

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML-47218	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			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 UTU80642X	
2. NAME OF OPERATOR: Royale Energy, INC			9. WELL NAME and NUMBER: Trail Canyon 1-3	
3. ADDRESS OF OPERATOR: 7676 Hazard Center CITY San Diego STATE CA ZIP 92108			PHONE NUMBER: (619) 881-2800	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 667' FSL & 838' FEL AT PROPOSED PRODUCING ZONE: same as above			10. FIELD AND POOL, OR WILDCAT: Wildcat	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 112.9 miles south of Vernal, UT			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 1 16S 21E	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 838'			12. COUNTY: Grand	
16. NUMBER OF ACRES IN LEASE:			13. STATE: UTAH	
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40			18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 3,500'	
19. PROPOSED DEPTH: 10,200			20. BOND DESCRIPTION: UTB-000026	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7248' ungraded			22. APPROXIMATE DATE WORK WILL START: 11/1/2008	
23. ESTIMATED DURATION: 45 days				

24. **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#	2,100	Class G	1445 sks	1.17cuft	15.8 ppg
8 3/4	7	N-80	23#	5,800	50/50 POZ	660 sks	1.26cuft	14.2 ppg
6 1/4	4 1/2	P110	11.6#	10,200	50/50 POZ	421 sks	1.26 cuft	14.2 ppg

25. **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 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 |

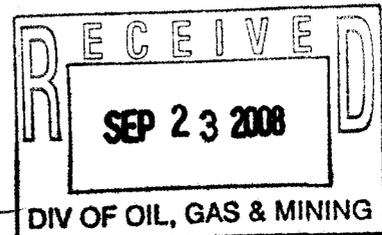
NAME (PLEASE PRINT) Ginger Bowden TITLE Agent
SIGNATURE Ginger Bowden DATE 9/16/2008

(This space for State use only)

API NUMBER ASSIGNED: 43-019-31403

Approved by the
Utah Division of
Oil, Gas and Mining

APPROVAL:
Date: 11-04-08
By: [Signature]
(See Instructions on Reverse Side)



CONFIDENTIAL

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.)

WEST
2640.00' (G.L.O.) T15 1/2S

1920 Brass Cap,
1.0' High, Pile of
Stones

T16S

S00°02'13"W - 2639.54' (Meas.)

Lot 4

Lot 3

Lot 2

Lot 1

S00°11'47"E - 2640.81' (Meas.)

1920 Brass Cap,
1.5' High, Pile of
Stones

5280.00' (G.L.O.)

R
21
E

R
22
E

TRAIL CANYON #1-3
Elev. Ungraded Ground = 7248'

1920 Brass Cap,
2.0' High, Pile of
Stones

N89°59'22"W - 2635.35' (Meas.)

2645.28' (G.L.O.)

1920 Brass Cap,
1.5' High, Pile of
Stones

BASIS OF BEARINGS

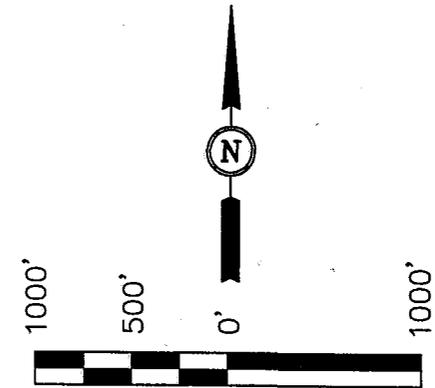
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)
LATITUDE = 39°26'21.77" (39.439381)
LONGITUDE = 109°32'43.76" (109.545489)
(AUTONOMOUS NAD 27)
LATITUDE = 39°26'21.89" (39.439414)
LONGITUDE = 109°32'41.30" (109.544806)

Well Location, TRAIL CANYON #1-3, located as shown in the SE 1/4 SE 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.



SCALE

CERTIFICATE

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



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

LEGEND:

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

SCALE 1" = 1000'	DATE SURVEYED: 08-18-08	DATE DRAWN: 08-27-08
PARTY A.F. A.C. K.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE ROYAL ENERGY, INC.	

Royale Energy, Inc.

Trail Canyon 1-3

Ten Point Plan

Section 1, Township 16 South, Range 21 East,

SE ¼ SE ¼

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surf	7,245
Mesa Verda	3,762'	3483
Sago	5,115'	2130
Castle Gate	5,814'	1431
Mancos	6,010'	1235'
Dakota Silt	9,666'	-2421'
Morrison	10,000'	-2755'
TD	10,200'	-2955'

All water and oil and gas bearing zones shall be protected by the casing and cement program.

3. Producing Formation Depth:

Formation objective includes the Dakota, Entrada and their sub-members.

Off Set Well information (Wells within a one-mile radius)

Drilled Wells: Trail Canyon 1-2

Abandon Wells: None

Producing Wells: None

Shut in Wells: None

4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/FT</u>	<u>Grade</u>	<u>Coupling & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
12 ¼	9 5/8	36#	K-55	ST&C	2,100'	NEW
8 3/4	7"	23#	N-80	LT&C	5,800'	NEW
7 7/8	4 ½	11.6#	P 110	LTC	10,200'	New

Cement Program:**The Surface Casing will be cemented to the Surface as follows:**

Casing Size: 9 5/8
Cement Type: Class G Cement + 2% Calcium Chloride + 0.25/sk Cello Flake
Cement Amounts: 1445 sks +/-, excess 50%
Cement Yeild: 1.17 ft³/sk
Cement Weight: 15.80 ppg

Note: Top out with sufficient cement to bring cement to surface.

Drilling option.

The operator will drill an 8 ¾ hole from 2,000' to 6,010ft. If the hole conditions look favorable 7" casing will not be set.

If 7" csg is not run the operator will then change hole size to 7 7/8" hole and drill to TD.

If at any time the hole from 2,000 ft to 6,100 ft becomes unstable 7" csg will be run and the attached cement program used.

If 7" csg is run a 6 ¼ hole will have to be drilled from that point on.

If a 7 7/8 " hole has been started and 7" run prior to TD then a 6 ¼ hole will be drilled from that depth to TD.

Cement volumes would be adjusted to reflect the hole size. Depending on whether 7" is run or not the operator would use two or three DV tools at the locations outlined in the cement program attached.

Casing Size: 7"
Cmt Interval 1,800'-6,010'
Cement Type: 50/50 Poz + 0.25/sk Cello Flake
Cement Amounts: 660 sks +/-, excess 30%
Cement Yeild: 1.26 ft³/sk

Cement Weight: 14.20 ppg

4 1/2 " Production casing will be cemented to 5,800' or 1,800' as follows:

If 7" csg is run, one stage tool will be run at approximately 9,000 ft. with the 4 1/2" csg. And cemented as follows

Casing Size: 4 1/2"
Stage 1 (TD- 9000) Cement Type: 50/50 Poz + 0.25 lb/sk Cello Flake
Cement Amounts: 117 sks +/- , excess 30%
Cement Yeild: 1.26 ft³/sk
Cement Weight: 14.2 ppg

Stage 2 (9,000-5,800') Cement Type: 50:50 Poz + 0.25 lb/sk Cello Flake
Cement Amounts: 304 sks +/-
Cement Yeild: 1.26 ft³/sk
Cement Weight: 14.2 ppg

If 7" csg is not run two stage tools will be run one at approximately 9,000 ft and one at approximately 6,000' with the 4 1/2".

Casing Size: 4 1/2"
Stage 1 (TD- 9000) Cement Type: 50/50 Poz + 0.25 lb/sk Cello Flake
Cement Amounts: 635 sks +/- , excess 30%
Cement Yeild: 1.26 ft³/sk
Cement Weight: 14.2 ppg

Stage 2 (9,000-6000') Cement Type: 50:50 Poz + 0.25 lb/sk Cello Flake
Cement Amounts: 678 sks +/-
Cement Yeild: 1.26 ft³/sk
Cement Weight: 14.2 ppg

Stage 3 (6,000-1900') Cement Type: 50:50 Poz + 0.25 lb/sk Cello Flake
Cement Amounts: 1361 sks +/-, excess 30%
Cement Yeild: 1.26 ft³/sk
Cement Weight: 14.2 ppg

SX

Stage 1 635 sks to 7651'

Stage 2 678 to 4929

1313 → 1046 to 6000

Stage 3 1361 T4929

5. BOP and Pressure Containment Data:

A 3X11 5,000 psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing.

An upper kelly cock to the required pressure rating with a handle available shall be employed.

The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./OT.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-2,000'	Air	-----	No Control	water/native mud
2,000-T.D.	8.8	30	10cc	water/gel

The following equipment will be in place and operational during air drilling:

- Properly lubricated and maintained rotating head
- Spark arresters on engines
- Deduster equipment: drilling with mist will suppress the dust. Water mist will be the dust buster.
- Float Valve above bit.
- Automatic igniter will be used. A variance is requested because we will be using mist at the end of the line.
- All cuttings and circulating medium will be directed into a reserve pit.
- Mud kill medium will be water in the reserve pit.
- A straight run blooie line will not be run. A variance will be necessary due to modification in the line to reduce pad size.
- The blooie line will not be 100 feet from the well bore. The blooie line has been modified to reduce pad size.
- All engines will be equipped with spark arresters.
- Compressors will be truck mounted. A variance will be required for the truck mounted compressors. The compressor sizes will be 900 cfm – 1350 cfm with boosters.

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.

- b) Coring: None are anticipated.
- c) Sampling: 30' from 2,000'-TD

d)	Logging:	Type	Interval
		CNL/FDC w/XY calipers and DLL	2,000-6,100'
		CNL/FDC w/XY calipers and DLL	6,100-10,200'

9. Abnormalities (including sour gas):

Anticipated bottom hole pressure will be less than 4,100' psi. Pressure surveys from off set wells have shown the pressure gradient to be .35 in this area. No abnormal pressures, temperatures or other hazards are anticipated.

Other wells drilled in the area have not encountered over pressured zones or H2S.

10. Drilling Schedule:

The anticipated starting date is 11/1/2008. (Upon receipt of Approved APD depending on rig availability.) Duration of operations is expected to be 45 days.

Drilling Plan Supplemental:

a. The proposed casing and cementing programs shall be conducted as approved to protect and or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any other prospectively valuable

deposits of minerals. An isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of the casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressure; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.

b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).

c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data).

d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.

e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.

g. The surface casing shall be cemented back to surface either during primary cement job or by remedial cementing.

h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.

j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other technique, such as a suitable pre-flush fluid, inner string method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield, If pressure declines more than 10 percent in the 30 minutes, corrective action shall be taken.

l. On all exploratory wells and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

m. Casing design is subject to revision based on geologic conditions encountered.

n. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC times shall be recorded in the driller's log.

o. The BOP size for the subject location will be 5M.

p. A safety valve with subs to fit all connections will be on the rig floor.

q. Pressure Control Equipment:

Ram Type: 10" Hydraulic double annular, 5000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of the internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- 1. when initially installed;**
- 2. whenever any seal subject to test pressure is broken**
- 3. following related repairs; and**
- 4. at 30-day intervals**

Valves shall be tested from working pressure side during BOPE test with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip; however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure test shall apply to all related well control equipment.

All of the above described tests and or drills shall be recoded in the drilling log.

