. Drill 1' of cmt on top of retainer @ 5165'. Drill up retainer and cmt to 5234' 69' of cmt circ hole clean.

**12/30/07**

Trip in hole with N80 tbg and Halliburton rtts pkr. Set pkr @ 5956'. Fill tbg 2 bbls of 3% KCL water. Formation broke @ 2250psi pump 2 bbls into formation @ 1.7 bbls per min @ 2000psi.

**12/31/07**

SITP 50 # well shut in for 14hrs. Release Halliburton rtts pkr and trip out of hole with pkr and 187 jts of tbg.. Pick up and make 3 1/8 collars. Remove 2 3/8 tbg from racks and reset load 4 1/2 csg on racks, talley.

**1/1/08**

Rig up Casehole made 3 bailer runs. Top of sand @ 6105'. Set 7" composite cmt retainer @ 5820'. Rig down casehole.

**1/2/08**

Trip in hole with Halliburton stinger to composite cmt retainer sting in and test 1000psi test okay. Sting out pull 2 stands.

**1/3/08**

Run 2 stands sting in to retainer @ 5820'. Rig up Halliburton to squeeze perms lower castlegate 6028-6037' and 5920-5930'. Pump 50 sx of cmt. Sting out and reverse out. Trip out of hole with 183 jts. Rig up casehole set 7" composite cmt retainer @ 5166'. Rig down casehole. Trip in hole with 163 jts and stinger 5166'. Pump 50 sx of cmt. Trip out of hole with 163 jts and stinger. .

**1/4/08**

Talley BHA. Mill and bit sut. 2 3/8 EUE x – 2 7/8 pac. Trip in hole with collars 156 jts. EOT 5074'. Shut in well for weekend.

**1/7/08**

Trip in hole with N80 tbg cmt @ 5165' 1' above retainer @ 5166'. POOH and lay down 11jts. Run in hole with 5 stands. Pick up swivel and stripper rubber hook up pump lines.

**1/8/08**

Start pump, water hit pump and iced up, rig up hot oiler and pump hot water threw pump. Drill 1' of cmt on top of retainer @ 5166' drill up retainer and cmt to 5234' 69' of cmt circ hole clean.

**1/9/08**

Drill cmt from 5234-5376'. Circ hole clean.

**1/10/08**

Drill cmt from 5376-5427' fell out of cmt there are 101' of per that have no cmt. Stand swivel back trip in hole and tag up @ 5818'. Test perf to 500psi and hold for 5min, had no bleed off. Segos 5266-5528'. Lay down 8jts. Trip in hole with 8jts. Pick up power swivel and start drill @ 5820'. Drill retainer and cmt down to 5883' 65' circ hole clean.

**1/11/08**

Drill cmt from 5883-6013'. Circ hole clean.

**1/12/08**

Drill from 6013-6030', fell out of cmt circ down to liner, top circ hole clean 6100'. Rig down swivel and pressure test to 500psi for 5min, no bleed off. Trip out of hole with 7" mill. Make up 4 3/4 mill trip into EOT 5848'. Shut well in.

**1/13/08**

Rig up pump and tank start EQ. Break circ, start down circ sand down to plug @ 6200' and circ 2 jts, circ hole clean. Rig down swivel. Trip in hole with tbg tag fill @ 11,051'. Last tag @ 11,078'.

**1/14/08**

Trip out of hole with 190 jts of N80 tbg and mill. Make up polishing tool and trip in hole with 188jts. Tag liner top rig up swivel, pump tank. Start dressing liner top rig down swivel trip out of hole. Lay down string, 190 jts of tbg and 4 drill collars, polishing tool.

**1/15/08**

Run 3 3/4 gauge ring clear to 6700'. Rig up csg tongs, pick up seal assembly and start picking up 4 1/2 11.6 p-110 csg. Ran 116jts. Tie rig back and adjust brakes.

**1/16/08**

Pick up 4 ½ csg sting into liner. 142 jts and cut off 4.5' set slips with 40,000#. Rig up hot oil truck and press test csg to 1000psi and hole for 10min no bleed off. Cut csg off and install wellhead and test. Stop rig time. Tie rig back. Unload 333jts of tbg.

**1/17/08**

Rig up pump circ hole with 156 bbls of 3% KCL water. Lay down 10jts of rental string.

**1/18/08**

Swab well down to 3200'. Rig down swab. Trip out of hole with 338 jts of tbg. Shut well in for weekend.

**1/22/08**

Start EQ and rig up casehole. Perf Entrada intervals gun 1 & 2 10943-10950' 6 SPF, 10913-10935' 6 SPF, 10896-10898' 6 SPF, Gun #3 10729-10736', 10711-10714' 6 SPF. Had very little blow. Rig down casehole. Trip in hole with 1 jt XN.

**1/23/8**

Check pressure Opsi. Land tbg on hanger nep down bops, nep up wellhead. Run line to frac master and rig up swab.

**1/24/08**

SITP 0, SICP to small to gauge. Rig up pump and tank pump down csg fill with 117 bbls of 3% KCL water to drill. Pressured up and got injection rate of 1.9bpm @ 2100psi. Pressure dropped to 1800psi. Increased injection rate of 3.5bpm @ 2000psi pump 7 bbls into formation. Rig up to swab fluid level down. Swab back 64 bbls with little show of gas after each run, fluid level @ 4000'. Rig down swab nep down tree and nep up bops. Trip out of hole with 160jts of tbg, have 175 jts left EOT 5558.

**1/25/08**

Trip out of hole with 175 jts of tbg. Rig up casehole to per intervals 10792-10806' 6 shots per ft, 10774-10783' – 6 SPF, 10746-10765' – 6 SPF. Rig down casehole. Trip in hole with 1 jt XN. Nep down bops, nep up tree, shut in for weekend. No gas.

**1/28-1/29/08**

Shut down due to weather.

**1/30/08**

SITP 0. SICP 0. Well shut in for 133hrs. Total fluid recovered 80.3 bbls, no gas.

**1/31/08**

SICP 15psi. SICP 0. Well shut in 14hrs. Fill hole with 132 bbls of 3% KCL water, well pressure up to 2800psi broke back to 2000psi surge to 1000psi pressure up to 2000psi, broke back to 1900psi pump into formation 8 bbls at 4.7 bbls per min. SIP 1200 bleed down to 700psi in 7min. pump total of 140bbls.

**2/1/08**

Rig repair

**2/2/08**

Run in hole with swab tag fluid at 9200'. Nep down tree nep up bops. Trip out of hole with 335 jts of tbg.

**2/3/08**

Rig up casehole to set CIBP @ 10646'. Pull out pick up cmt baler and dump 1 sx of cmt on top of CIBP would be 20' pull out of hole. Rig down casehole.

**2/4-2/6/08**

Rig standby.

**2/7/08**

Start EQ. Get frac tanks. Start rig. RD floor. ND and rack out BOP.

**2/8/08**

Trip in hole with 1jt XN nep and 332jts land tbg on hanger nep up tree. Clean up loc and rig down and release rig due to weather.

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**RECEIVED**  
**DEC 09 2008**  
**DIV. OF OIL, GAS & MINING**

FORM 9

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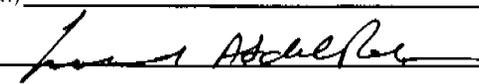
<b>1. TYPE OF WELL</b> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML - 47218
<b>2. NAME OF OPERATOR:</b> Royale Energy, Inc		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		<b>7. UNIT or CA AGREEMENT NAME:</b> Moon Canyon
PHONE NUMBER: (619) 881-2800		<b>8. WELL NAME and NUMBER:</b> Trail Canyon 1-2
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In 2008 Rig availability was an issue. After we were able to obtain one service rig we used it to evaluate and workover several zones in the Tenmile Canyon 22-1, Moon Canyon 1, V Canyon 20-1 and currently on the V Canyon 20-2 wells. As we are currently drilling Trail Canyon 1-3 which is in close proximity to Trail Canyon 1-2 and we are running out of the good weather window we decided that further work and evaluation of the various zones in Trail Canyon 1-2 will await until the Spring of 2009 and maybe carried out in conjunction with further evaluations in the currently drilling Trail Canyon 1-3.

NAME (PLEASE PRINT) <u>Mohamed Abdel-Rahman</u>	TITLE <u>VP of Exploration and Production</u>
SIGNATURE <u></u>	DATE <u>12/3/08</u>

(This space for State use only)

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NAME (PLEASE PRINT) Mohamed Abdel-Rahman

TITLE VP of Exploration and Production

SIGNATURE \_\_\_\_\_

DATE 12/4/2008

(This space for State use only)

RECEIVED

DEC 17 2008



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 23, 2009

CERTIFIED MAIL NO.: 70041160000301903096

Royale Energy Inc.  
7676 Hazard Center, STE 1500  
San Diego, CA 92108

Subject: Notice of Violation for one well in Grand County Utah

Gentlemen:

Per a recent field inspection it has been noted the Trail CYN 1-2 (API# 43-019-31532), operated by Royale Energy Inc. is in violation of UT Admin Code R649-3. This letter will serve as formal Notice of Violation (NOV) to Royale Energy Inc.

Field inspections conducted October 21, 2008 revealed that well site still contained some clutter from drilling the previous year, and the reserve pit was due for reclamation. In subsequent conversation with Mr. Bill Ryan, agent for Royale Energy Inc the Division requested well site clean up be completed and a second verbal notification was delivered requiring reserve pit to be closed within 30 days.

Field inspections conducted May 27, 2009 indicated well site had been clean as requested, however reserve pit closure and reclamation had not been completed. Therefore, consistent with Division compliance procedures Royale Energy Inc. is being issued a NOV requiring the submission to the Division a written plan of action for the reclamation of the reserve pit within 30 days. Plan of action should include a schedule of reclamation activities, methods to be used, and contact information for parties overseeing reclamation.

Field inspections of Royale Energy Inc. operations on state lands in Grand County Utah indicate reseeding may not have occurred on topsoil piles and backfilled reserve pits. Included please find seed mixture specifications prepared by School and Institutional Trust Lands Administration (SITLA) for the operations area. Reseeding should occur the first fall following disturbance activities or backfilling of reserve pits.



Page 2

June 29, 2009

Subject: Notice of Violation for one well in Grand County Utah

In addition it has been noted that well pads for the following wells contain considerable clutter from the previous years drilling activities and now require clean-up:

Ten Mile CYN 22-1 (API# 43-019-31526)  
Trail CYN 1-3 (API# 43-019-31603)

Response should be directed to:

Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

If you have questions feel free to contact me at (435) 820-0862.