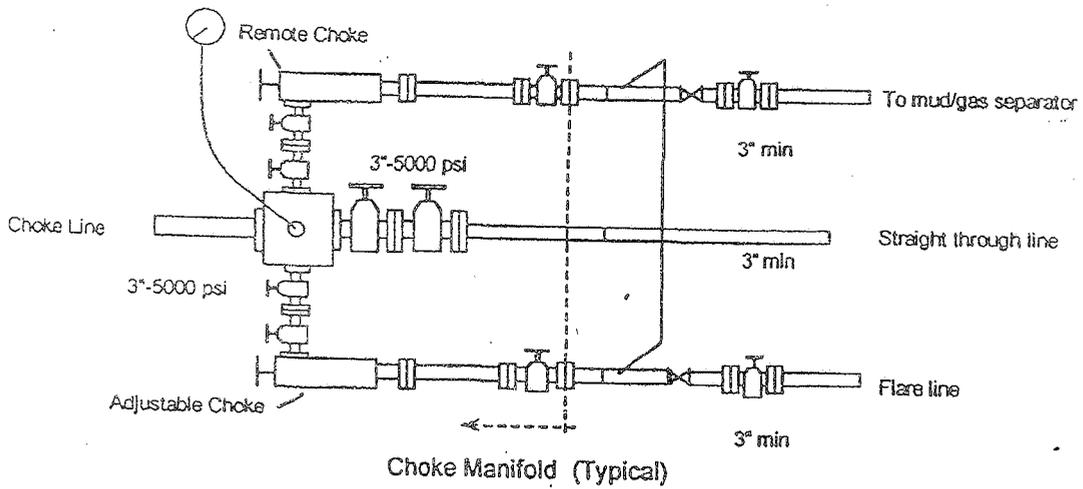
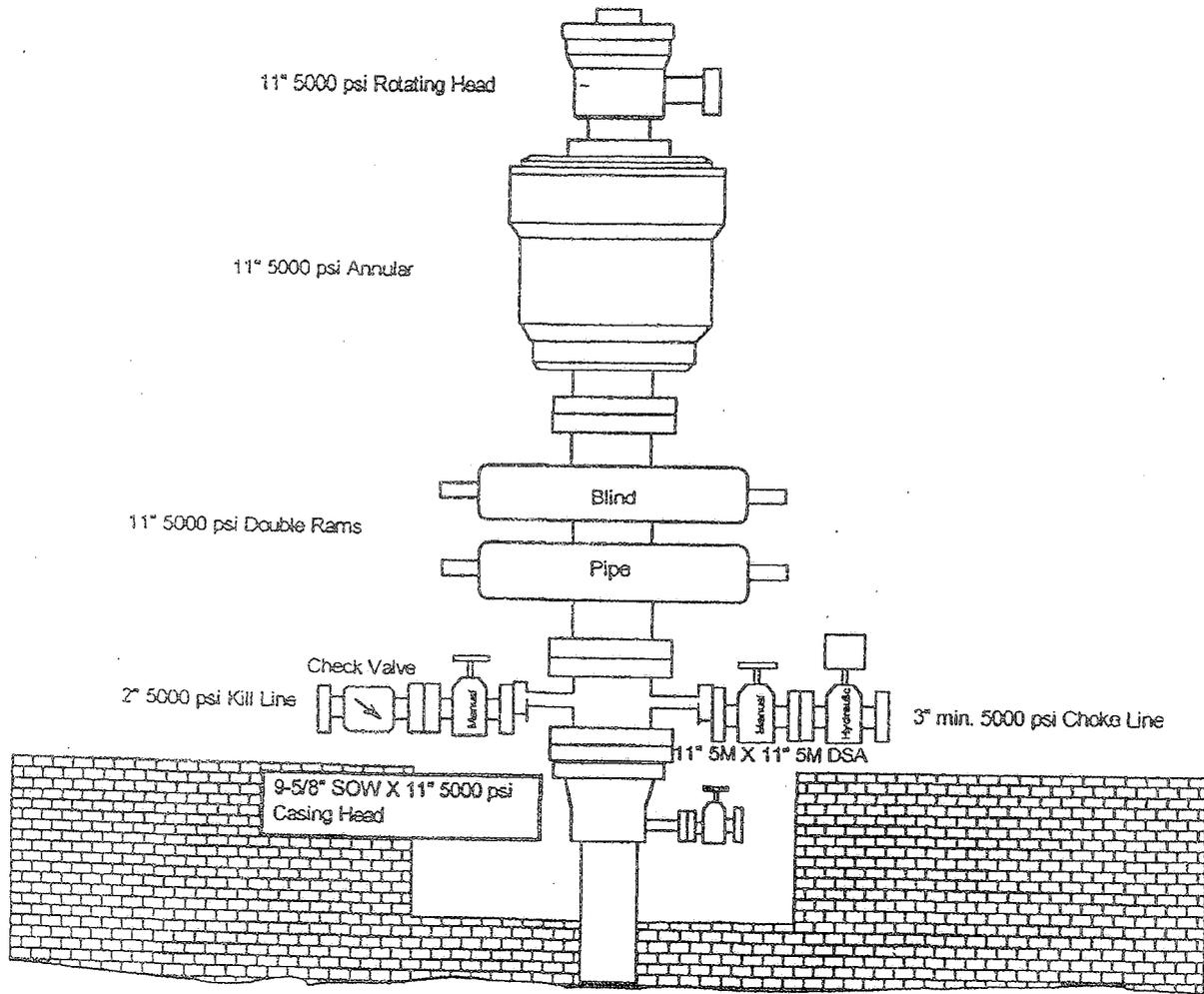
BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preveter controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recoded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The choke and kill line will be properly installed. The kill line is not to be used as a fill-up line.

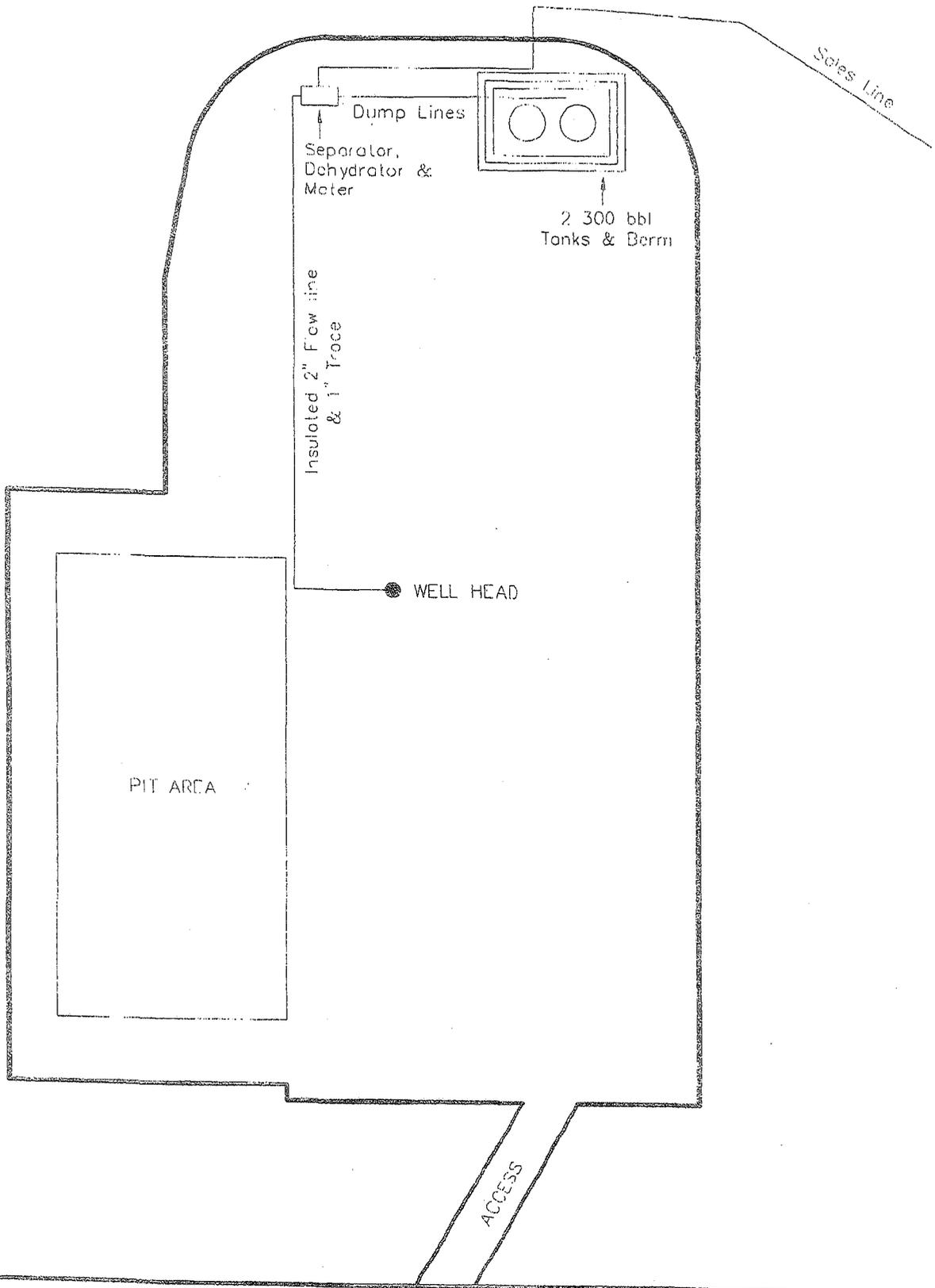
The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.

Drill string safety valve(s), to fit all tools in the drill string are to be maintained on the rig floor while drilling operations are in progress.

BOPE Diagram 5000 psi WP



TYPICAL PRODUCTION LAYOUT



1. Existing Roads:

Royale Energy, INC
Trail Canyon 1-3
Section 1, T16S, R 21E

Proceed in a westerly direction from Vernal, UT along U.S. Highway 40 approximately 14.0 miles to the junction of State Highway 88; exit left and proceed in a southerly direction approximately 17.0 miles to Ouray, UT; proceed in a southerly, then southeasterly direction on the Seep Ridge road approximately 55.0 miles to the junction of this road and an existing road (the Divide road); turn right and proceed in a southwesterly direction approximately 9.0 miles to Three Pines, continue in a southwesterly direction approximately 9.7 miles to the junction of this road and an existing road to the northwest; turn right and proceed in a northwesterly, then westerly direction approximately 3.2 miles to the beginning of the proposed access road to the northwest; follow road flags in a northerly direction approximately 5.0 miles to the proposed location.

Total distance from Vernal, UT is 112.9 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 5.0 miles of new construction. The road will be graded once per year minimum and maintained.

- A) Approximate length 5.0 miles
- B) Right of Way width 30 ft
- C) Running surface 18 ft
- D) Surface material Native
- E) Maximum grade 8%
- F) Fence crossing No
- G) Culvert No
- H) Turnouts No
- I) Major cuts and fills No
- J) Road Flagged Yes
- K) Access road surface ownership State of Utah
- L) All new construction on lease No
- M) Pipe line crossing One, surface line.

Please see the attached location plat for additional details.

An off lease right-of-way will be required. An Easement application has been filed with SITLA.

All surface disturbances for the road and location will not be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

- A) Producing well None
- B) Water well None
- C) Abandoned well None

- D) Temp. abandoned well None
- E) Disposal well None
- F) Drilling /Permitted well
 - Trail Canyon 1-1
 - Trail Canyon 2-1
- G) Shut in wells None
- H) Injection well None
- I) Monitoring or observation well
 - None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a Juniper Green color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is Juniper Green.

All tanks will be surrounded by a dike of sufficient capacity to contain one and one half times the storage capacity of the largest tank in the battery. 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 43 CFR 3162.7-3 and *Onshore Oil and Gas*

Order No. 4. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulations. All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production, a surface gas line will be required.

Approximately 26,489' of 4" steel surface gas gathering line would be constructed on State Lands. The line will tie into an existing pipeline in Section 36, T16S, R21E. The pipeline would be boomed to the south of the location and the west of the access road.

An off lease right-of-way will be required. An Easement has been filed with the State of Utah.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be

submitted to the State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from a private source in Section 6, T 16S, R23E, owned by Bert Delambert. Utah water Change application T27896 authorizes such use and water use agreement with Mr. Delambert has been obtained.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

No construction materials will be taken from Federal Lands. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2.-3.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit is approximately 10 ft. deep and most of the depth

shall be below the surface of the existing ground.

Please see the attached plat for details.

The reserve pit will be lined with a 12 mil synthetic liner.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit or, if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer. Onsite evaporation may be used instead of trucking to facilitate closing and reclamation of the reserve pit. A pumping system would be used for evaporation. 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.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste. Upon completion of operations, or as required, these toilets will be removed and the contents thereof will be disposed of in an approved sewage disposal facility.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

- A) Pad length 335 ft.
- B) Pad width 280 ft.
- C) Pit depth 10 ft.
- D) Pit length 155 ft.
- E) Pit width 110 ft.
- F) Max cut 16.8 btm pit
- G) Max fill 11.6 ft.
- H) Total cut yds. 12,310 cubic yards

- I) Pit location West end
- J) Top soil location North end
- K) Access road location South end
- L) Flare Pit: 100 feet from wellhead

(The reserve pit calculations reflect a 10' wide bench around the exterior of the pit.)

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 4-6 inches of soil material will be stripped off the location and the pit area. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

Any rat and mouse holes will be back-filled and compacted from bottom to top immediately upon release of the completion rig. The location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, and trash not required for production.

Any oil located on the pits will be removed immediately in accordance with 43 CFR 3162.7-1.