Sincerely,



Bart Kettle  
Environmental Scientist

BTK/BTK/DJJ

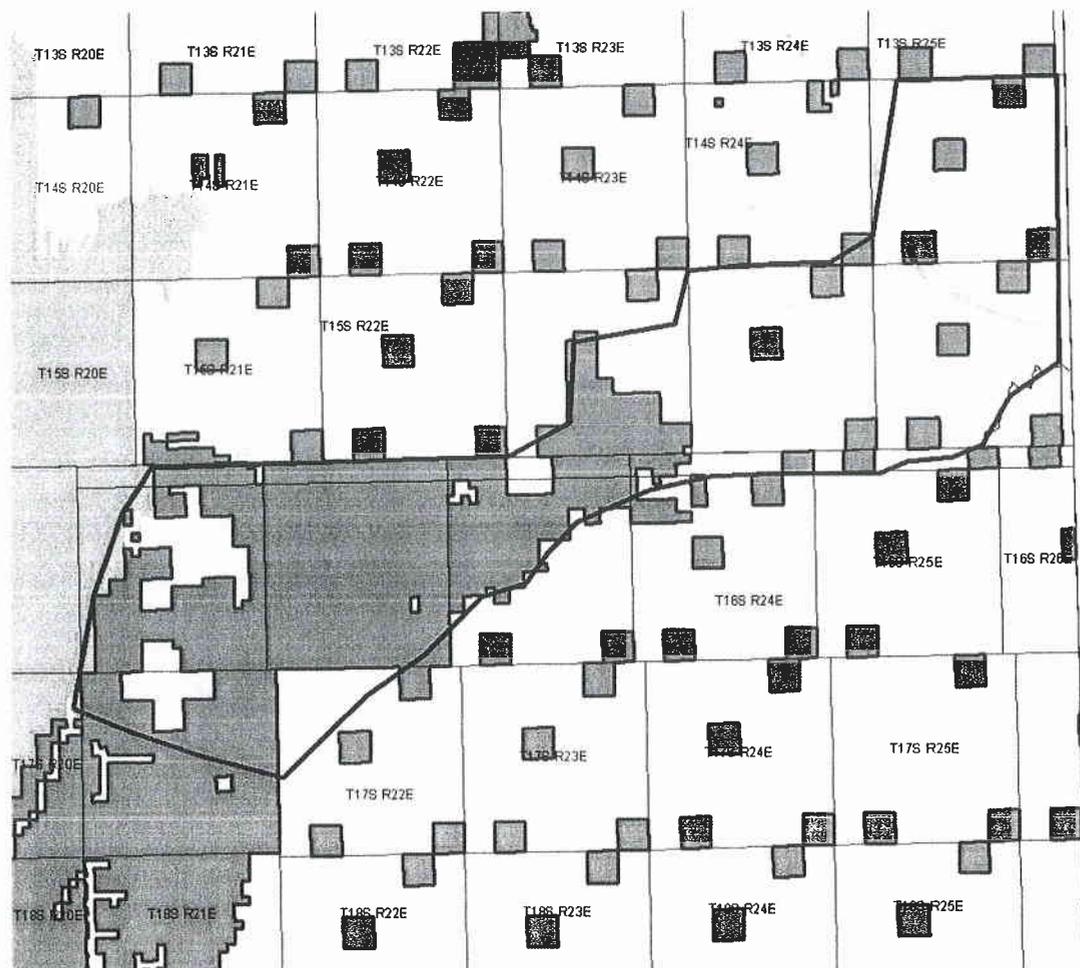
CC: La Vonne Garrison, SITLA  
Dan Jarvis, DOGM  
Clinton Dorshawk, DOGM  
Well File  
Compliance File (if applicable)

Seed Mix for Small Acreage Reclamation

Higher Book Cliffs (Three Pine Block and T14S, R25E; T15S, R24, 25E, S2 OF T15S, R23E)

<u>SPECIES</u>	<u>COMMON NAME</u>	<u>POUNDS PER ACRE (PLS)</u>
<i>Agropyron cristatum</i> var. <i>Ephraim</i>	Crested wheatgrass	2
<i>Psathyrostachys juncea</i> Var. <i>Bozoiski</i>	Russian Wildrye	2
<i>Elytrigia intermedia</i> <i>ssp intermedia</i> var. <i>Oahe</i>	Intermediate wheatgrass	2
<i>Elymus lanceolatus</i> <i>ssp lanceolatus</i> var. <i>Critana</i>	Thickspick wheatgrass	2
<b>OR</b>		
<i>Festuca arundinacea</i> var. <i>Alta</i>	Tall Fescue	2*
<i>Stipa comata</i>	Needle and Thread grass	2
<i>Melilotus officinalis</i>	Yellow sweetclover	1
<i>Linum Lewisii</i>	Blue flax	1

\*use this species if better priced and/or if Thickspick wheatgrass is not available.





GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 16, 2011

CERTIFIED MAIL NO.: 7005 1820 0001 5562 8071

Mr. Mohamed Abdel-Rahman  
Royale Energy, Inc.  
7676 Hazard Center, Suite 1500  
San Diego, CA 92108

43 019 31532  
Trail Cyn 1-2  
16S 2/E 1

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Abdel-Rahman:

As of January 2011, Royale Energy, Inc. (Royale) has four (4) State Lease Wells (see Attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. One of the above listed wells (Attachment A) is past due on approved SI/TA extension, which ended September 1, 2009. Royale has not submitted necessary data with good reason for further extension on said well. Please submit the necessary data as outlined below to bring wells into compliance.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT



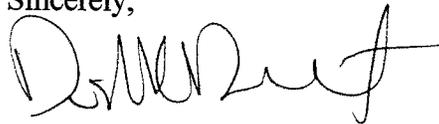
Page 2  
Royale Energy, Inc.  
March 16, 2011

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

DKD/JP/js  
Enclosure  
cc: Compliance File  
Well File  
LaVonne Garrison, SITLA

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

# ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
<b>1<sup>ST</sup> NOTICE</b>				
→ 1	TRAIL CYN 1-2	43-019-31532	ML-47218	3 Years 5 Months
2	TRAIL CYN 1-3	43-019-31603	ML-47218	2 Years 2 Months
3	TEN MILE CYN 22-1	43-019-31526	ML-46542	1 Year 9 Months
<b>PAST DUE SI/TA EXTENSION as of 9/1/2009</b>				
4	MOON CANYON 1	43-019-31398	ML-48391	5 Years 5 Months

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-47218
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
		<b>7. UNIT or CA AGREEMENT NAME:</b> MOON CANYON
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> TRAIL CYN 1-2	
<b>2. NAME OF OPERATOR:</b> ROYALE ENERGY, INC.	<b>9. API NUMBER:</b> 43019315320000	
<b>3. ADDRESS OF OPERATOR:</b> 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108	<b>PHONE NUMBER:</b> 619 881-2800 Ext	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1528 FNL 2627 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S	<b>COUNTY:</b> GRAND	
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:  <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 4/20/2011  <input type="checkbox"/> SPUD REPORT Date of Spud:  <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input checked="" type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>This well is currently shut-in due to winter access limitations and Royale Energy's ongoing evaluation of behind-pipe potential in the well. Royale is currently evaluating additional zones for hydraulic fracturing, such as the Buckhorn and Castlegate. Additionally, we are studying the Lower Mancos Shale as an unconventional gas resource. Over the next 12 months we anticipate completing these evaluations and reinitiating the development of the field. Trail Canyon 1-2 was observed to have a fluid level at 3690 feet, with 0psig/825psig, tubing/casing pressures on 4/20/11. The downhole well and other mechanical equipment are all in good condition, and there are no risks to public health or the safety of the environment.</p>		
		<p><b>REQUEST DENIED</b> <b>Utah Division of</b> <b>Oil, Gas and Mining</b></p> <p>Date: <u>08/03/2011</u> By: <u><i>Derek Quist</i></u></p>
<b>NAME (PLEASE PRINT)</b> Rachele Wolchko	<b>PHONE NUMBER</b> 619 881-2874	<b>TITLE</b> Executive Assistant
<b>SIGNATURE</b> N/A	<b>DATE</b> 4/26/2011	

**Please Review Attached Reasons for Denial**

**RECEIVED** Apr. 26, 2011



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43019315320000**

**An explanation of the supplied data was not given supporting how the information shows the well has integrity. A well completion report (Form 8) has not been submitted for this well and should be submitted immediately.**

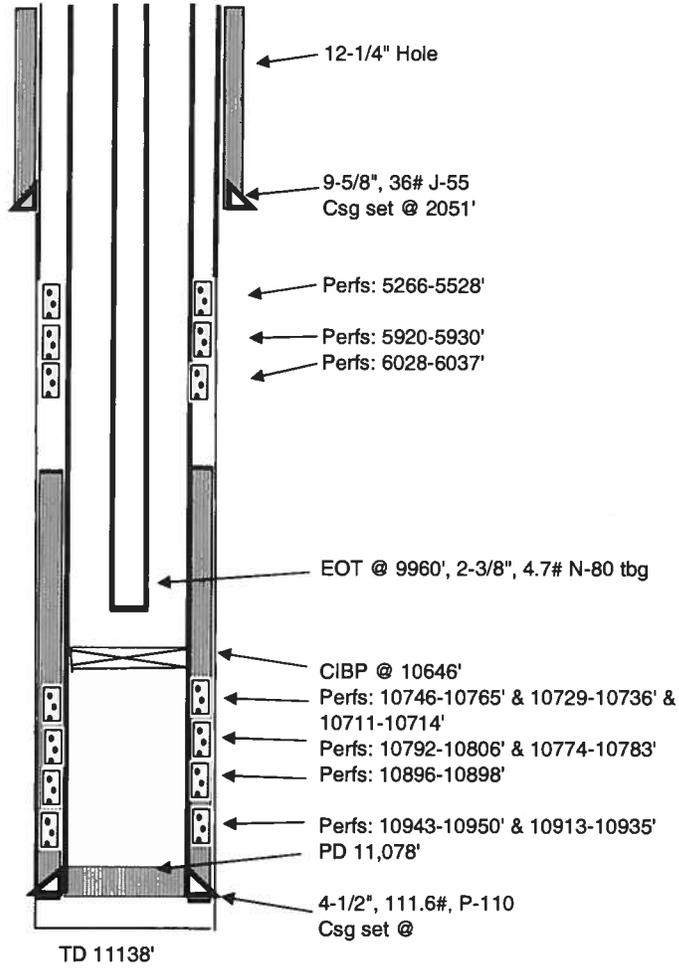
Input Data (Provided By Operator)						Output Data						Data Comparative		
Sfc Csg Depth	Sfc Csg Psi	Prod Csg Psi	Tbg Psi	Fluid Level	Depth (Csg, Perf or Plug back)	Water Column Dx	Gas Head Psi	Water Head Psi	Normal Press @ Sfc Shoe	Formation Frac @ Sfc Shoe	Reservoir Pressure Total	Calc Press @ Sfc Shoe	Normal Reservoir Psi for Depth	
2051	0	825	0	3690	5266	1576	369	682	888	1,436	1876	1,030	2,280	
<b>SCENARIOS</b>														
#1	SFC CSG = 0 PSI MEANS NO COMMUNICATION, REASSURING INTEGRITY					Indicates Integrity?					Yes			
#2	If measured reservoir psi is equal to normal gradient reservoir pressure, well probably has integrity. If pressure is less, well could lack integrity explained by pressure bleeding into a shallower formation.										No			
#3	If calculated pressure is less than normal pressure at the surface shoe, then fluid is probably not moving into the formation.										No			
#4	If packer is in the hole, with psi on tbg and no psi on prod csg, this indicates tbg and packer integrity.										NA			
Packer Fluid	No													
Gradient Gas	0.433													
Gradient Frac	0.1													
Gradient	0.7													