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

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be

restored to its original line of flow or as near as possible when the pit is back-filled.

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeded, all disturbed areas will be scarified and left with a rough surface.

At such time as the well is plugged and abandon, the operator will submit a subsequent report of abandonment and Utah Division of Oil, Gas and Mining will attach the appropriate surface rehabilitation conditions of approval.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Interim Seed Mix

6#/acre Western Wheat grass
6#/acre Smooth Brome grass

11. Surface ownership:

Access road	State
Location	State
Pipe line	State

12. Other information:

A) Vegetation

The vegetation coverage is Pinion-Juniper. Pinion-Juniper will be slashed and stockpiled for future reclamation projects.

B) Dwellings:

There are no dwellings or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites, will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

Medow Creek approximately 2.0 miles to the north.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior approval.

F) Notification:

- a) Location Construction
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion
prior to moving on the drilling rig.
- c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests

At least twenty-four (24) hours prior to initial pressure tests.

- f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located outside the pit fences and 100 feet from the bore hole on the north side of the location. All fluids will be removed from the flare pit within 48 hours of occurrence.

notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

13. Lessees or Operator's representative

A) Representative(s)

William A Ryan
290 S 800 E
Vernal, UT 84078

Office 435-789-0968
Cellular 435-828-0968

Ginger Bowden
PO BOX 790203
Vernal, UT 84079

Office 435-789-4162
Cellular 435-790-4163

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable

B) Operators Certification:

I hereby certify that I, or someone under my direct supervision, have inspected the proposed drill-site and access route proposed herein; that I am familiar with the conditions which currently exist, that I have full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for filing of a false statement.

Executed this
16th day of September, 2008.
Name: Ginger Bowden
Position Title: Agent
Address: PO BOX 790203
Vernal, UT 84079
Telephone: 435-789-4162

Self Certification Statement

The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that Royale Energy, INC is considered to be the operator of the following well:

Trail Canyon 1-3
Section 1, T. 16S, R. 21E
SE ¼ of the SE ¼
Lease ML-47218
Moon Canyon Unit UTU-80642X
Uintah County, Utah

Royale Energy, INC is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond UTB-000026 provides state-wide bond coverage on all Federal Lands.

Name: Ginger Bowden
Title: Agent

Signature: 

Date: 9/16/2008

**Statement of use of Hazardous
Materials**

No chemical(s) from the EPA's consolidated list of Chemicals Subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 CFR 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

Ginger Stringham
Agent for Royale Energy, INC
Paradigm Consulting, INC
PO BOX 790203
Vernal, UT 84079

ROYALE ENERGY, INC.

TRAIL CANYON #1-3

LOCATED IN GRAND COUNTY, UTAH

SECTION 1, T16S, R21E, S.L.B.&M.

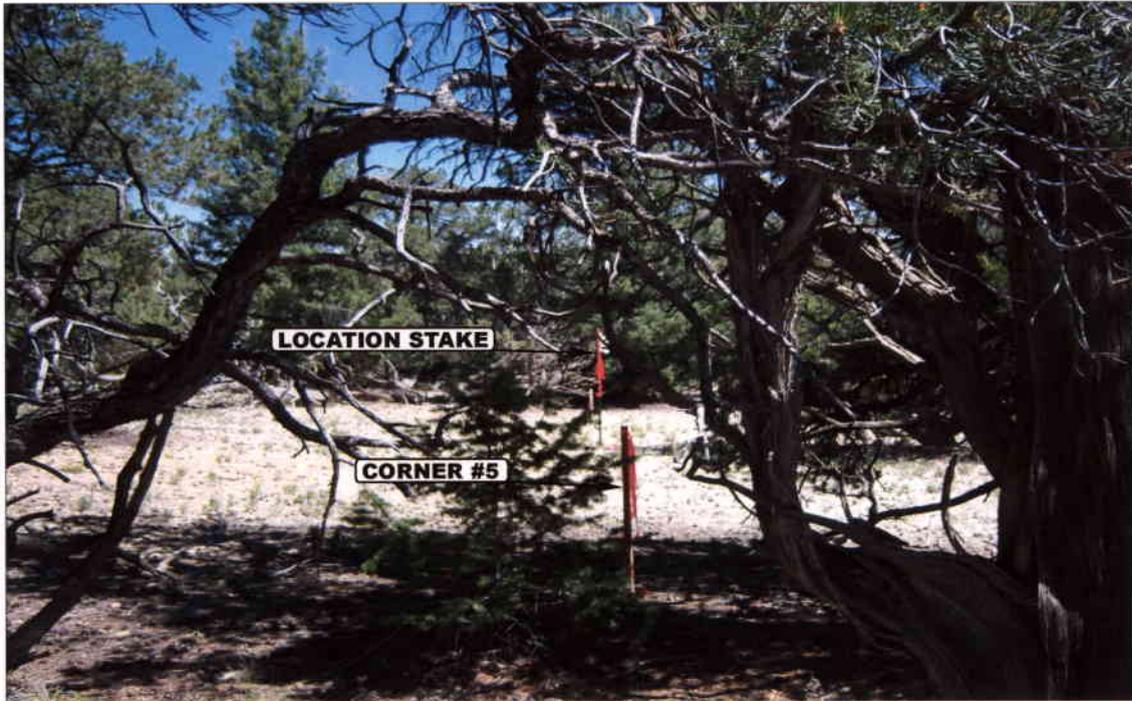


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



- Since 1964 -

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

LOCATION PHOTOS

09 09 08
MONTH DAY YEAR

PHOTO

TAKEN BY: A.F.

DRAWN BY: J.J.

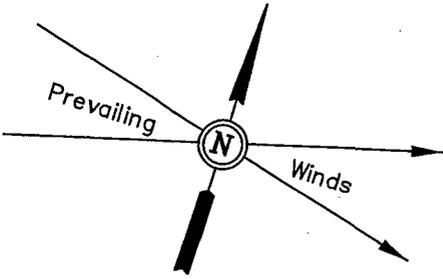
REVISED: 00-00-00

ROYALE ENERGY, INC.

FIGURE #1

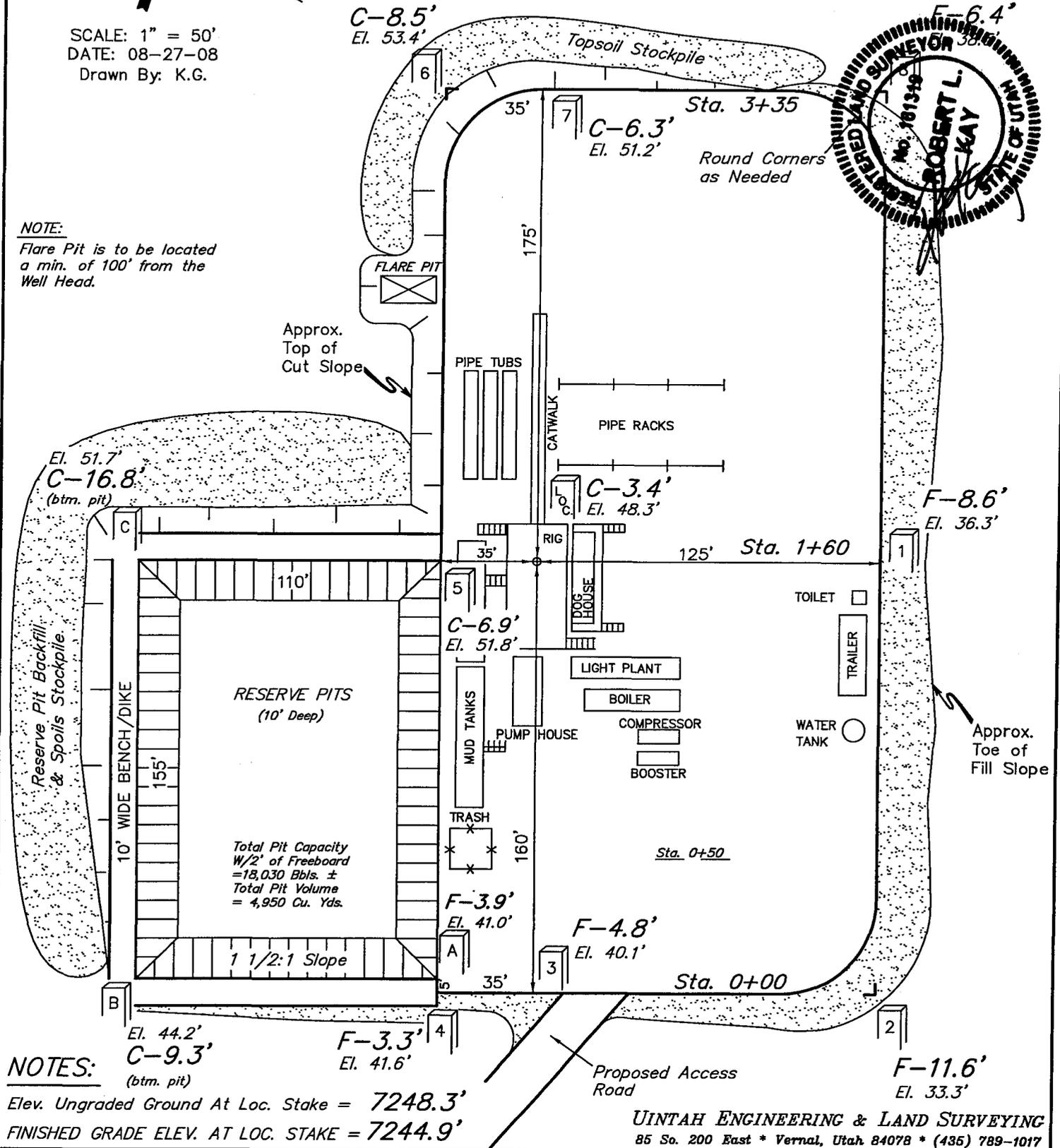
LOCATION LAYOUT FOR

TRAIL CANYON #1-3
SECTION 1, T16S, R21E, S.L.B.&M.
667' FSL 838' FEL



SCALE: 1" = 50'
DATE: 08-27-08
Drawn By: K.G.

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



NOTES:
Elev. Ungraded Ground At Loc. Stake = 7248.3'
FINISHED GRADE ELEV. AT LOC. STAKE = 7244.9'

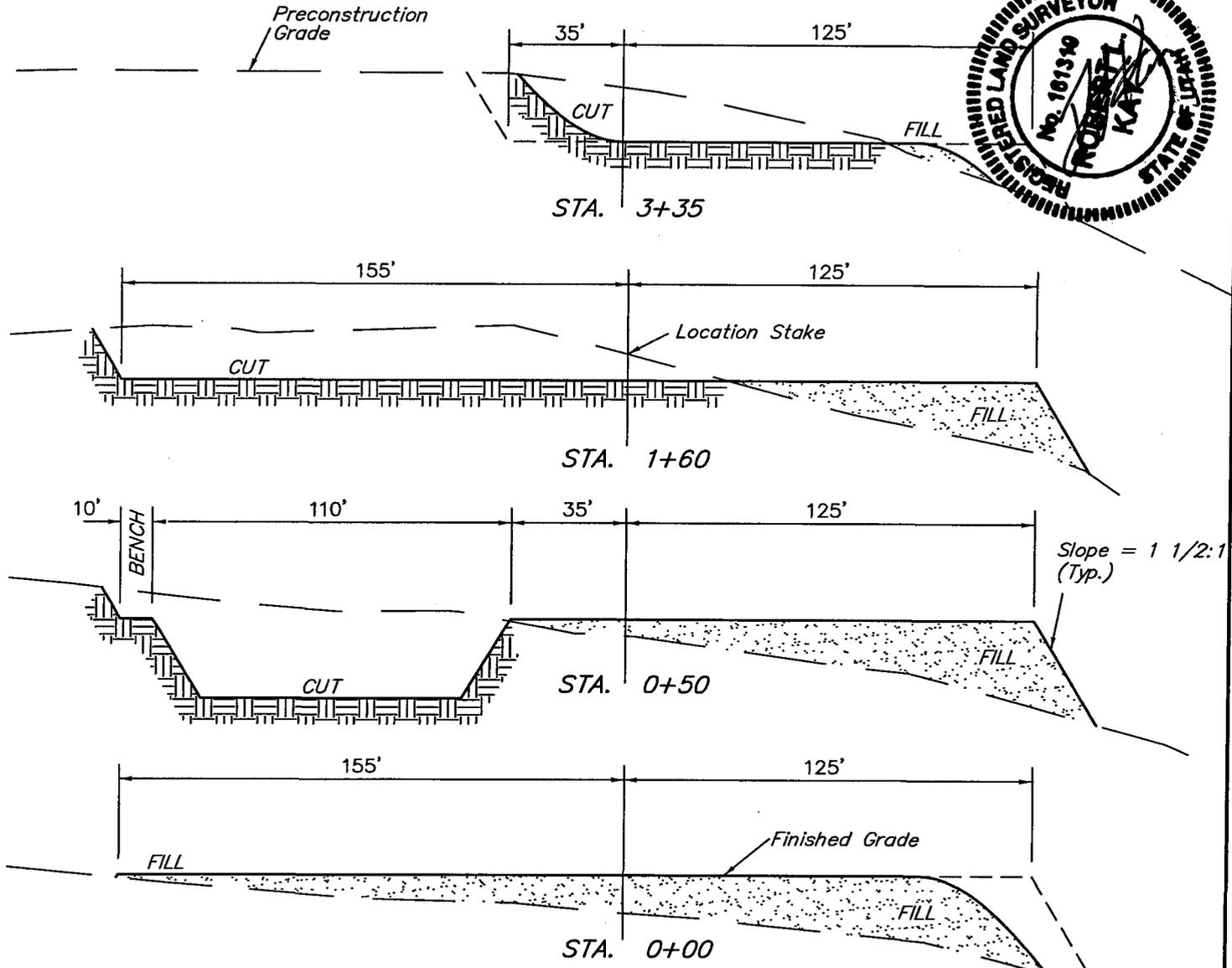
ROYALE ENERGY, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR
TRAIL CANYON #1-3
SECTION 1, T16S, R21E, S.L.B.&M.
667' FSL 838' FEL

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

DATE: 08-27-08
Drawn By: K.G.



APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ±2.315 ACRES

ACCESS ROAD DISTURBANCE = ±15.203 ACRES

PIPELINE DISTURBANCE = ±15.203 ACRES

TOTAL = ±32.721 ACRES

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	= 1,710 Cu. Yds.
Remaining Location	= 10,600 Cu. Yds.
TOTAL CUT	= 12,310 CU.YDS.
FILL	= 8,120 CU.YDS.

EXCESS MATERIAL	= 4,190 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,190 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

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



LEGEND:

⊙ PROPOSED LOCATION



ROYALE ENERGY, INC.

TRAIL CANYON #1-3
SECTION 1, T16S, R21E, S.L.B.&M.
667' FSL 838' FEL

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

TOPOGRAPHIC 09 09 08
MAP MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: J.J. REVISED: 00-00-00
A
TOPO

T16S

PROPOSED LOCATION:
TRAIL CANYON #1-3

PROPOSED ACCESS 5.0 MI. +/-

MATCH LINE
SEE SHEET "B2"

R
21
E

R
22
E

LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD

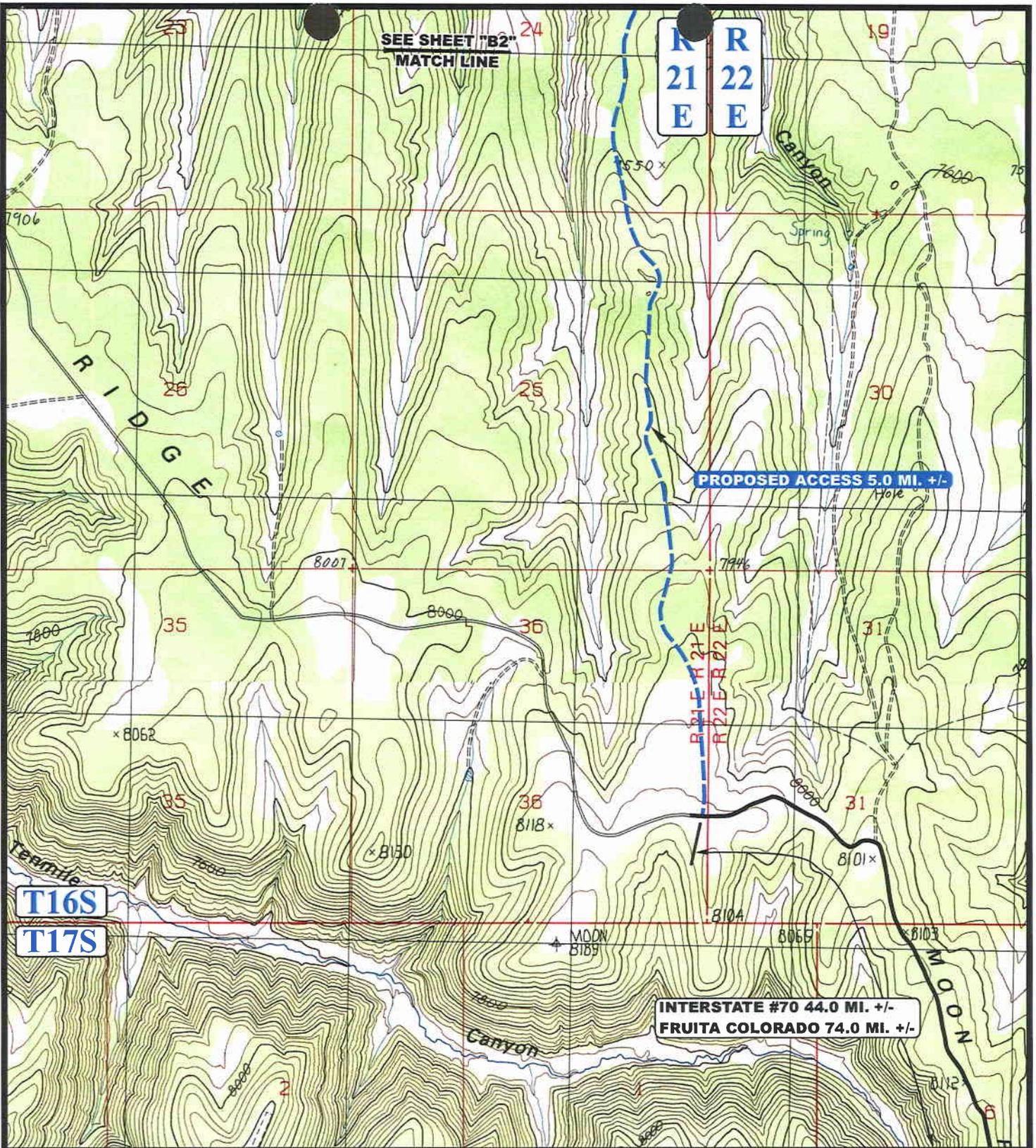


ROYALE ENERGY, INC.

TRAIL CANYON #1-3
SECTION 1, T16S, R21E, S.L.B.&M.
667' FSL 838' FEL

U E L S
 Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
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TOPOGRAPHIC 09 09 08
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.J. REVISED: 00-00-00 **B1**
 TOPO



LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

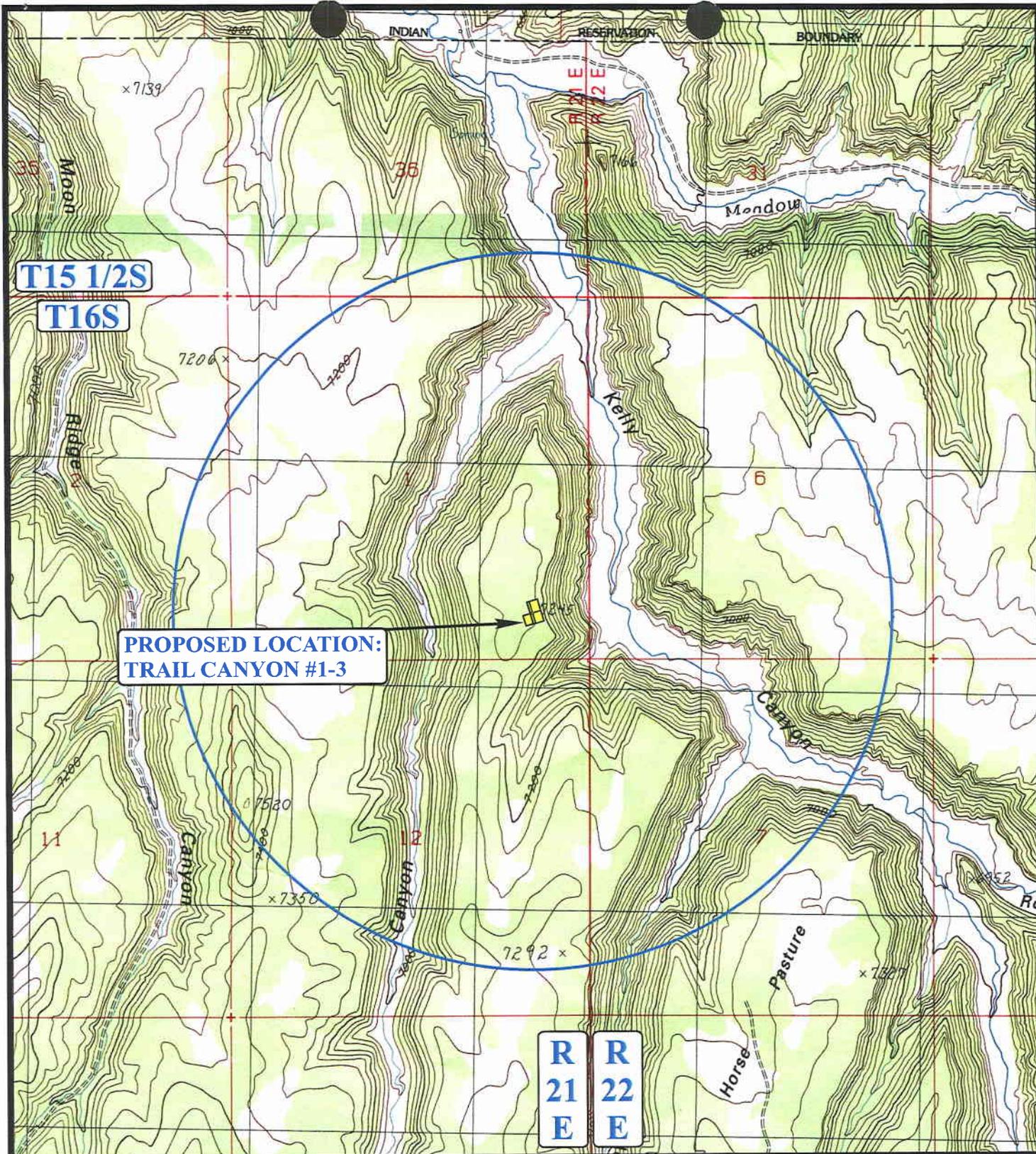


ROYALE ENERGY, INC.

TRAIL CANYON #1-3
SECTION 1, T16S, R21E, S.L.B.&M.
667' FSL 838' FEL

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TOPOGRAPHIC 09 09 08
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.J. REVISED: 00-00-00 **B2**
 TOPO



LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



ROYALE ENERGY, INC.