C/O PERE

# Royale Energy Inc.

## Trail Canyon 1-2

Date : 4/8/2011	Perforations			Casing			
Lease :	Date	To	From	Size	Weight	Grade	Depth
Field : Wildcat	12/16/2007	5,920	5,930	9-5/8"	36#	J-55	2051'
KB :	12/17/2007	5,266	5,528	7"	23#	N-80	6260'
Legals : Sec. 1 T16S R21E	1/3/2008	6,028	6,037	4-1/2"	11.6#	P-110	
Directions to Location :	1/22/2008	10,943	10,950				
		10,913	10,935				
	1/22/2008	10,896	10,898	Size	Weight	Grade	Depth
	1/22/2008	10,729	10,736	2-3/8"	4.7#	N-80	9960'
		10,711	10,714				
	1/25/2008	10,792	10,806				
		10,774	10,783				
		10,746	10,765				



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-47218	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>	
		<b>7. UNIT or CA AGREEMENT NAME:</b> MOON CANYON	
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> TRAIL CYN 1-2		
<b>2. NAME OF OPERATOR:</b> ROYALE ENERGY, INC.	<b>9. API NUMBER:</b> 43019315320000		
<b>3. ADDRESS OF OPERATOR:</b> 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108	<b>PHONE NUMBER:</b> 619 881-2800 Ext	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT	
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1528 FNL 2627 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S	<b>COUNTY:</b> GRAND		
		<b>STATE:</b> UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:  <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 7/13/2012  <input type="checkbox"/> SPUD REPORT Date of Spud:  <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input type="text" value="Monthly Drilling Report"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
There is has been no activity on this well from 12/4/2008 to 5/31/2012.			
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY July 05, 2012</b>			
<b>NAME (PLEASE PRINT)</b> Rachele Wolchko	<b>PHONE NUMBER</b> 619 881-2874	<b>TITLE</b> Executive Assistant	
<b>SIGNATURE</b> N/A		<b>DATE</b> 7/3/2012	



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-47218
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> MOON CANYON
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> TRAIL CYN 1-2
<b>2. NAME OF OPERATOR:</b> ROYALE ENERGY, INC.	<b>9. API NUMBER:</b> 43019315320000
<b>3. ADDRESS OF OPERATOR:</b> 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108	<b>PHONE NUMBER:</b> 619 881-2800 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1528 FNL 2627 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT  <b>COUNTY:</b> GRAND  <b>STATE:</b> UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 7/31/2012	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Monthly Report"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

There has been no activity on this well for July 2012

**Accepted by the  
Utah Division of  
Oil, Gas and Mining**

**FOR RECORD ONLY**

August 08, 2012

<b>NAME (PLEASE PRINT)</b> Rachele Wolchko	<b>PHONE NUMBER</b> 619 881-2874	<b>TITLE</b> Executive Assistant
<b>SIGNATURE</b> N/A	<b>DATE</b> 8/6/2012	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-47218
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> MOON CANYON
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> TRAIL CYN 1-2
<b>2. NAME OF OPERATOR:</b> ROYALE ENERGY, INC.	<b>9. API NUMBER:</b> 43019315320000
<b>3. ADDRESS OF OPERATOR:</b> 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108	<b>PHONE NUMBER:</b> 619 881-2800 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1528 FNL 2627 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT  <b>COUNTY:</b> GRAND  <b>STATE:</b> UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 8/31/2012	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="monthly reports"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

There has been no activity on this well for August 2012

**Accepted by the  
 Utah Division of  
 Oil, Gas and Mining  
 FOR RECORD ONLY  
 September 06, 2012**

<b>NAME (PLEASE PRINT)</b> Rachele Wolchko	<b>PHONE NUMBER</b> 619 881-2874	<b>TITLE</b> Executive Assistant
<b>SIGNATURE</b> N/A	<b>DATE</b> 9/5/2012	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: TRAIL CYN 1-2
2. NAME OF OPERATOR: ROYALE ENERGY, INC.	9. API NUMBER: 43019315320000
3. ADDRESS OF OPERATOR: 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108	PHONE NUMBER: 619 881-2800 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1528 FNL 2627 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S	9. FIELD and POOL or WILDCAT: WILDCAT
	COUNTY: GRAND
	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 9/30/2012	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Monthly Report"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

There has been no activity on this well for September 2012

**Accepted by the  
 Utah Division of  
 Oil, Gas and Mining  
 FOR RECORD ONLY  
 October 11, 2012**

<b>NAME (PLEASE PRINT)</b> Rachele Wolchko	<b>PHONE NUMBER</b> 619 881-2874	<b>TITLE</b> Executive Assistant
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/5/2012	

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

\*\*\*\*\*

To the following operator:

Name: ROYALE ENERGY INC.

UGS 2LE 1

Well(s) or Site(s): 1.) MOON CANYON 1 API #: 43-019-31398

2.) TRAIL CYN 1-2 43-019-31532

3.) TAILLE CYN 1-3 43-019-31603

4.) TEN MILE CYN 22-1 43-019-31526



Date and Time of Inspection/Violation: September 21, 2012

Mailing Address: Attn: Mohamed Abdel-Rahman

7676 Hazard Center, Suite 1500

San Diego, CA 92108

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells - According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Royale Energy Inc. (Royale) requesting required documents and action per R649-3-36. Royale has seven (7) wells located in Utah, all of which are currently shut in. Four (4) of the seven (7) have never produced. The above listed wells appear to be uneconomical based on production history or lack thereof. This causes concern considering these wells have been shut in for a period ranging from over three (3) to seven (7) years.

All of the above listed wells have previously been noticed as being in non-compliant SI/TA status. The most recent notice was sent out March 16, 2011. Royale responded on April 26, 2011, with a request for SI/TA extension for wells 2 - 4. This request was denied by the Division on August 3, 2011, due to insufficient data submitted by Royale. Well #1 had a first notice of non-compliance sent out via certified mail on March 3, 2005, to Royale. On March 13, 2005, Royale requested an extension in order to perform workover on this well. The Division approved this request on March 17, 2005, that expired on October 1, 2005. The well was deepened, yet never produced. A second notice of non-compliance was sent to Royale on September 2, 2008. Royale responded on September 15, 2008, with a request for extension based on intent to recomplete the well. This was approved by the Division on October 6, 2008, that expired on September 1, 2009. Royale submitted another extension request on November 24, 2009, to allow time for plug back to a depth to be used to kick off for drilling a future deviated well. The Division approved this request on December 1, 2009 that expired on June 1, 2010.

**UTAH DEPARTMENT OF NATURAL RESOURCES**

**Division of Oil, Gas & Mining**

**Oil and Gas Program**

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

To date our records indicate that no further work has been accomplished as planned or required documentation submitted by Royale to move these wells into compliance.

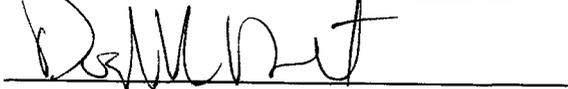
Action: For the wells subject to this notice, Royale Energy Inc. shall either submit the information required by R649-3-36, plug and abandon or place these wells on production.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: November 5, 2012

Date of Service Mailing: October 10, 2012

CERTIFIED MAIL NO: 7011 0110 0001 3568 2400



Division's Representative

Operator or Representative

(If presented in person)

cc: Compliance File

Well Files

6/2005



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-47218
		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>2. NAME OF OPERATOR:</b> ROYALE ENERGY, INC.		<b>8. WELL NAME and NUMBER:</b> TRAIL CYN 1-2
<b>3. ADDRESS OF OPERATOR:</b> 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108		<b>9. API NUMBER:</b> 43019315320000
<b>PHONE NUMBER:</b> 619 881-2800 Ext		<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1528 FNL 2627 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S		<b>COUNTY:</b> GRAND
		<b>STATE:</b> UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 11/30/2012	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Monthly Report"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

There has been no activity for November 2012

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
December 04, 2012**

<b>NAME (PLEASE PRINT)</b> Rachele Wolchko	<b>PHONE NUMBER</b> 619 881-2874	<b>TITLE</b> Executive Assistant
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/3/2012	



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-47218
		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>2. NAME OF OPERATOR:</b> ROYALE ENERGY, INC.		<b>8. WELL NAME and NUMBER:</b> TRAIL CYN 1-2
<b>3. ADDRESS OF OPERATOR:</b> 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108		<b>9. API NUMBER:</b> 43019315320000
<b>PHONE NUMBER:</b> 619 881-2800 Ext		<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1528 FNL 2627 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S		<b>COUNTY:</b> GRAND
		<b>STATE:</b> UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 1/31/2013	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Monthly Report"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

There has been no activity for January 2013

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
February 13, 2013**

<b>NAME (PLEASE PRINT)</b> Rachele Wolchko	<b>PHONE NUMBER</b> 619 881-2874	<b>TITLE</b> Executive Assistant
<b>SIGNATURE</b> N/A	<b>DATE</b> 2/5/2013	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-47218
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> TRAIL CYN 1-2	
<b>2. NAME OF OPERATOR:</b> ROYALE ENERGY, INC.	<b>9. API NUMBER:</b> 43019315320000	
<b>3. ADDRESS OF OPERATOR:</b> 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108	<b>PHONE NUMBER:</b> 619 881-2800 Ext	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1528 FNL 2627 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S		<b>COUNTY:</b> GRAND
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <b>3/1/2013</b>	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input checked="" type="checkbox"/> OTHER	
	OTHER: <input type="text" value="Monthly Report"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. <b>There has been no activity for February and March.</b>		
<b>Accepted by the          Utah Division of          Oil, Gas and Mining          FOR RECORD ONLY          April 03, 2013</b>		
<b>NAME (PLEASE PRINT)</b> Rachele Wolchko	<b>PHONE NUMBER</b> 619 881-2874	<b>TITLE</b> Executive Assistant
<b>SIGNATURE</b> N/A	<b>DATE</b> 4/3/2013	