TRAIL CANYON #1-3
SECTION 1, T16S, R21E, S.L.B.&M.
667' FSL 838' FEL



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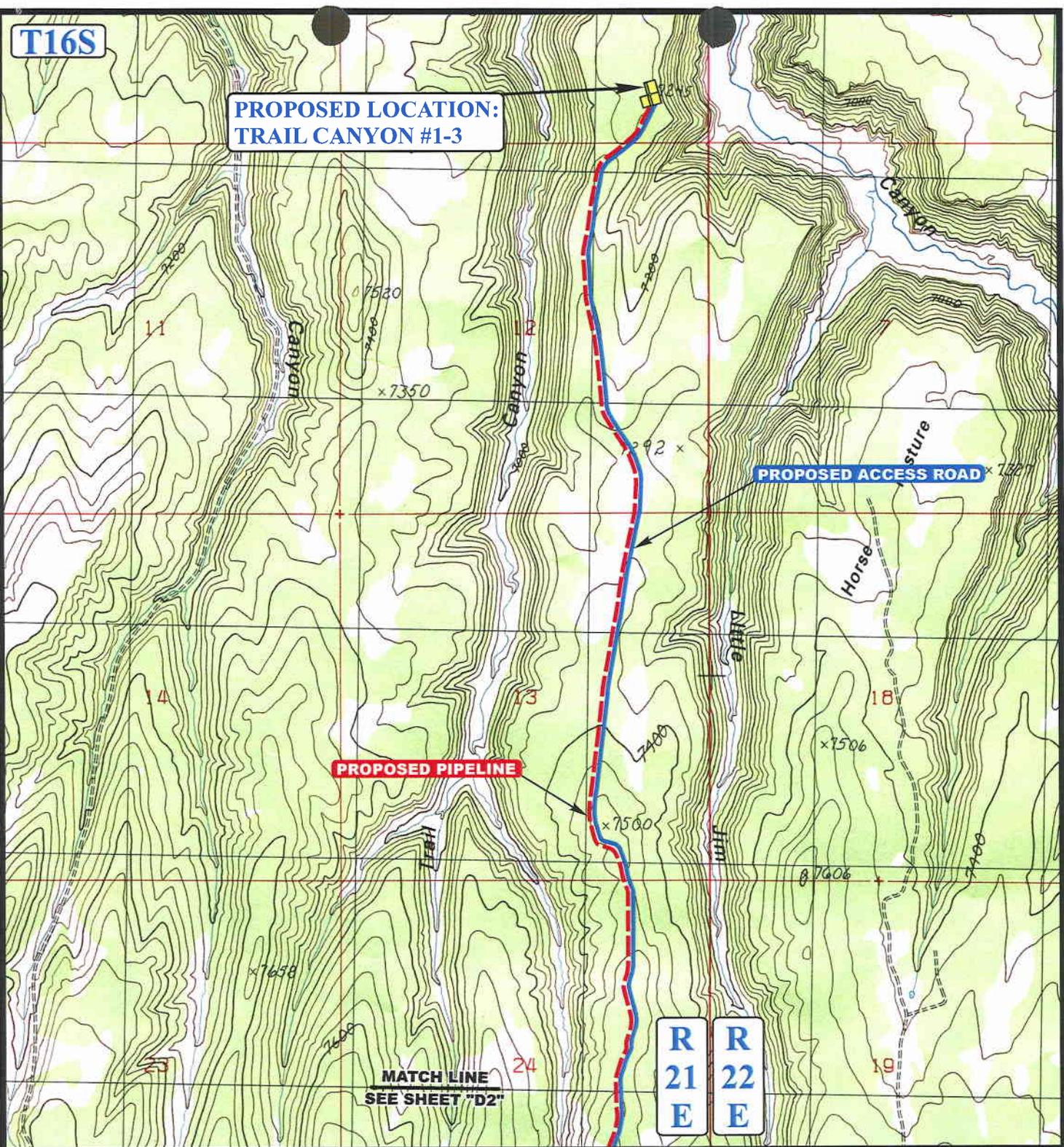
TOPOGRAPHIC 09 09 08
MAP MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.J. REVISED: 00-00-00



T16S

PROPOSED LOCATION:
TRAIL CANYON #1-3



APPROXIMATE TOTAL PIPELINE DISTANCE = 26,489' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE



ROYALE ENERGY, INC.

TRAIL CANYON #1-3
SECTION 1, T16S, R21E, S.L.B.&M.
667' FSL 838' FEL



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TOPOGRAPHIC
MAP

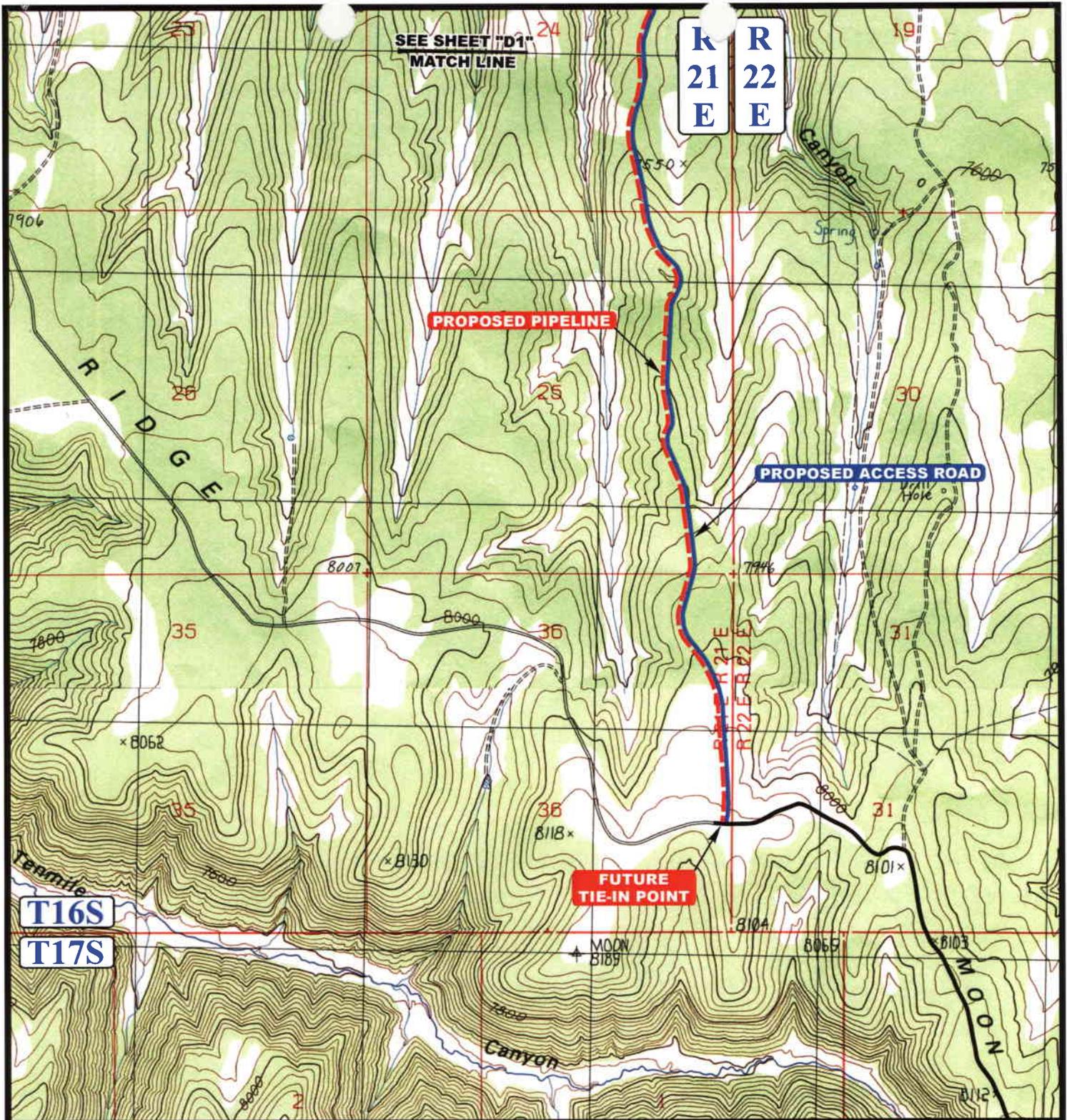
09 09 08
MONTH DAY YEAR

SCALE: 1" = 2000'

DRAWN BY: J.J.

REVISED: 00-00-00

D1
TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 26,489' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



ROYALE ENERGY, INC.

**TRAIL CANYON #1-3
SECTION 1, T16S, R21E, S.L.B.&M.
667' FSL 838' FEL**



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TOPOGRAPHIC MAP

09 09 08
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.J. REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/23/2008

API NO. ASSIGNED: 43-019-31603

WELL NAME: TRAIL CYN 1-3
 OPERATOR: ROYALE ENERGY, INC. (N2465)
 CONTACT: GINGER BOWDEN

PHONE NUMBER: 619-881-2800

PROPOSED LOCATION:

SESE 01 160S 210E
 SURFACE: 0667 FSL 0838 FEL
 BOTTOM: 0667 FSL 0838 FEL
 COUNTY: GRAND
 LATITUDE: 39.43941 LONGITUDE: -109.5447
 UTM SURF EASTINGS: 625241 NORTHINGS: 4366342
 FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	10/14/08
Geology		
Surface		

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

PROPOSED FORMATION: MRSN
 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. T27896)
- 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

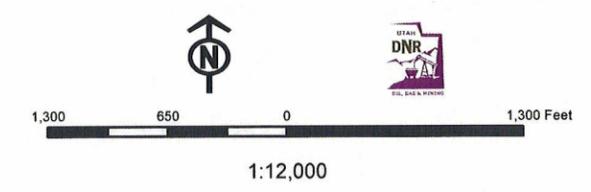
COMMENTS: Needs Present (10-21-08)

STIPULATIONS: 1- Spacing Strip
2- STATEMENT OF BASIS

API Number: 4301931603
Well Name: TRAIL CYN 1-3
 Township 16.0 S Range 21.0 E Section 01
Meridian: SLBM
 Operator: ROYALE ENERGY, INC.

Map Prepared:
 Map Produced by Diana Mason

- | Units | Wells Query Events |
|---------------|----------------------|
| STATUS | ✕ <all other values> |
| ACTIVE | GIS_STAT_TYPE |
| EXPLORATORY | <Null> |
| GAS STORAGE | APD |
| NF PP OIL | DRL |
| NF SECONDARY | GI |
| PI OIL | GS |
| PP GAS | LA |
| PP GEOTHERML | NEW |
| PP OIL | OPS |
| SECONDARY | PA |
| TERMINATED | PGW |
| Fields | POW |
| STATUS | RET |
| ACTIVE | SGW |
| COMBINED | SOW |
| Sections | TA |
| Township | TW |
| | WD |
| | WI |
| | WS |
| | Bottom Hole Location |



Application for Permit to Drill

Statement of Basis

11/4/2008

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
1103	43-019-31603-00-00		GW	S	No
Operator	ROYALE ENERGY, INC.	Surface Owner-APD			
Well Name	TRAIL CYN 1-3	Unit	MOON CANYON		
Field	WILDCAT	Type of Work			
Location	SESE 1 16S 21E S 667 FSL 838 FEL	GPS Coord (UTM)	625241E 4366342N		

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 4,200'. The Operator proposes to set 9 5/8" surface casing at 2,100'. 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 for the production casing be brought above the base of the moderately saline ground water 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.

Brad Hill
APD Evaluator

11/4/2008
Date / Time

Surface Statement of Basis

On-site evaluation conducted October 21, 2008. Participants included: Bart Kettle (Division of Oil, Gas and Mining), Ben Williams (Division of Wildlife Resources), Pat Rainbolt (Division of Wildlife Resources), Jim Davis (School and Institutional Trust Land Administration), Ginger Bowden (Agent for Royale), Bill Ryan (Agent for Royale) and Cory Stubbs (Stubbs and Stubbs Construction).

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. DWR and SITLA requesting signed gate to limit access and a lop and scatter P/J removal project as mitigation.

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

10/21/2008
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator ROYALE ENERGY, INC.
Well Name TRAIL CYN 1-3
API Number 43-019-31603-0 APD No 1103 Field/Unit WILDCAT
Location: 1/4,1/4 SESE Sec 1 Tw 16S Rng 21E 667 FSL 838 FEL
GPS Coord (UTM) Surface Owner

Participants

Bart Kettle (DOGM), Ben Williams (DWR), Pat Rainbolt (DWR), Jim Davis (SITLA), Ginger Bowden (Agent for Royale), Bill Ryan (Agent for Royale) and Cory Stubbs (Stubbs and Stubbs Construction)

Regional/Local Setting & Topography

Project site is 60 miles northwest of Frutia 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

Miles	Well Pad	Src Const Material	Surface Formation
5	Width 280 Length 335		GRRV

Ancillary Facilities

Waste Management Plan Adequate?

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, Indian rice grass, Elk sedge, blue bunch wheat grass.

Shrubs: Birch leaf mountain mahogany, Wyoming sage

Trees: Two needle pinyon, Utah juniper, Rocky Mountain 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

Mixture of gray clays with shale and sandstone fragments and orange sandy clay loams.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

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

Reserve Pit

Site-Specific Factors

Site Ranking

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

Final Score 20 1 **Sensitivity Level**

Characteristics / Requirements

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 16 **Pit Underlayment Required?** N

Other Observations / Comments

Division of Wildlife Resources (DWR) comments that the project area lies within critical elk winter range. DWR recommends that Royale move the access road out of the sage brush flat into P/J interface. 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.

Re-route portion of the access road will have arch survey's immediately with verbal results provided that day. Complete written report to follow.

Access road crossing Natinal Fuels pipeline.