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET (for state use only)**

**ROUTING**  
 CDW

**X - Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **2/1/2013**

**FROM:** (Old Operator):  
 N2465- Royale Energy, Inc.  
 7676 Hazard Center Dr, Ste 1500  
 San Diego, CA, 92108  
 Phone: 1 (619) 881-2800

**TO:** ( New Operator):  
 N8060- National Fuel Corporation  
 8400 East Prentice Ave, Ste 735  
 Greenwood Village, CO, 80111  
 Phone: 1 (303) 996-6775

**CA No. Unit:**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
TRAIL CYN 1-2	01	160S	210E	4301931532	16332	State	GW	OPS

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 3/13/2013
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 3/13/2013
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 4/9/2013
- Is the new operator registered in the State of Utah:            Business Number: 1260477-0143
- (R649-9-2)Waste Management Plan has been received on: Yes
- Inspections of LA PA state/fee well sites complete on: N/A
- Reports current for Production/Disposition & Sundries on: 4/9/2013
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM: N/A BIA N/A
- Federal and Indian Units:**  
 The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
- Federal and Indian Communization Agreements ("CA"):**  
 The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 4/9/2013
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 4/9/2013
- Bond information entered in RBDMS on: 4/9/2013
- Fee/State wells attached to bond in RBDMS on: 4/9/2013
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: N/A
- Indian well(s) covered by Bond Number: N/A
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number LPM9103722
- The **FORMER** operator has requested a release of liability from their bond on: not yet

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

**COMMENTS:**

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: <b>See Attached</b>
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
8. WELL NAME and NUMBER: <b>See Attached</b>
9. API NUMBER:
10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____
2. NAME OF OPERATOR: <b>Royale Energy, Inc. N2465</b>
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive S CITY San Diego STATE CA ZIP 92108 PHONE NUMBER: (619) 881-2800

4. LOCATION OF WELL FOOTAGES AT SURFACE:  QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:	COUNTY:  STATE: <b>UTAH</b>
---	-----------------------------------

**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>2/1/2013</b>	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.**

Effective February 1, 2013, National Fuel Corporation (DOGM entity N8060) succeeded Royale Energy, Inc. as operator of all wells on the attached list and is responsible under the terms and conditions of the lease for the operations conducted upon the leased land. National Fuel Corporation is principal to the Statewide Utah Bond #LPM4021517  
BLM: UTB000186

Trial Cyn 1-2 LPM 9103722  
Trial Cyn 1-3 LPM 9103723

**RECEIVED**  
**MAR 13 2013**  
DIV. OF OIL, GAS & MINING

*Diane Thompson*  
National Fuel Corporation  
NATIONAL FUEL CORPORATION  
Diane Thompson  
President

**N8060**

NAME (PLEASE PRINT) <b>Stephen Hosmer</b>	TITLE <b>CFO/Co-President/Co-CEO</b>
SIGNATURE	DATE <b>2/21/2013</b>

(This space for State use only)

**APPROVED**

**APR 09 2013**

DIV. OIL GAS & MINING  
BY: *Rachel Medina*

SCHEDULE OF PROPERTIES  
EFFECTIVE FEBRUARY 1, 2013

API No.	Lease No.	CA No.	Well Name	CA Description	Legal Description	County
4301931398	ML-48391A		Moon Canyon #1		T16S-R21E-Sec 32-NWSW	Grand
4301931405	UTU-52471	UTU-88962	Moon Canyon #2 ✓	SE, Sec. 9, T16S-R21E	T16S-R21E-Sec 9-NESE	Grand
4301931526	ML-46542		Ten Mile Canyon #22-1 ✓		T16S-R21E-Sec 22-NESE	Grand
4304738968	UTU-78023		V Canyon 20-1 ✓		T15S-R21E-Sec 20-NENW	Uintah
4301931532	ML-47218		Trail Canyon 1-2 ✓		T16S-R21E-Sec 1-SWNE	Grand
4304740349	UTU-78023		V Canyon 20-2 ✓		T15S-R21E-Sec 20-NENW (surface)	Uintah
4301931603	ML-47218		Trail Canyon 1-3 ✓		T16S-R21E-Sec 1-SESE	Grand

# ROYALE ENERGY, INC.



RECEIVED  
MAR 13 2013

DIV. OF OIL, GAS & MINING

February 21, 2013

State of Utah  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, UT 84114-5801

RE: Operator Change – Royale Energy, Inc. to National Fuel Corporation

Royale Energy, Inc., the operator of wells located in Grand and Uintah Counties requests that the designation operator of all wells to be change to National Fuel Corporation effective February 1, 2013. Enclosed for approval is the Sundry Notice regarding the leases.

National Fuel Corporation is principal to its Surety Bond #LPM4021517; BLM Bond #UTB000186 which previously have been provided to the Salt Lake City office. The Resignation of Unit Operator and Designation of Successor Operator will also be provided accordingly.

Please advise if any additional information or documentation is required.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Hoesmer', written over a horizontal line.

Stephen Hoesmer  
CFO/Co-President/Co-CEO  
Royale Energy, Inc.

**DESIGNATION OF AGENT OR OPERATOR**

The undersigned is, on record, the holder of oil and gas lease

**RECEIVED**

**LEASE NAME:** \_\_\_\_\_

**FEB 22 2013**

**LEASE NUMBER:** UTU-52471, UTU-78023, ML-46542

**DIV. OF OIL, GAS & MINING**

and hereby designates

**NAME:** National Fuel Coporation

**ADDRESS:** 8400 East Prentice Avenue, Suite 1100

city Greenwood Village state CO zip 80111

as his (check one) agent  / operator , with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)

- API: 43-019-31405 / Well Name: Moon Canyon 2
- API: 43-019-31526 / Well Name: Tenmile Canyon 22-1
- API: 43-019-31532 / Well Name: Trail Canyon 1-2
- API: 43-019-31603 / Well Name: Trail Canyon 1-3
- API: 43-047-38968 / Well Name: V Canyon 20-1
- API: 43-047-40349 / Well Name: V Canyon 20-2

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

**Effective Date of Designation:** February 1, 2013

**BY:** (Name) Stephen Hosmer

(Signature) 

(Title) CFO/Co-President/Co-CEO

(Phone) 619-881-2800

**OF:** (Company) Royale Energy, Inc.

(Address) 7676 Hazard Center Drive, Suite 1500

city San Diego

state CA zip 92108

March 20, 2013

Stephen M. Hosmer  
Co-President, Co-CEO, CFO  
Royale Energy, Inc.  
7676 Hazard Center Drive, Suite 1500  
San Diego, California 92108-4518

RE: ***TRAIL CANYON #1-2 & #1-3 WELLS; LEASE ML-47218; TAKE-OVER OPTION***

Dear Mr. Hosmer:

This is to inform Royale that National Fuel Corporation (NFC) intends not to pay the above-referenced State Trust Lands (SITLA) lease rentals due April 1, 2013 totaling \$19,215, as shown below.

- \$3,843 - rental
- \$11,529 - minimum royalty
- \$3,843 - shut in payment

Further, NFC provides notice of its intent to plug and abandon (P&A) the above-referenced wells within sixty (60) days, or as soon as weather permits. Per COPAS accounting procedures, we will require Royale to advance its 75 percent share of costs, estimated to be approximately \$75,000 per well. After the wells are P&A'd, State lease ML-47218 will expire.

Pursuant to Article VI. E.2 (Abandonment) of the Joint Operating Agreement dated November 1, 2002, Royale's failure to reply within sixty (60) days of this notice shall be deemed an election to consent to P&A. If Royale does not agree to the proposed abandonment and instead desires to attempt to produce the wells, it has the right to take over NFC's interest, and if so decided, Royale has the obligation to provide written notice to NFC within the specified period. Neither well is considered to have materials and equipment of any Salvage Value.

Sincerely,  
NATIONAL FUEL CORPORATION

Diane Thompson  
President

Rachel Medina <rachelmedina@utah.gov>

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## Fwd: ROYALE ENERGY DESIGNATION OF NFC AS OPERATOR - REVISED SPREADSHEET EXCLUDING MOON CYN. #1 (ML-48391A)

1 message

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**Dustin Doucet** <dustindoucet@utah.gov>  
To: Rachel Medina <rachelmedina@utah.gov>

Tue, Apr 9, 2013 at 10:50 AM

Here is the email with the general overview of their plans (early summer to put online or P&A). I'm o.k. with that schedule.

Dustin

----- Forwarded message -----

From: **Diane Thompson** <dthompson@national-fuel.com>  
Date: Tue, Mar 19, 2013 at 8:43 PM  
Subject: RE: ROYALE ENERGY DESIGNATION OF NFC AS OPERATOR - REVISED SPREADSHEET EXCLUDING MOON CYN. #1 (ML-48391A)  
To: Dustin Doucet <dustindoucet@utah.gov>  
Cc: rachelmedina@utah.gov

Dustin,

Thanks for getting back to me. NFC prefers to have nothing to do with the Moon Canyon #1 since we own no interest. This is the only well/lease that we want to exclude from the Resignation/Designation documents. I apologize for the confusion caused by including it. Back in January, we considered taking over the well to pursue Mancos potential since we knew it was a P&A candidate. That was the point in time when Resig./Desig. documents began to be circulated. By the time the docs were signed, NFC had received shale log results and we realized the well did not have potential.

NFC owns 25% interest in the other six wells in the terminated Moon Canyon Unit. Given Royale's past performance, we will cash call them for their 75% of costs—including their proportionate share of individual well bonds, which we'll obtain ASAP. As you may recall, we are evaluating Mancos (re-)completion potential for some of the wells; others are likely to be P&A'd unless Royale wishes to exercise its Take-Over Option, which is unlikely.

Roads are drying out, but today, Andy Busch and one of our pumpers tried *unsuccessfully* to make it on snowmobiles to some wells near the Moon Cyn wells (Segundo and Moon Ridge areas). So our timeframe remains early summer.

Please let me know if DOGM would like more specific answers than I've described.