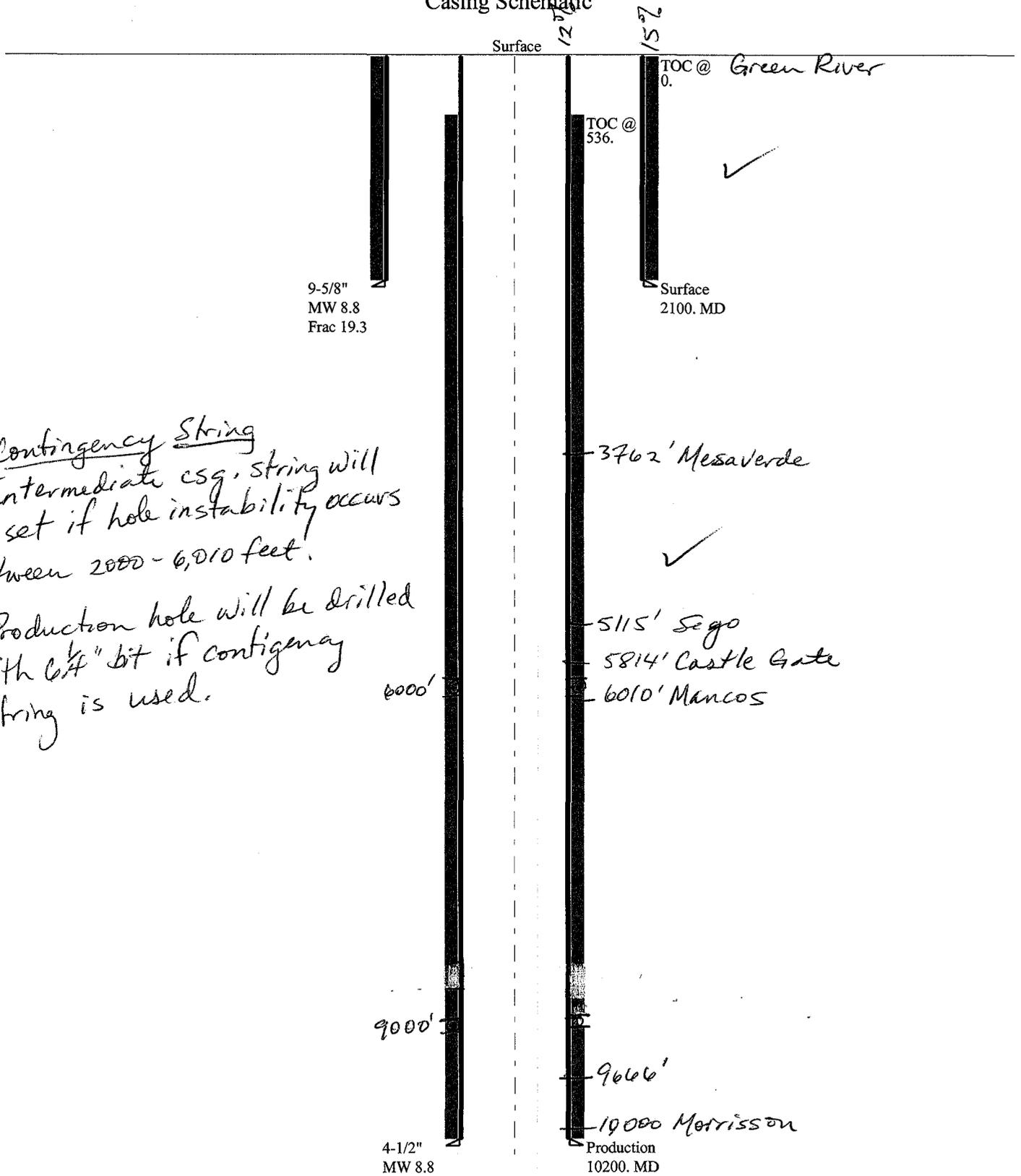
DWR and SITLA requesting signed gate to limit access.

Bart Kettle
Evaluator

10/21/2008
Date / Time

43019316030000 Trail Canyon 1-3

Casing Schematic



Contingency String
7" Intermediate csg. string will be set if hole instability occurs between 2000 - 6,010 feet.

Production hole will be drilled with 6 1/4" bit if contingency string is used.

Well name:	43019316030000 Trail Canyon 1-3		
Operator:	Royale Energy, Inc.	Project ID:	43-019-31603-0000
String type:	Surface		
Location:	Grand County		

Design parameters:

Collapse

Mud weight: 8.800 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: 75 °F
 Bottom hole temperature: 104 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 250 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 1,638 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP 2,100 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 buoyed weight.
 Neutral point: 1,826 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 10,200 ft
 Next mud weight: 8.800 ppg
 Next setting BHP: 4,663 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 2,100 ft
 Injection pressure: 2,100 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	2100	9.625	36.00	K-55	ST&C	2100	2100	8.765	911.5
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	960	2020	2.104	2100	3520	1.68	66	423	6.43 J

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

Phone: 801-538-5357
 FAX: 801-359-3940

Date: October 14, 2008
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2100 ft, a mud weight of 8.8 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:	43019316030000 Trail Canyon 1-3		
Operator:	Royale Energy, Inc.	Project ID:	43-019-31603-0000
String type:	Production		
Location:	Grand County		

Design parameters:

Collapse
Mud weight: 8.800 ppg
Internal fluid density: 2.330 ppg

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 218 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Burst

Max anticipated surface pressure: 2,419 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 4,663 psi

Burst:

Design factor 1.00

Cement top: 536 ft

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)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 8,858 ft

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	10200	4.5	11.60	P-110	LT&C	10200	10200	3.875	890.1
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	3428	7580	2.211	4663	10690	2.29	103	279	2.72 J

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

Phone: 801-538-5357
FAX: 801-359-3940

Date: October 14, 2008
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 10200 ft, a mud weight of 8.8 ppg. An internal gradient of .121 psi/ft was used for collapse from TD. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

BOPE REVIEW

Royale Trail Cyn 1-3 43-019-31603-0000

Well Name	Royale Trail Cyn 1-3 43-019-31603-0000		
Casing Size (")	String 1	String 2	String 3
Setting Depth (TVD)	9 5/8	7	4 1/2
Previous Shoe Setting Depth (TVD)	2100	5800	10200
Max Mud Weight (ppg)	20	2100	5800
BOPE Proposed (psi)	8.33	8.8	8.8
Casing Internal Yield (psi)	0	5000	5000
Operators Max Anticipated Pressure (psi)	3520	6340	10690
	4668		8.8 ppg

w/ contingency String

Calculations	String 1		9 5/8 "
Max BHP [psi]	.052*Setting Depth*MW =	910	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	658	NO Diverter head
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	448	NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	452	NO <i>no expected pressure</i>
Required Casing/BOPE Test Pressure		2100 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		20 psi	*Assumes 1psi/ft frac gradient

Calculations	String 2		7 "
Max BHP [psi]	.052*Setting Depth*MW =	2654	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	1958	YES ✓
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	1378	YES
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	1840	YES ✓
Required Casing/BOPE Test Pressure		4438 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		2100 psi	*Assumes 1psi/ft frac gradient

Calculations	String 3		4 1/2 "
Max BHP [psi]	.052*Setting Depth*MW =	4668	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	3444	YES ✓
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	2424	YES
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	3700	YES ✓
Required Casing/BOPE Test Pressure		5000 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		5800 psi	*Assumes 1psi/ft frac gradient

BOPE REVIEW

Royale Trail Cyn 1-3 43-019-31603-0000

INPUT

Well Name

Royale Trail Cyn 1-3 43-019-31603-0000			
String 1	String 2		
9 5/8	4 1/2		
2100	10200		
0	2100		
8.4	8.8		
5000	5000		
3520	10690		
4668	8.8 ppg		

Casing Size (")

Setting Depth (TVD)

Previous Shoe Setting Depth (TVD)

Max Mud Weight (ppg)

BOPE Proposed (psi)

Casing Internal Yield (psi)

Operators Max Anticipated Pressure (psi)

Calculations

String 1 9 5/8 "

Max BHP [psi]	.052*Setting Depth*MW =	917	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	665	YES
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	455	YES
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	455	NO <i>No expected pressures</i>
Required Casing/BOPE Test Pressure		2100	psi
*Max Pressure Allowed @ Previous Casing Shoe =		0	psi *Assumes 1psi/ft frac gradient

Calculations

String 2 4 1/2 "

Max BHP [psi]	.052*Setting Depth*MW =	4668	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	3444	YES
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	2424	YES
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	2886	NO <i>OK</i>
Required Casing/BOPE Test Pressure		5000	psi
*Max Pressure Allowed @ Previous Casing Shoe =		2100	psi *Assumes 1psi/ft frac gradient

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

October 6, 2008

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2008 Plan of Development Moon Canyon, Uinta County,
Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well is planned for calendar year 2008 within the Moon Canyon Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
	(Proposed PZ Morrison)	
43-019-31603	Trail Cyn 1-3 Sec 01 T16S R21E 0667 FSL 0838 FEL	

This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File – Moon Canyon Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:10-6-08

From: Jim Davis
To: Bonner, Ed; Mason, Diana
Date: 10/30/2008 7:09 AM
Subject: Approval of the Trail Canyon 1-3

CC: Garrison, LaVonne
The following well has been approved by SITLA including arch and paleo clearance.

Trail Canyon 1-3 API 4301931603, Royale Energy, 16 S 21 E sec 1.

-Jim

Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov
Phone: (801) 538-5156



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

November 4, 2008

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

Re: Trail Canyon 1-3 Well, 667' FSL, 838' FEL, SE SE, 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.

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 43-019-31603.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Royale Energy, Inc.

Well Name & Number Trail Canyon 1-3

API Number: 43-019-31603

Lease: ML-47218

Location: SE SE Sec. 1 T. 16 South R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

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. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. 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.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: ROYALE ENERGY, INC.

Well Name: TRAIL CYN 1-3

Api No: 43-019-31603 Lease Type: STATE

Section 01 Township 16S Range 21E County GRAND

Drilling Contractor _____ RIG # _____

SPUDDED:

Date 11/11/08

Time 7:00 AM

How DRY

Drilling will Commence: _____

Reported by BRENT R STUBBS

Telephone # (435) 828-8100

Date 11/17/08 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: NZ465
 Address: 7676 Hazard Center Drive, Suite 600
city San Diego
state CA zip 92108 Phone Number: 619-881-2800

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-019-31603	Trail Canyon 1-3	NWSE	1	16S	21E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	17239	11/11/08	12/08/08		
Comments: <u>MRS N</u>						

CONFIDENTIAL

Well 2

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

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)

Rachelle Wolchko
 Name (Please Print)
Rachelle Wolchko
 Signature
Executive Assistant 12/4/08
 Title Date

(5/2000)

RECEIVED

DEC 04 2008

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	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME: Moon Canyon	
8. WELL NAME and NUMBER: Trail Canyon 1-3	
9. API NUMBER: 43-019-31603	
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: Royale Energy, Inc.	
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: 667' FSL, 838' FEL COUNTY: Grand QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 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"/> 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: 12/20/2008	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input checked="" 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 & Completion 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.

This well reached TD in the Jurassic Morrison Formation. The hole condition did not allow for running open hole logs. Set pipe and cased hole. Recorded cased-hole logs (gamma ray and Baker Atlas gas view logs). Suspended completion operations due to weather and expected to be resumed in the late Spring of 2009. Attached you will find the drilling history and the beginning of the completion history.

NAME (PLEASE PRINT) Mohamed Abdel-Rahman TITLE VP of Exploration & Production
SIGNATURE *Mohamed Abdel-Rahman* DATE 1/7/09

(This space for State use only)

RECEIVED
JAN 12 2009

Trail Canyon 1-3 – Drilling Summary**11/10/08**

Move in Mobile Bucket Rig from Rocky Mountain Drilling.

11/11/08

Drill 40' of 26" hole for conductor. Set 40' x 14" x .25 wall pipe for conductor and cement with 3 CY ready mixes 6 bag mix g cement. Drill rat hole 20" x 35' deep. Insert 30' 12" poly liner. Drill mouse hole 20" x 20' deep. Insert 30' 12" poly liner.

11/12/08

Pro-Petro move in and rig up. Move in and spot 500 bbls frac tank. Drill 12 ¼" hole from 40' to 90'. Rock at bottom of conductor making dog leg in hole. Drill with air mist. Wait on tools, call out 13 ½" bit. Ream with 13 ½" bit and ream to straighten hole to 90'.