Diane

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**From:** Dustin Doucet [mailto:dustindoucet@utah.gov]  
**Sent:** Tuesday, March 19, 2013 6:07 PM  
**To:** Diane Thompson  
**Cc:** rachelmedina@utah.gov  
**Subject:** Re: ROYALE ENERGY DESIGNATION OF NFC AS OPERATOR - REVISED SPREADSHEET EXCLUDING MOON CYN. #1 (ML-48391A)

Diane,

I was out yesterday and am now just getting around to responding to your email. As discussed earlier (in January I believe) as long as you have a short term plan to get the Royale wells online or in compliance (i.e. early summer as discussed) we could do the individual well bonds for those wells not full cost bonds. That is still the case, so if that makes a difference in your decision on the Moon Cyn #1 let me know. If you could send in your plans/ timeframes for the wells you are interested in and the individual well bonds then we can process the change of operator. Let me know if you have any concerns or questions. Sorry for any confusion. Thanks.

Dustin

On Mon, Mar 18, 2013 at 4:28 PM, Diane Thompson <dthompson@national-fuel.com> wrote:

Dear Rachel and Dustin,

This is in response to DOGM's recent notification that full-cost P&A bonding is generally required for wells shut in longer than a year. For that reason, and because National Fuel Corporation (NFC) has no interest in the well, please see the attached revised spreadsheet excluding the Moon Canyon #1 well and state lease ML-48391A from Royale Energy's Designation of NFC as Operator.

NFC will copy DOGM on notice being provided Royale.

Triplicate originals of Form 3160-5 (notification of Change of Operator at the lease-level) were provided to BLM's Moab Field Office. Should they also be notified that Royale will remain as Operator or is revised notification not needed because the well is on a State lease?

Please contact me if anything further is required by DOGM or other entities.

Thank you,

Diane Thompson

**National Fuel Corporation**

8400 E. Prentice Ave. - Suite 735

Greenwood Village, CO 80111

 Tel.: 303.996.6775 (direct)

 Fax: 303.220.7773

 E-mail: [dthompson@national-fuel.com](mailto:dthompson@national-fuel.com)

—

Dustin K. Doucet

Petroleum Engineer

Division of Oil, Gas and Mining

1594 West North Temple, Ste 1210

Salt Lake City, Utah 84116

801.538.5281 (ofc)

801.359.3940 (fax)

web: [www.ogm.utah.gov](http://www.ogm.utah.gov)

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Dustin K. Doucet

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-47218

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL [ ] GAS WELL [x] OTHER [ ]

8. WELL NAME and NUMBER:

TRAIL CYN 1-2

2. NAME OF OPERATOR:

NATIONAL FUEL CORPORATION

9. API NUMBER:

4301931532

3. ADDRESS OF OPERATOR:

8400 E PRENTC AVE #735 CITY GREENWOOD VILL STATE CO ZIP 80111

PHONE NUMBER:

(303) 220-7772

10. FIELD AND POOL, OR WILDCAT:

WILDCAT

4. LOCATION OF WELL:

FOOTAGES AT SURFACE: 1528 FNL 2627 FEL

COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S

STATE:

UTAH

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with columns: TYPE OF SUBMISSION, TYPE OF ACTION. Includes checkboxes for NOTICE OF INTENT, SUBSEQUENT REPORT, ACIDIZE, ALTER CASING, CASING REPAIR, CHANGE TO PREVIOUS PLANS, CHANGE TUBING, CHANGE WELL NAME, CHANGE WELL STATUS, COMMINGLE PRODUCING FORMATIONS, CONVERT WELL TYPE, DEEPEN, FRACTURE TREAT, NEW CONSTRUCTION, OPERATOR CHANGE, PLUG AND ABANDON, PLUG BACK, PRODUCTION (START/RESUME), RECLAMATION OF WELL SITE, RECOMPLETE - DIFFERENT FORMATION, REPERFORATE CURRENT FORMATION, SIDETRACK TO REPAIR WELL, TEMPORARILY ABANDON, TUBING REPAIR, VENT OR FLARE, WATER DISPOSAL, WATER SHUT-OFF, OTHER: MONTHLY REPORT.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN APRIL, 2013

NAME (PLEASE PRINT) ROSE GREENFIELD

TITLE CONTROLLER

SIGNATURE [Handwritten Signature]

DATE 5/2/2013

RECEIVED

MAY 06 2013

DIV. OF OIL, GAS & MINING

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**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-47218**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**TRAIL CYN 1-2**

2. NAME OF OPERATOR:  
**NATIONAL FUEL CORPORATION**

9. API NUMBER:  
**4301931532**

3. ADDRESS OF OPERATOR:  
**8400 E PRENTC AVE #735** CITY **GREENWOOD VILL** STATE **CO** ZIP **80111**

PHONE NUMBER:  
**(303) 220-7772**

10. FIELD AND POOL, OR WILDCAT:  
**WILDCAT**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **1528 FNL 2627 FEL**

COUNTY: **GRAND**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWNE 1 16S 21E S**

STATE:  
**UTAH**

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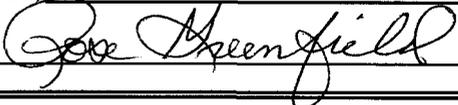
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>5/31/2013</b>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>MONTHLY REPORT</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

**NO ACTIVITY IN MAY, 2013**

NAME (PLEASE PRINT) **ROSE GREENFIELD**

TITLE **CONTROLLER**

SIGNATURE 

DATE **6/3/2013**

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**RECEIVED**  
**JUN 07 2013**

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-47218

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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8. WELL NAME and NUMBER:

TRAIL CYN 1-2

9. API NUMBER:

4301931532

1. TYPE OF WELL

OIL WELL [ ] GAS WELL [x] OTHER [ ]

2. NAME OF OPERATOR:

NATIONAL FUEL CORPORATION

3. ADDRESS OF OPERATOR:

8400 E PRENTC AVE #735 CITY GREENWOOD VILL STATE CO ZIP 80111

PHONE NUMBER:

(303) 220-7772

10. FIELD AND POOL, OR WILDCAT:

WILDCAT

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1528 FNL 2627 FEL

COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S

STATE:

UTAH

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NO ACTIVITY IN JUNE, 2013

NAME (PLEASE PRINT) ROSE GREENFIELD

TITLE CONTROLLER

SIGNATURE

[Handwritten Signature]

DATE 7/1/2013

(This space for State use only)

RECEIVED

JUL 03 2013

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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AUG 08 2013  
DIV. OF OIL, GAS & MINING

CONFIDENTIAL FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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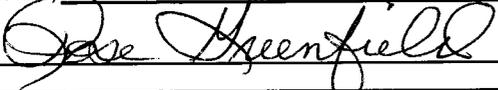
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: GML-47218
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 8400 E PRENTC AVE #735 CITY GREENWOOD VILL STATE CO ZIP 80111		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1528 FNL 2627 FEL		8. WELL NAME and NUMBER: TRAIL CYN 1-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S		9. API NUMBER: 4301931532
COUNTY: GRAND		10. FIELD AND POOL, OR WILDCAT: WILDCAT
STATE: UTAH		

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<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 7/31/2013	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
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	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN JULY, 2013

NAME (PLEASE PRINT) <u>ROSE GREENFIELD</u>	TITLE <u>CONTROLLER</u>
SIGNATURE 	DATE <u>8/1/2013</u>

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

RECEIVED  
AUG 08 2013  
DIV. OF OIL, GAS & MINING

CONFIDENTIAL FORM 9

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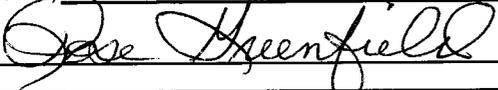
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3. ADDRESS OF OPERATOR: 8400 E PRENTC AVE #735 CITY GREENWOOD VILL STATE CO ZIP 80111		7. UNIT or CA AGREEMENT NAME:
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STATE: UTAH		

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NO ACTIVITY IN JULY, 2013

NAME (PLEASE PRINT) <u>ROSE GREENFIELD</u>	TITLE <u>CONTROLLER</u>
SIGNATURE 	DATE <u>8/1/2013</u>

(This space for State use only)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
ML-47218

**SUNDRY NOTICES AND REPORTS ON WELLS**

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8. WELL NAME and NUMBER:  
TRAIL CYN 1-2

2. NAME OF OPERATOR:  
NATIONAL FUEL CORPORATION

9. API NUMBER:  
4301931532

3. ADDRESS OF OPERATOR:  
8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111

PHONE NUMBER:  
(303) 220-7772

10. FIELD AND POOL, OR WILDCAT:  
WILDCAT

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1528 FNL 2627 FEL

COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S

STATE: UTAH

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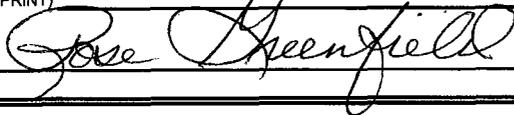
NO ACTIVITY IN AUGUST, 2013

RECEIVED  
SEP 05 2013  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) ROSE GREENFIELD

TITLE CONTROLLER

SIGNATURE



DATE 9/3/2013

(This space for State use only)

# National Fuel Corporation

(303) 220-7772 PHONE  
(303) 220-7773 FAX

8400 EAST PRENTICE AVENUE, SUITE 735  
GREENWOOD VILLAGE, COLORADO 80111-2919



April 29, 2013

VIA E-MAIL

Stephen M. Hosmer  
Co-President, Co-CEO, CFO  
Royale Energy, Inc.  
7676 Hazard Center Drive, Suite 1500  
San Diego, California 92108-4518

43 019 31532  
163 21E 1

RE: **TRAIL CANYON #1-2 & #1-3 WELLS; LEASE ML-47218**

Dear Mr. Hosmer:

This is to notify Royale that National Fuel Corporation (NFC) decided to pay the above-referenced State Trust Lands (SITLA) lease rental due April 1, 2013. The 8/8ths total was \$19,215, as detailed below. A copy of the cleared check is attached.

- \$3,843 - rental
- \$11,529 - minimum royalty
- \$3,843 - shut in payment

Please remit Royale's 75 percent share, \$14,411.25, within 15 days. Failure to pay will result in Royale's forfeiture of its interest in the lease.

Sincerely,  
NATIONAL FUEL CORPORATION

Diane Thompson  
President

Attachment - NFC check 26363 (cleared)



## Fwd: REQUEST TO ADD CORRESPONDENCE TO TRAIL CANYON #1-2 & #1-3 WELL FILES

Dustin Doucet <dustindoucet@utah.gov>  
To: Kathy Smith <kathyasmith@utah.gov>

Tue, Aug 27, 2013 at 11:34 AM

Can you add this letter to the referenced well files as requested? Thanks.

----- Forwarded message -----

From: **Diane Thompson** <dthompson@national-fuel.com>  
Date: Tue, Aug 27, 2013 at 9:21 AM  
Subject: REQUEST TO ADD CORRESPONDENCE TO TRAIL CANYON #1-2 & #1-3 WELL FILES  
To: Dustin Doucet <DUSTINDOUCET@utah.gov>

Good morning Dustin,

It was good to meet with you and your colleagues in Salt Lake. Thank you for making us aware of the electronic permit filing system.

After getting set up on the ePermit system and reviewing the Trail Canyon well files, I noticed a letter that advises that NFC would *not* be paying lease rentals. Since we subsequently decided to pay those rentals, **this is to request the addition of the attached letter to the two well files listed below**. For your information, there was a check attached to the original letter that has been redacted because it contained confidential account information.

**43-019-31532 Trail Canyon #1-2**

**43-019-31603 Trail Canyon #1-3**

Please let me know if you have any questions.

Thank you,

Diane Thompson



### National Fuel Corporation

8400 E. Prentice Ave. - Suite 735  
Greenwood Village, CO 80111

Tel.: 303.996.6775 (direct)

Fax: 303.220.7773

E-mail: dthompson@national-fuel.com

—  
Dustin K. Doucet  
Petroleum Engineer  
Division of Oil, Gas and Mining  
1594 West North Temple, Ste 1210  
Salt Lake City, Utah 84116  
801.538.5281 (ofc)  
801.359.3940 (fax)

web: [www.ogm.utah.gov](http://www.ogm.utah.gov)

 **04.29.2013 - NFC LTR TO ROYALE - TRAIL CYN LEASE PMTS.pdf**  
227K

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL [ ], GAS WELL [X], OTHER [ ]
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION
3. ADDRESS OF OPERATOR: 8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111 PHONE NUMBER: (303) 220-7772
4. LOCATION OF WELL: FOOTAGES AT SURFACE: 1528 FNL 2627 FEL COUNTY: GRAND QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
8. WELL NAME and NUMBER: TRAIL CYN 1-2
9. API NUMBER: 4301931532
10. FIELD AND POOL, OR WILDCAT: WILDCAT

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with columns: TYPE OF SUBMISSION, TYPE OF ACTION. Includes checkboxes for NOTICE OF INTENT, SUBSEQUENT REPORT, ACIDIZE, ALTER CASING, CASING REPAIR, CHANGE TO PREVIOUS PLANS, CHANGE TUBING, CHANGE WELL NAME, CHANGE WELL STATUS, COMMINGLE PRODUCING FORMATIONS, CONVERT WELL TYPE, DEEPEN, FRACTURE TREAT, NEW CONSTRUCTION, OPERATOR CHANGE, PLUG AND ABANDON, PLUG BACK, PRODUCTION (START/RESUME), RECLAMATION OF WELL SITE, RECOMPLETE - DIFFERENT FORMATION, REPERFORATE CURRENT FORMATION, SIDETRACK TO REPAIR WELL, TEMPORARILY ABANDON, TUBING REPAIR, VENT OR FLARE, WATER DISPOSAL, WATER SHUT-OFF, OTHER: MONTHLY REPORT.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
NO ACTIVITY IN SEPTEMBER, 2013

NAME (PLEASE PRINT) ROSE GREENFIELD TITLE CONTROLLER
SIGNATURE [Signature] DATE 10/2/2013

(This space for State use only) RECEIVED OCT 04 2013 DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

RECEIVED  
NOV 14 2013  
DIVISION OF OIL, GAS & MINING

CONFIDENTIAL FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1528 FNL 2627 FEL		8. WELL NAME and NUMBER: TRAIL CYN 1-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S		9. API NUMBER: 4301931532
COUNTY: GRAND		10. FIELD AND POOL, OR WILDCAT: WILDCAT
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/31/2013	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
NO ACTIVITY IN OCTOBER, 2013

NAME (PLEASE PRINT) ROSE GREENFIELD	TITLE CONTROLLER
SIGNATURE <i>Rose Greenfield</i>	DATE 11/1/2013

(This space for State use only)

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

RECEIVED

DEC 06 2013

**CONFIDENTIAL** FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-47218</b>
2. NAME OF OPERATOR: <b>NATIONAL FUEL CORPORATION</b>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1528 FNL 2627 FEL		8. WELL NAME and NUMBER: <b>TRAIL CYN 1-2</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S		9. API NUMBER: <b>4301931532</b>
COUNTY: GRAND		10. FIELD AND POOL, OR WILDCAT: <b>WILDCAT</b>
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/30/2013	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
**NO ACTIVITY IN NOVEMBER, 2013**

NAME (PLEASE PRINT) <u>ROSE GREENFIELD</u>	TITLE <u>CONTROLLER</u>
SIGNATURE 	DATE <u>12/3/2013</u>

(This space for State use only)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

RECEIVED

JAN 09 2014

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-47218

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

INDIAN or CA AGREEMENT NAME:

1. TYPE OF WELL

OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:

TRAIL CYN 1-2

2. NAME OF OPERATOR:

NATIONAL FUEL CORPORATION

9. API NUMBER:

4301931532

3. ADDRESS OF OPERATOR:

8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111

PHONE NUMBER:

(303) 220-7772

10. FIELD AND POOL, OR WILDCAT:

WILDCAT

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1528 FNL 2627 FEL

COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <u>12/31/13</u>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN DECEMBER, 2013.

NAME (PLEASE PRINT) ROSE GREENFIELD

TITLE CONTROLLER

SIGNATURE

DATE

01/03/14

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**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

**ML-47218**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL      OIL WELL       GAS WELL       OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:

**TRAIL CYN 1-2**

2. NAME OF OPERATOR:  
**NATIONAL FUEL CORPORATION**

9. API NUMBER:

**4301931532**

3. ADDRESS OF OPERATOR:  
**8400 E PRENTC AVE #735**      CITY **GREENWOOD VILG**      STATE **CO**      ZIP **80111**

PHONE NUMBER:  
**(303) 220-7772**

10. FIELD AND POOL, OR WILDCAT:

**WILDCAT**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **1528 FNL 2627 FEL**

COUNTY: **GRAND**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWNE 1 16S 21E S**

STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>01/31/14</b>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>MONTHLY REPORT</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

**NO ACTIVITY IN JANUARY 2014.**

RECEIVED

FEB 05 2014

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) **ROSE GREENFIELD**

TITLE **CONTROLLER**

SIGNATURE *Rose Greenfield*

DATE **02/03/14**

(This space for State use only)

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-47218</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>TRAIL CYN 1-2</b>	
2. NAME OF OPERATOR: <b>NATIONAL FUEL CORPORATION</b>		9. API NUMBER: <b>4301931532</b>
3. ADDRESS OF OPERATOR: <b>8400 E PRENTC AVE #735</b> CITY <b>GREENWOOD VILG</b> STATE <b>CO</b> ZIP <b>80111</b>	PHONE NUMBER: <b>(303) 220-7772</b>	10. FIELD AND POOL, OR WILDCAT: <b>WILDCAT</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1528 FNL 2627 FEL</b>		COUNTY: <b>GRAND</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNE 1 16S 21E S</b>		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____  <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: <u>02/28/14</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
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	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
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	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>MONTHLY REPORT</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

**NO ACTIVITY IN FEBRUARY 2014**

RECEIVED

MAR 06 2014

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>ROSE GREENFIELD</u>	TITLE <u>CONTROLLER</u>
SIGNATURE <u><i>Rose Greenfield</i></u>	DATE <u>03/03/14</u>

(This space for State use only)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

RECEIVED

APR 03 2014

CONFIDENTIAL

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1528 FNL 2627 FEL		8. WELL NAME and NUMBER: TRAIL CYN 1-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S		9. API NUMBER: 4301931532
COUNTY: GRAND		10. FIELD AND POOL, OR WILDCAT: WILDCAT
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <u>03/31/14</u>	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
NO ACTIVITY IN MARCH 2014

NAME (PLEASE PRINT) <u>ROSE GREENFIELD</u>	TITLE <u>CONTROLLER</u>
SIGNATURE <u><i>Rose Greenfield</i></u>	DATE <u>04/01/14</u>

(This space for State use only)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

CONFIDENTIAL

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-47218

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

TRAIL CYN 1-2

9. API NUMBER:

4301931532

10. FIELD AND POOL, OR WILDCAT:

WILDCAT

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER \_\_\_\_\_

2. NAME OF OPERATOR:

NATIONAL FUEL CORPORATION

3. ADDRESS OF OPERATOR:

8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111

PHONE NUMBER:

(303) 220-7772

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1528 FNL 2627 FEL

COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <u>04/30/2014</u>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN APRIL 2014

DIV. OF OIL, GAS & MINING  
MAY 07 2014  
RECEIVED

NAME (PLEASE PRINT) ROSE GREENFIELD

TITLE CONTROLLER

SIGNATURE

*Rose Greenfield*

DATE

5/2/14

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**STATE OF UTAH**  
 DEPARTMENT OF NATURAL RESOURCES  
 DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

<b>1. TYPE OF WELL</b> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-47218
<b>2. NAME OF OPERATOR:</b> NATIONAL FUEL CORPORATION		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111		<b>7. UNIT or CA AGREEMENT NAME:</b>
PHONE NUMBER: (303) 220-7772		<b>8. WELL NAME and NUMBER:</b> TRAIL CYN 1-2
<b>4. LOCATION OF WELL</b> FOOTAGES AT SURFACE: 1528 FNL 2627 FEL		<b>9. API NUMBER:</b> 4301931532
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S		<b>10. FIELD AND POOL, OR WILDCAT:</b> WILDCAT
COUNTY: GRAND		STATE: UTAH

**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS.** Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN MAY 2014

RECEIVED

JUN 05 2014

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>ROSE GREENFIELD</u>	TITLE <u>CONTROLLER</u>
SIGNATURE	DATE <u>6/3/14</u>

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

CONFIDENTIAL

RECEIVED

JUL 07 2014

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION

3. ADDRESS OF OPERATOR: 8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111 PHONE NUMBER: (303) 220-7772

6. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218

7. UNIT or CA AGREEMENT NAME: TRAIL CYN 1-2

9. API NUMBER: 4301931532

10. FIELD AND POOL, OR WILDCAT: WILDCAT

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 1528 FNL 2627 FEL COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
NO ACTIVITY IN JUNE 2014