11/13/08

Ream with 13 ½" bit and ream to straighten hole to 90'. Drill 12 ¼" hole from 90' to 210'. Down, Hyd line on compressor. Drill hole from 210' to 1080'.

11/14/08

Drill hole from 1080' to 1200'. TOOH. LD air hammer. PU drilling collars and Tri cone bit and TIH. Drill hole from 1200' to 1920'.

11/15/08

Drill hole from 1920' to 2160' C & C hole. TOOH. Working tight pipe from 2160' to 1960', pulling and reaming. TOOH. Lay down BHA. PU and run 51 joints, 2121.51' 9 5/8", 36#, J-55, LT&C, shoe, 1 joint, float collar, using 7 centralizers, leaving 1 joint out 40.20, RDMO. RU pump, pump reserve pit water down casing, drop reserve pit 2'. RU and cement casing, safety meeting, pump down casing braking circ 395 bbls, pump 5 bbls water, start 20 bbls gel. Start lead cement 11#/gal, 190 sks, 129 bbls, class 5 cement, 16% gel, 3% salt, 3#/sk GR3, 10#/sk gilsonite, ¼#/sk flocele. End lead. Start Tail, cement 15.8#/gal 425 sks, 41 bbls, 2% calc 2, ¼#/sk flocele, end tail.

11/16/08

Start Displacement, 161 bbls water, 0 to 500 psi. Slow rate 2.5 bbls 600 psi. Land plug at 1000 psi. Plug held 30 wait first top out: Pump down 200' 1" pipe, 36 bbls cement to surface, fell. Second top out: Pump down top 15 bbls cement stayed.

11/22/08

Rig down and moving to location.

11/23/08

Continue to move rig to location.

11/24/08

Set in mud pits draw works and pump.

11/25/08

Set derrick on floor. Move pipe tubs. Hook up Camp and satellite phone.

11/26/08

Finish setting and hooking up rough necks man camp. Fill diesel tank. Start motor and boiler. String up crew still broke down. String crew arrived and string up blocks.

11/27/08

RU Derrick. RU floor, pick up Kelly, brake tour. Install BOP flange. NU and test BOPs. Install drilling flange and valves. Called Dan Jarvis regarding 24 hour notice to test BOP and casing.

11/28/08

NU and test BOPs, upper and lower Kelly valve, inside BOP, safety valve, pipe rams and inside valve, pipe rams and outside valves, blind rams, kill line, choke line, and outside manifold valves. Tested 5000 psi 10 mins, 250 psi 5 mins. annular preventer 2500 psi 5 min and 250 psi 1- min. Tested casing to 1500 psi 30 min. everything passed. Hook up pump and fill steel pit from reserve pit. Set pipe racks and put mud motor, DC's on. Measure and OD and ID same. Install rotating head. Hook up flow line. Drill out cement in mouse hole. Pick up BHA.

11/29/08

NU BOPs, hook up flow line and safety cables. PU mud motor, shock sub, 1 DC, 1 reamer, 2 DC, 1 reamer, and 4 DC's. PU Kelly and test mud motor. Pick up 30 joints HWDP. Tag cement @ 2062'. Drill 16' cement to float, 40' cement to shoe. Drill from 2139-2171'. Old depth is 2160'. Drill with reserve pit water. Test formation integrity, start 525 psi leak off to 400 psi, steady drop, and test with water. Drill from 2171-2204'. Pump 5-10 bbl gel sweep @ 55 vis @ conn to clean hole. Rig repair. Repair rotary chain. Drill from 2171-2255'. Pumping 5-10 bbl gel sweep @ 55 vis before each conn.

11/30/08

Drill from 2255-2331'. Pumping 5-10 bbl gel sweep @ 55 vis before each conn, lost returns. Conditions mud and build LCM sweep, starting to mud up @ 2331'. Mud up 45 vis bypass shaker screens. Conditions mud and pump 40 bbls LCM sweep, 14#/bbl fiber sweep, no returns. Conditions mud and build LCM sweep, pulled 300 bbls mud from upright 400 tanks to active system and isolate. Conditions mud and pump 40 bbls LCM sweep, 20#/bbl Mica sweep, no returns. Conditions mud and build LCM sweep 20# Mica and 14# per bbl. Conditions mud and pump 40 bbls LCM sweep 20# /bbl Mica sweep, returns. Drill from 2331-2338' lost returns. Conditions mud and build LCM sweep, 20# Mica and 14# per bbl. Conditions mud and pump 40 bbls LCM sweep, 20# bbl Mica sweep, no returns. Conditions mud and build LCM sweep, 20# Mica and 14# per bbl. Drill from 2338-2350'. Drill with no returns. Conditions mud and build LCM sweep, 20# Mica and 14# per bbl, saw dust. Drill from 2350-2357'. Drill with no returns. Conditions mud and build LCM sweep, 20# Mica and 14# per bbl. Drill from 2350-2357'. Drill with no returns. Pump pressure climbing to normal. Diff pressure stabilizing. Drill with 5 to 7K, rotary torque, lost total circ @ 2354' then came back. Drill from 2357-2572'. Drill with returns. Loosing some fluid but healing up. Drill with 7 to 12K on bit, 30rpm on table, receiving torque on rotary at 45 rpm.

12/1/08

Drill from 2572-2649'. Lost 50% return. Conditions mud and build LCM sweep, 20# Mica and 14# fiber per bbl. Drill from 2649-2681', Drill with parch ell returns, picking up full returns while drilling, lost 250 bbls. Service rig. Drill from 2681-2990'. Lost 325 bbls while drilling. Pump reserve pit water to replace losses.

12/2/08

Drill from 2990-3124'. Survey @ 3074'. Drill from 3124-3729'. Put 60% returns over shake. Hole taking about 7 bbls/hr steady, running 5 bbls reserve pit water and 2 bbls fresh water to make up volume losses. Hole was taking same amount of fluid before going over shaker as after going over shaker. Mud wt climbing was factor to go over shaker along with mud losses slowing up.

12/3/08

Drill from 3729 – 4141'. Service Rig. Drill from 4141-4807'.

12/4/08

Drill from 4807-4966'. Service Rig. Drill from 4966-5062'. C & C mud pump PHPA sweep before surveying. Survey @ 5002'. Drill from 5062-5252'.

12/5/08

Drill from 5252-5411'. Service Rig. Drill from 5411-5570'. C & C mud, pump PHPA sweep before surveying. Survey @ 5510'. Drill from 5570-5855'.

12/6/08

Drill from 5855-5875'. C & C mud, pump PHPA sweep before TOO, 2 bottoms up, P pill, TOO, tight @ 4600-4100'. LD tools, 2 roller reamers, shock sub & motor, bit no hurt, green, balled up with mud. PU tools, new bit 7 7/8", pick new mud motor, shock sub, 3-6" drill collars. TIH to 4232'. PU Kelly and ream tight spot, set Kelly back. TIH to 5837'. Wash and ream from 5837-5875'. Drill from 5875-5939'.

12/7/08

Drill from 5939-6087'. Pump PHPA sweep before survey. Survey @ 6027'.

12/8/08

Drill from 6087-6279'. Service Rig. Drill from 6279-6646'.

12/9/08

Drill from 6626-6660'. Service Rig, fuel problems, light plant going down. Drill from 6660-6674'. Rig Repair. Light plant going down. Drill from 6674-7041'. Pump high vis sweep before survey. Survey @ 6981'. Drill from 7041-7073'.

12/10/08

Drill from 7062-7523'. Service rig. Work on Kelly hose, not circulating hole. Kelly hose leaking, not circulating hole. Pump LCM sweep to stop pin hole leak in Kelly hose. Drill from 7523-7764'. Pumping 2 to 3 bbl LCM sweeps every conn to stop leak in Kelly hose. Will change out Kelly hose.

12/11/08

Drill from 7764-7867'. Survey @ 7806'. Service Rig. Rig repair. Change out Kelly hose. Drill from 7867-8314'.

12/12/08

Drill from 8314-8566'. Survey @ 8506'. Drill from 8566-8944'.

12/13/08

Drill from 8944-9329'. Survey @ 9270'. Drill from 9329-9647'.

12/14/08

Drill from 9647-9804'. Service Rig. Drill from 9804-9885'. Pump pill and plow Kelly. TOOH for bit change.

12/15/08

TOOH for bit change. Lay down motor and Ssub. Service rig. Rig down, work on light plant. Pick up motor, RR Ssub and 1 DC. TIH. Lay down 9 jts HWDP and measure. TIH to 2127'. Survey. TIH to 5049'. Pick up Kelly brake circulation 30 min set Kelly back, blow Kelly. RIH to 9877'. W & R to 9558'. Drill from 9885-9933'.

12/16/08

Drill from 9933-9937. Conn, adjust brakes. Drill from 9937-10030'. Service rig. Rig repair, work on pumps, welder needed od #2 pump, changed out 1 linear and swab on #1 pump. Drill from 10030-10043'.

12/17/08

Drill from 10043-10083'

12/18/08

Drill from 10083-10165'.

12/19/08

C & C mud for short trip, pump LCM sweep, set Kelly back and blow down. TOOH to 5874'. TIH to bottom, no fill. C & C hole for logs mix and send down hole dyna fiber sweep, no slug. TOOH for logs. Repair rig, broken chain in draw works. TOOH for logs.

12/20/08

TOOH for open hole logs. Lay down mud motor. Rig up wireline log unit, held safety meeting and log, Rig down loggers. Pick up mud motor. TIH 3000'. Kelly up and fill pipe, set Kelly back and blow down. TIH to 6800'. Kelly up and fill pipe, W/R no tight spot felt, set Kelly back and blow down. TIH.

Trail Canyon 1-3 – Completion Summary

12/20/08

Pick up mud motor and shock sub. TIH 3000'. Kelly up and fill pipe set Kelly back and blow down. TIH to 6800'. Kelly up and fill pipe, W/R no tight spot felt, set Kelly back and blow down. TIH.

12/21/08

TIH to 10133'. Pick up Kelly, pick up 2 joints. W & R to bottom 10165' no fill. C & C hole, wait on lay down unit. LD DP with rig, lay down unit broke down on location while rigging up, sending another truck. Rig up lay down unit. LD DP with lay down unit. Lay down BHA.

12/22/08

Lay down BHA survey 2 deg at 10105'. Rig up casing crew. Pick up and run 254 joints 4 1/2", 11.6#, P-110, LT&C, with 4 marker joints and 2 DV tools. 1st marker at 9523', 2nd marker at 8946', 1st DV tool at 8412', 3rd marker at 7217', 2nd DV tool at 5853', and 4th marker at 4990'. Tag bottom, put hanger on and landing joint. Circulate bottoms up with hanger 15" above head. Pason gas peak at 4453 units. Move pipe racks and spot cement trucks. Rig up cement crew. Held safety meeting. Land hanger and start cement procedures, circulate through casing head.

12/23/08

Circulating casing through DV tool at 8412', 15-20 bbls of cement to surface. Stage 2 cement, start water 20 bbls, start cement 128 bbls, drop plug, pump 40 bbls of water displacement. Pump 90 bbls mud displacement. Land plug 900/2400 psi, check float – held. Drop bomb open DV tool at 5853'. Circulating casing through DV tool, 15-20 bbls cement to surface. Stage 3 cement, start 40 bbls water, start 240 bbls cement, start 90.5 bbls water displacement. Land plug 1400/2600 psi, close DV tool, release psi – held. Estimated cement top 200' inside surface casing. Rig down Pro-Petro cement. Clean pits and drain lines. Release rig.

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COPY FORM 9

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:

Moon Canyon

8. WELL NAME and NUMBER:

Trail Canyon 1-3

9. API NUMBER:

019-31603

10. FIELD AND POOL, OR WILDCAT:

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:

Royale Energy, Inc.

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: 667' FSL, 838' FEL

COUNTY: Grand

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

STATE:

UTAH

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, and various actions like ACIDIZE, ALTER CASING, etc.

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

This well reached TD in the Jurassic Morrison Formation. The hole condition did not allow for running open hole logs. Set pipe and cased hole. Recorded cased-hole logs (gamma ray and Baker Atlas gas view logs). Suspended completion operations due to weather and expected to be resumed in the late Spring of 2009. Attached you will find the drilling history and the beginning of the completion history. Already rec reports -Rm

NAME (PLEASE PRINT) Mohamed Abdel-Rahman

TITLE VP of Exploration & Production

SIGNATURE

[Handwritten Signature]

DATE

1/7/09

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JUL 13 2009

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LEASE DESIGNATION AND SERIAL NUMBER:

ML-47218

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:
Royale Energy, Inc.