NAME (PLEASE PRINT) ROSE GREENFIELD TITLE CONTROLLER

SIGNATURE *Rose Greenfield* DATE 7/3/14

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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FORM 9

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AUG 06 2014

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1528 FNL 2627 FEL		8. WELL NAME and NUMBER: TRAIL CYN 1-2
PHONE NUMBER: (303) 220-7772		9. API NUMBER: 4301931532
10. FIELD AND POOL, OR WILDCAT: WILDCAT		COUNTY: GRAND
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN JULY 2014

NAME (PLEASE PRINT) ROSE GREENFIELD TITLE CONTROLLER

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

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AUG 06 2014

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1528 FNL 2627 FEL		8. WELL NAME and NUMBER: TRAIL CYN 1-2
PHONE NUMBER: (303) 220-7772		9. API NUMBER: 4301931532
10. FIELD AND POOL, OR WILDCAT: WILDCAT		COUNTY: GRAND
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN JULY 2014

NAME (PLEASE PRINT) ROSE GREENFIELD TITLE CONTROLLER

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

RECEIVED  
SEP 08 2014

CONFIDENTIAL FORM 9

DIV. OF OIL, GAS & MINING

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (303) 220-7772		8. WELL NAME and NUMBER: TRAIL CYN 1-2
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1528 FNL 2627 FEL		9. API NUMBER: 4301931532
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S		10. FIELD AND POOL, OR WILDCAT: WILDCAT
COUNTY: GRAND		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN AUGUST 2014

NAME (PLEASE PRINT) ROSE GREENFIELD TITLE CONTROLLER

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

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**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

<b>1. TYPE OF WELL</b> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-47218
<b>2. NAME OF OPERATOR:</b> NATIONAL FUEL CORPORATION		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 8400 E PRENTC AVE #735    CITY GREENWOOD VILG    STATE CO    ZIP 80111		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>4. LOCATION OF WELL</b> FOOTAGES AT SURFACE: 1528 FNL 2627 FEL		<b>8. WELL NAME and NUMBER:</b> TRAIL CYN 1-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1    16S    21E    S		<b>9. API NUMBER:</b> 4301931532
COUNTY: GRAND		<b>10. FIELD AND POOL, OR WILDCAT:</b> WILDCAT
STATE: UTAH		

**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> <b>NOTICE OF INTENT</b> (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> <b>SUBSEQUENT REPORT</b> (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

**12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.**  
NO ACTIVITY IN 08/14

RECEIVED  
OCT 06 2014  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>ROSE GREENFIELD</u>	TITLE <u>CONTROLLER</u>
SIGNATURE _____	DATE _____

(This space for State use only)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:  
ML-47218

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
TRAIL CYN 1-2

2. NAME OF OPERATOR:  
NATIONAL FUEL CORPORATION

9. API NUMBER:  
4301931532

3. ADDRESS OF OPERATOR:  
8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111

PHONE NUMBER:  
(303) 220-7772

10. FIELD AND POOL, OR WILDCAT:  
WILDCAT

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 1528 FNL 2627 FEL

RECEIVED

COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S

NOV 07 2014

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN 9/14

NAME (PLEASE PRINT) ROSE GREENFIELD

TITLE CONTROLLER

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

(This space for State use only)

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF OIL, GAS AND MINING**

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-47218</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>TRAIL CYN 1-2</b>
2. NAME OF OPERATOR: <b>NATIONAL FUEL CORPORATION</b>		9. API NUMBER: <b>4301931532</b>
3. ADDRESS OF OPERATOR: <b>8400 E PRENTC AVE #735</b> CITY <b>GREENWOOD VILG</b> STATE <b>CO</b> ZIP <b>80111</b>		10. FIELD AND POOL, OR WILDCAT: <b>WILDCAT</b>
PHONE NUMBER: <b>(303) 220-7772</b>		
4. LOCATION OF WELL		
FOOTAGES AT SURFACE: <b>1528 FNL 2627 FEL</b>		COUNTY: <b>GRAND</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNE 1 16S 21E S</b>		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
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	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>MONTHLY REPORT</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN: Oct. 2014

**RECEIVED**

03 2014

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>ROSE GREENFIELD</u>	TITLE <u>CONTROLLER</u>
SIGNATURE _____	DATE _____

(This space for State use only)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-47218

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:

TRAIL CYN 1-2

2. NAME OF OPERATOR:

NATIONAL FUEL CORPORATION

9. API NUMBER:

4301931532

3. ADDRESS OF OPERATOR:

8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111

PHONE NUMBER:

(303) 299-2200 RECEIVED

10. FIELD AND POOL, OR WILDCAT:

WILDCAT

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1528 FNL 2627 FEL

JAN 08 2015

COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S

DIV. OF OIL, GAS & MINING

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN November 2014

NAME (PLEASE PRINT) ROSE GREENFIELD

TITLE CONTROLLER

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

(This space for State use only)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-47218

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:

TRAIL CYN 1-2

2. NAME OF OPERATOR:

NATIONAL FUEL CORPORATION

9. API NUMBER:

4301931532

3. ADDRESS OF OPERATOR:

8400 E PRENTC AVE #735 CITY GREENWOOD VILG STATE CO ZIP 80111

PHONE NUMBER:

(303) 220-7772

10. FIELD AND POOL, OR WILDCAT:

WILDCAT

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1528 FNL 2627 FEL

COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 1 16S 21E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>MONTHLY REPORT</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN 12/14

RECEIVED

FEB 05 2015

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) ROSE GREENFIELD

TITLE CONTROLLER

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

(This space for State use only)

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218
1. TYPE OF WELL Gas Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 8400 E Prentice Avenue Suite 735 , Greenwood Village, CO, 80111	8. WELL NAME and NUMBER: TRAIL CYN 1-2
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1528 FNL 2627 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S	9. API NUMBER: 43019315320000
PHONE NUMBER: 970 260-8128	9. FIELD and POOL or WILDCAT: BWILDCAT
COUNTY: GRAND	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/1/2015	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Integrity Test"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This Sundry Notice is being submitted for notification of National Fuel Corporations(NFC) intent to integrity test the Trail Canyon #1-2(TC#1-2) and show good cause for requesting an extension of its Shut-in/Temporarily Abandoned status per Division Rule R649-3-36. Integrity Test On or before 6/1/15, NFC will conduct a mechanical integrity test and provide supporting data showing the well has integrity. Good Cause In early 2013 NFC assumed operations from Royale Energy for the(shut-in)TC#1-2, and other additional wells. Since assuming operations of the Royale operated properties, NFC has remained active in this area and has had success recompleting other shut-in, stranded wells in this area(ie.Trail Canyon #1-3). As NFC analyzes data from these re-completions, we continue to look at options for utilizing existing wellbores. NFC also continues to monitor exploration efforts by other operators in this area and feel we can benefit from, and improve our completion efforts as this area is developed. Due to the remoteness of this area, new wells are very expensive to drill. NFC has made a substantial investment in the the assumed properties, including the drilling of the TC#1-2. For the reasons listed above, NFC would like to keep the well pad and wellbore of the TC#1-2 viable for future use by extending the Shut-in/Temporarily Abandoned status as we continue to develop this area.

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: April 02, 2015

By: 

**Please Review Attached Conditions of Approval**

Sundry Number: 59875 API Well Number: 43019315320000

<b>NAME (PLEASE PRINT)</b> Andrew Busch	<b>PHONE NUMBER</b> 970 260-8128	<b>TITLE</b> VP Operations
<b>SIGNATURE</b> N/A	<b>DATE</b> 1/14/2015	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43019315320000**

**A Form 8 - Well Completion report for this well should have been submitted in 2008. This should be filed immediately.**

**At this point in time, the Division does not see sufficient data to approve this well for extended SI/TA, however the Division will give National Fuel Corporation until June 1, 2015 to gather additional information including MIT and submit for consideration or to submit plugging and abandonment plans for approval. Some of the concerns the Division has with this well are the length of time SI/TA, the lack of follow through with previous plans proposed for this well, the unknown nature of future potential for this well and how that fits with the future development in this area and what is that future development, and the open ended or undetermined timeline for this well.**



## INSTRUCTIONS

**This form shall be submitted by the operator to show the intention and/or completion of the following:**

- miscellaneous work projects and actions for which other specific report forms do not exist;
- all other work and events as identified in section 11, Type of Action, or as required by the Utah Oil and Gas Conservation General Rules, including:
  - minor deepening of an existing well bore,
  - plugging back a well,
  - recompleting to a different producing formation within an existing well bore (intent only),
  - re-perforating the current producing formation,
  - drilling a sidetrack to repair a well,
  - reporting monthly the status of each drilling well.

**This form is not to be used for proposals to**

- drill new wells,
- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

**Use Form 3, Application for Permit to Drill (APD) for such proposals.**

**NOTICE OF INTENT** - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

**SUBSEQUENT REPORT** - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

**WELL ABANDONMENT** - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

In addition to any Sundry Notice forms submitted, **Form 8, Well Completion or Recompletion Report and Log** must be submitted to the division to report the results of the following operations:

- completing or plugging a new well,
- reentering a previously plugged and abandoned well,
- significantly deepening an existing well bore below the current bottom-hole depth,
- drilling horizontal laterals from an existing well bore,
- drilling hydrocarbon exploratory holes such as core samples and stratigraphic tests,
- recompleting to a different producing formation.

Send to:

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT  FORM 8  
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:

9. API NUMBER:

10 FIELD AND POOL, OR WILDCAT

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

12. COUNTY

13. STATE

UTAH

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. TYPE OF WORK: NEW WELL  HORIZ. LATS.  DEEP-EN  RE-ENTRY  DIFF. RESVR.  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:

3. ADDRESS OF OPERATOR: CITY STATE ZIP PHONE NUMBER:

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE:  
  
AT TOP PRODUCING INTERVAL REPORTED BELOW:  
  
AT TOTAL DEPTH:

14. DATE SPUDDED: 15. DATE T.D. REACHED: 16. DATE COMPLETED: ABANDONED  READY TO PRODUCE  17. ELEVATIONS (DF, RKB, RT, GL):

18. TOTAL DEPTH: MD TVD 19. PLUG BACK T.D.: MD TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) 23. WAS WELL CORED? NO  YES  (Submit analysis)  
WAS DST RUN? NO  YES  (Submit report)  
DIRECTIONAL SURVEY? NO  YES  (Submit copy)

**24. CASING AND LINER RECORD (Report all strings set in well)**

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED

**25. TUBING RECORD**

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

**26. PRODUCING INTERVALS**

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A)				
(B)				
(C)				
(D)				

**27. PERFORATION RECORD**

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

**28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.**

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

**29. ENCLOSED ATTACHMENTS:**

- ELECTRICAL/MECHANICAL LOGS       GEOLOGIC REPORT       DST REPORT       DIRECTIONAL SURVEY  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION       CORE ANALYSIS       OTHER: \_\_\_\_\_

**30. WELL STATUS:**

**31. INITIAL PRODUCTION**

**INTERVAL A (As shown in item #26)**

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

**INTERVAL B (As shown in item #26)**

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

**INTERVAL C (As shown in item #26)**

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

**INTERVAL D (As shown in item #26)**

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

**32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)**

**33. SUMMARY OF POROUS ZONES (Include Aquifers):**

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

**34. FORMATION (Log) MARKERS:**

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

**35. ADDITIONAL REMARKS (Include plugging procedure)**

**36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.**

NAME (PLEASE PRINT) \_\_\_\_\_ TITLE \_\_\_\_\_

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218
1. TYPE OF WELL Gas Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 8400 E Prentice Avenue Suite 735 , Greenwood Village, CO, 80111	8. WELL NAME and NUMBER: TRAIL CYN 1-2
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1528 FNL 2627 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S	9. API NUMBER: 43019315320000
PHONE NUMBER: 970 260-8128	9. FIELD and POOL or WILDCAT: WILDCAT
COUNTY: GRAND	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/1/2015	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: Integrity Test and Extend Sh

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This Sundry Notice is being submitted for notification of National Fuel Corporations(NFC) intent to integrity test the Trail Canyon #1-2(TC#1-2) and show good cause for requesting an extension of its Shut-in/Temporarily Abandoned status per Division Rule R649-3-36. In early 2013 NFC assumed operations from Royale Energy for the(shut-in)TC#1-2, and other additional wells. Since assuming operations of the Royale operated properties, NFC has remained active in this area and has had success recompleting other shut-in, stranded wells in this area(ie.Trail Canyon #1-3). As NFC analyzes data from these re-completions, we continue to look at options for utilizing existing wellbores. NFC also continues to monitor exploration efforts by other operators in this area and feel we can benefit from, and improve our completion efforts as this area is developed. Due to the remoteness of this area, new wells are very expensive to drill. NFC has made a substantial investment in the assumed properties, including the drilling of the TC#1-2. Additionally, NFC has identified potential gas and oil bearing zones in the Mancos formation in the TC#1-2(8698'-8764'and 9410'-9480'intervals) that may yield commercial quantities of hydrocarbons when energy prices recover from the current slump. For the reasons listed above, NFC would like to keep the well pad and wellbore of the TC#1-2 viable for future use by extending the Shut-in/Temporarily Abandoned status for 3 years as we continue to develop this area. NFC is

**Approved by the Utah Division of Oil, Gas and Mining**

Date: June 04, 2015

By: *Derek Quist*

**Please Review Attached Conditions of Approval**

Sundry Number: 63318; ART Well Number: 43019315320000  
requesting this 3 year period for multiple reasons: The 3 year period will allow time for accurate reservoir analysis of our recent recompletions in the Mancos formation. Additionally, it will allow NFC to gain knowledge & benefit from techniques that other operators, such as Anadarko, are implementing to explore the Mancos in this area. With area producers curtailing development plans and the decline in oil and gas prices likely to last through 2016, the 3 years will hopefully get us to a point when exploration efforts will ramp up in this area and are likely to pay better dividends. If granted the 3 year extension, NFC will MIT the well no later than June 30th 2015 by setting a plug above the top perforated interval and hydrostatically testing the production casing. Additionally, surface casing will be checked for pressure. Results of the test will be reported via Sundry Notice within 15 days after the test. During the 3 year shut in period, in order to ensure ongoing integrity at the well site, NFC will continue to monitor the well pad and record pressures at the wellhead on a quarterly basis. If in 3 years from June 30th 2015, NFC has not taken steps to bring the TC #1-2 to a producing status, the well will be permanently P&A'd.

<b>NAME (PLEASE PRINT)</b> Andrew Busch	<b>PHONE NUMBER</b> 970 260-8128	<b>TITLE</b> VP Operations
<b>SIGNATURE</b> N/A		<b>DATE</b> 5/15/2015



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43019315320000**

**The approval shall be revisited on a yearly basis in order to monitor integrity and current conditions for up to a maximum of 3 years.**



## INSTRUCTIONS

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  - recompleting to a different producing formation within an existing well bore (intent only),
  - re-perforating the current producing formation,
  - drilling a sidetrack to repair a well,
  - reporting monthly the status of each drilling well.

**This form is not to be used for proposals to**

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- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

**Use Form 3, Application for Permit to Drill (APD) for such proposals.**

**NOTICE OF INTENT** - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

**SUBSEQUENT REPORT** - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

**WELL ABANDONMENT** - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

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- drilling horizontal laterals from an existing well bore,
- drilling hydrocarbon exploratory holes such as core samples and stratigraphic tests,
- recompleting to a different producing formation.

Send to:

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-47218
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> TRAIL CYN 1-2	
<b>2. NAME OF OPERATOR:</b> NATIONAL FUEL CORPORATION	<b>9. API NUMBER:</b> 43019315320000	
<b>3. ADDRESS OF OPERATOR:</b> 8400 E Prentice Avenue Suite 735 , Greenwood Village, CO, 80111	<b>PHONE NUMBER:</b> 970 260-8128	<b>9. FIELD and POOL or WILDCAT:</b> EWILDCAT
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1528 FNL 2627 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S	<b>COUNTY:</b> GRAND	
	<b>STATE:</b> UTAH	

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 6/30/2015	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input checked="" type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

National Fuel Corporation Trail Canyon #1-2 MIT SWNE, Sec 1 – T16S – R23E Grand County, Utah 6/28/15 Pressure conditions at wellhead: 4 ½" Production Csg – 200# (Surface to 11,103') 7" Intermediate Csg – 650# ( Surface to 6,260') 9 5/8" Surface Csg – 0# (Surface to 2,051') Blew down 4 ½" csg in 1 minute through pinched 2" valve. Blew down 7" in 15 minutes through pinched 2" valve. Installed valves and gauges for MIT. Shut in well. 6/29/15 Pressure conditions at wellhead: 4 ½" Production Csg – 5# (Surface to 11,103') Entrada. 7" Intermediate Csg – 12# ( Surface to 6,260') Sego and Castlegate perms open. 9 5/8" Surface Csg – 0# (Surface to 2,051') Blew down well 4 ½" csg. Removed wellhead. Installed BOP. RU DLD Wireline. RIH with CCL and 4 ½" CIBP. Fluid level 4,480' from surface. Unable correlate depth with paper log due to hydraulic leak off on skid loader holding wireline sheave. RD wireline. Closed BOP's. 6/30/15 Pressure conditions at wellhead: 4 ½" Production Csg – 0# (Surface to 11,103') Entrada 10,746 to 10,935. 7" Intermediate Csg – 30# ( Surface to 6,260') Sego and Castlegate perms 5,266' to 6,037'. 9 5/8" Surface Csg – 0# (Surface to 2,051') RU wireline mast truck. RIH with CCL and 4 ½" CIBP. Fluid level unchanged. Correlated depth with short joint at 9,825'. Set CIBP at 10,620'. POOH and RD wireline. Filled 4 ½" csg with 3% KCl water. ND BOP. Hole standing full of water. NU wellhead. RU test pump. Pressured up 4 ½" csg to 500#. 500# at surface = 5,098# at 10,620'. No pressure change in 7" or 9 5/8" csg. Left 4 ½" shut in for 1 hour. Lost 5# pressure in 1 hour. RD test pump. Secured well and released equipment.

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
July 28, 2015**

Sundry Number: 64619 API Well Number: 43019315320000

<b>NAME (PLEASE PRINT)</b> Andrew Busch	<b>PHONE NUMBER</b> 970 260-8128	<b>TITLE</b> VP Operations
<b>SIGNATURE</b> N/A		<b>DATE</b> 7/6/2015



## INSTRUCTIONS

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**This form is not to be used for proposals to**

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<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9  <b>5.LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-47218
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7.UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> TRAIL CYN 1-2	
<b>2. NAME OF OPERATOR:</b> NATIONAL FUEL CORPORATION	<b>9. API NUMBER:</b> 43019315320000	
<b>3. ADDRESS OF OPERATOR:</b> 8400 E Prentice Avenue Suite 735 , Greenwood Village, CO, 80111	<b>PHONE NUMBER:</b> 970 260-8128	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1528 FNL 2627 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S	<b>COUNTY:</b> GRAND  <b>STATE:</b> UTAH	

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input checked="" type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 5/9/2016			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This Subsequent Sundry Notice is being submitted as an update of the well conditions for National Fuel Corporations(NFC)Trail Canyon #1-2(TC#1-2). National Fuel Corporation Trail Canyon #1-2 MIT SWNE, Sec 1 – T16S – R23E Grand County, Utah 05/09/2016 Pressure conditions at wellhead: 4 1/2" Production Csg – 90# (Surface to 11,103') Entrada 10,746 to 10,935.Still standing full of test fluid from MIT on 6/28/15. 7" Intermediate Csg – 700# ( Surface to 6,260') Segro and Castlegate perfs 5,266' to 6,037'. 9 5/8" Surface Csg – 0# (Surface to 2,051')

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

**Date:** May 26, 2016  
**By:** *David K. Quist*

**Please Review Attached Conditions of Approval**

<b>NAME (PLEASE PRINT)</b> Andrew Busch	<b>PHONE NUMBER</b> 970 260-8128	<b>TITLE</b> VP Operations
<b>SIGNATURE</b> N/A	<b>DATE</b> 5/24/2016	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43019315320000**

**On going monitoring required. If conditions change, contact the Division immediately. If conditions remain static submit monitoring results for the upcoming year no later than 6/1/2017.**



## INSTRUCTIONS

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Phone: 801-538-5340

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<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218
1. TYPE OF WELL Gas Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 8400 E Prentice Avenue Suite 735 , Greenwood Village, CO, 80111	8. WELL NAME and NUMBER: TRAIL CYN 1-2
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1528 FNL 2627 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 01 Township: 16.0S Range: 21.0E Meridian: S	9. API NUMBER: 43019315320000
PHONE NUMBER: 970 260-8128	9. FIELD and POOL or WILDCAT: WILDCAT
COUNTY: GRAND	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 9/28/2015	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
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	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
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	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Integrity Test"/>

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**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
June 15, 2016**

<b>NAME (PLEASE PRINT)</b> Andrew Busch	<b>PHONE NUMBER</b> 970 260-8128	<b>TITLE</b> VP Operations
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/20/2015	



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