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: 667' FSL, 838' FEL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 1 16S 21E STATE: UTAH

5. LANDMAN, ALLOTTEE OR TRIBE NAME:

6. UNIT or CA AGREEMENT NAME:
Moon Canyon

7. WELL NAME and NUMBER:
Trail Canyon 1-3

8. API NUMBER:
019-31603

9. FIELD AND POOL, OR WILDCAT:

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 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 checked="" 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.
Trail Canyon 1-3, we have suspend all operations at this time. The well is currently shut in.

NAME (PLEASE PRINT) Rachele Wolchko TITLE Executive Assistant
SIGNATURE *Rachele Wolchko* DATE 11-25-09

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NOV 30 2009
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

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

FORM 9

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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 4778	6. IF INDIAN ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: Royale Energy, Inc.		7. UNIT or CA AGREEMENT NAME: Moon Canyon	
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive S CITY San Diego STATE CA ZIP 92108		8. WELL NAME and NUMBER: Trail Canyon 1-3	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 667' FSL, 838' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 1 16S 21E		9. API NUMBER: 019-31603	10. FIELD AND POOL, OR WILDCAT: COUNTY: Grand STATE: UTAH
PHONE NUMBER: (619) 881-2800			

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"/> 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 checked="" 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.

Trail Canyon 1-3, we have suspend all operations at this time. The well is currently shut in.

RECEIVED
DEC 24 2009
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Rachele Wolchko</u>	TITLE <u>Executive Assistant</u>
SIGNATURE <u>Rachele Wolchko</u>	DATE <u>12/22/09</u>

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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.

		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: Moon Canyon
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: Trail Canyon 1-3
2. NAME OF OPERATOR: Royale Energy, Inc.		9. API NUMBER: 43-019-31603
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive S CITY San Diego STATE CA ZIP 92108		10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 667' FSL, 838' FEL		COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 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"/> 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
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	<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.

Trail Canyon 1-3, we have suspend all operations at this time. The well is currently shut in.

NAME (PLEASE PRINT) <u>Rachele Wolchko</u>	TITLE <u>Executive Assistant</u>
SIGNATURE <u><i>Rachele Wolchko</i></u>	DATE <u>1-25-10</u>

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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: Royale Energy, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive S CITY San Diego STATE CA ZIP 92108		7. UNIT or CA AGREEMENT NAME: Moon Canyon
4. LOCATION OF WELL FOOTAGES AT SURFACE: 667' FSL, 838' FEL COUNTY: Grand		8. WELL NAME and NUMBER: Trail Canyon 1-3
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 1 16S 21E STATE: UTAH		9. API NUMBER: 019-31603
		10. FIELD AND POOL, OR WILDCAT:
PHONE NUMBER: (619) 881-2800		

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"/> 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
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	<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.

Trail Canyon 1-3, we have suspend all operations at this time. The well is currently shut in.

NAME (PLEASE PRINT) <u>Rachele Wolchko</u>	TITLE <u>Executive Assistant</u>
SIGNATURE <u>Rachele Wolchko</u>	DATE <u>2-24-10</u>

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DIV. OF OIL, GAS & MINING

<p>STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING</p>	<p>FORM 9</p>
<p>SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>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.</p>	<p>5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218</p>
<p>1. TYPE OF WELL Gas Well</p>	<p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</p>
<p>2. NAME OF OPERATOR: ROYALE ENERGY, INC.</p>	<p>7. UNIT or CA AGREEMENT NAME: MOON CANYON</p>
<p>3. ADDRESS OF OPERATOR: 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108</p>	<p>8. WELL NAME and NUMBER: TRAIL CYN 1-3</p>
<p>4. LOCATION OF WELL FOOTAGES AT SURFACE: 0667 FSL 0838 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 01 Township: 16.0S Range: 21.0E Meridian: S</p>	<p>9. API NUMBER: 43019316030000</p>
<p>PHONE NUMBER: 619 881-2800 Ext</p>	<p>9. FIELD and POOL or WILDCAT: WILDCAT</p>
	<p>COUNTY: GRAND</p>
	<p>STATE: UTAH</p>

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 checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 7/27/2010			
<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.

We have suspended all operations at this time. Well is currently Shut in.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 July 27, 2010

<p>NAME (PLEASE PRINT) Rachele Wolchko</p>	<p>PHONE NUMBER 619 881-2874</p>	<p>TITLE Executive Assistant</p>
<p>SIGNATURE N/A</p>	<p>DATE 7/27/2010</p>	



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

August 24, 2010

Certified Mail No: 70041160000301904604

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

Subject: Notice of Violation for one Well in Grand County, Utah. Trail CYN 1-3 SESE Sec 1, T. 16 S, R. 21 E.

Gentlemen:

Per recent field inspection it has been noted the Trail CYN 1-3 (API# 43-019-31603), 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.

On August 8, 2010 following complaints from the general public the Division of Oil Gas and Mining visited the well site for the Trail CYN 1-3. One pallet of chemicals was observed being stored roughly 100' off the well pad. All drilling, completion and production related activities are required to remain within the permitted access road and well pad. Addition research indicates chemicals have likely been stored off the well pad since November of 2008. Therefore, pallet of chemical shall be removed with 30 days.

Further inspections of Royale Energy Inc operations in Grand County, Utah reviled chemical barrels located on the well pad for the Trail CYN 1-2 (API# 43-019-31532). It does not appear chemicals are being used for day-to-day operations, and as such should be removed.

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

Sincerely,

Bart Kettle
Environmental Scientist

BTK/BTK/DJJ

CC: Jim Davis, SITLA
Dan Jarvis, DOGM
Clinton Dorshawk, DOGM
Well File-Compliance



7004 1160 0003 0190 4604

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Total Po		
Sent To ROYALE ENERGY INC 7676 HAZARD CTR STE 1500 Street, Ap or PO Box SAN DIEGO CA 92108 City, State		
PS Form 3800, June 2002		See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ROYALE ENERGY INC
7676 HAZARD CTR STE 1500
SAN DIEGO CA 92108

2. Article Number
(Transfer from service label)

7004 1160 0003 0190 4604

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Rachelle Wolchko* Agent Addressee

B. Received by (*Printed Name*) *Rachelle Wolchko* C. Date of Delivery *8/25/10*

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (*Extra Fee*) Yes

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ROYALE ENERGY, INC.



September 24, 2010

Bart Kettle
State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, UT 84114-5801

RE: Notice of Violation, Trail Canyon 1-3 SESE Sec. 1 T16S R21E

Mr. Kettle,

Per your letter August 24, 2010, Royale Energy has removed one pallet of chemicals that were being stored roughly 100' off the well pad at well site Trail Canyon 1-3 (API# 43-019-31603).

Also chemical barrels on well site Trail Canyon 1-2 (API# 43-019-31532) have been removed as well.

If you have any questions please contact me at 619-881-2880

Sincerely,
Royale Energy, Inc.

A handwritten signature in black ink, appearing to read 'Mohamed Abdel-Rahman'.

Mohamed Abdel-Rahman
VP of Exploration & Production

CC: Jim Davis, SITLA
Dan Jarvis, DOGM
Clinton Dorshawk, DOGM



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 31603
Trail Cyn 1-3
16S 21E 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
1ST NOTICE				
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
PAST DUE SI/TA EXTENSION as of 9/1/2009				
4	MOON CANYON 1	43-019-31398	ML-48391	5 Years 5 Months

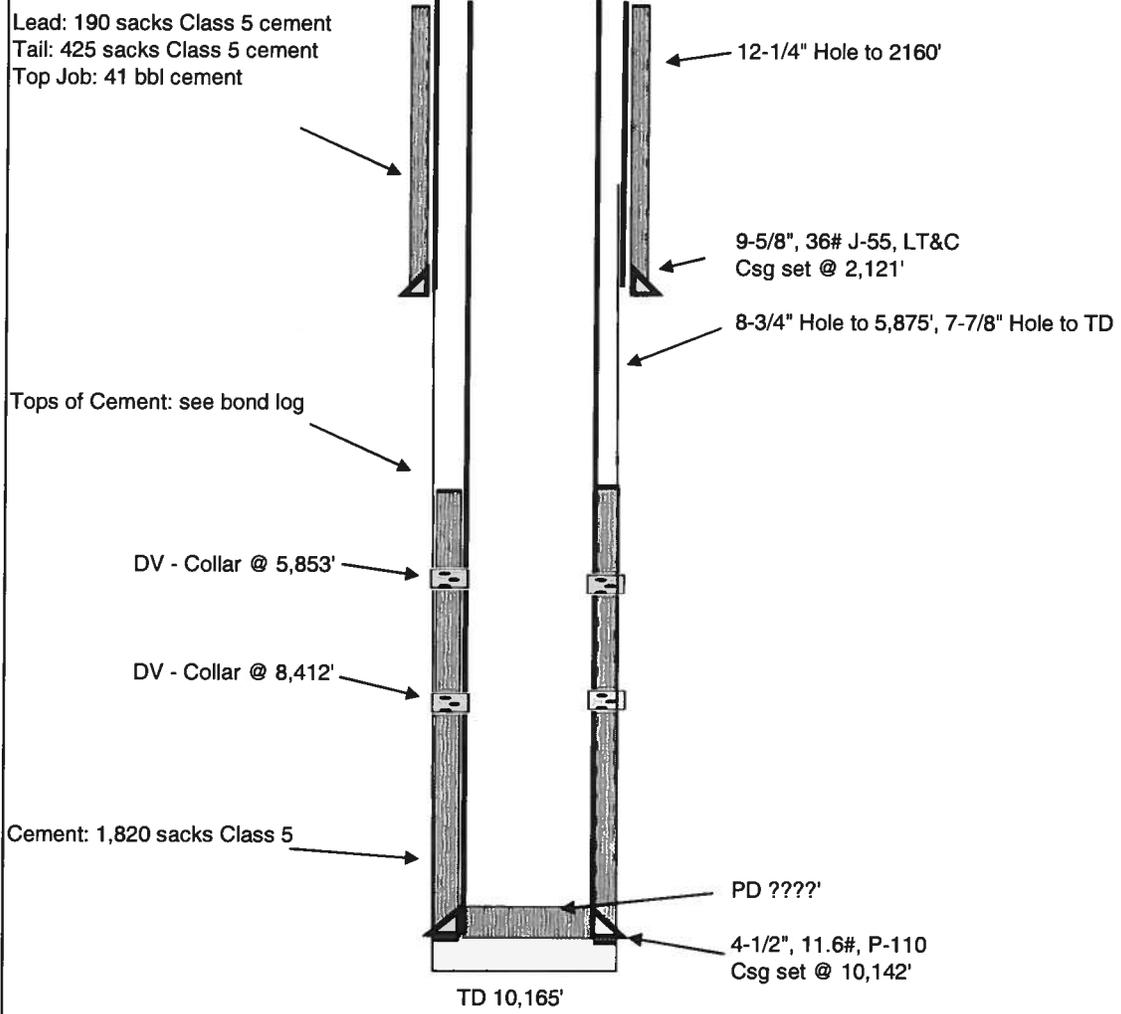
STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: MOON CANYON
2. NAME OF OPERATOR: ROYALE ENERGY, INC.		8. WELL NAME and NUMBER: TRAIL CYN 1-3
3. ADDRESS OF OPERATOR: 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108		9. API NUMBER: 43019316030000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0667 FSL 0838 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 01 Township: 16.0S Range: 21.0E Meridian: S		9. FIELD and POOL or WILDCAT: WILDCAT
PHONE NUMBER: 619 881-2800 Ext		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"/> 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 checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 4/20/2011	<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"/> SPUD REPORT Date of Spud:	<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 type="checkbox"/> DRILLING REPORT Report Date:		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Trail Canyon 1-3 has unperforated, cemented casing in place and is currently being evaluated for completion. 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. Over the next 12 months we anticipate completing these evaluations and initiating the development of this well.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Rachele Wolchko	PHONE NUMBER 619 881-2874	TITLE Executive Assistant
SIGNATURE N/A	DATE 4/26/2011	

Royale Energy Inc.

Trail Canyon 1-3 Directional Well

Date :	Perforations			Casing			
Lease :	Date	To	From	Size	Weight	Grade	Depth
Field : Wildcat				9-5/8"	36.0#	J-55	2,121
KB : ??' above GL				4-1/2"	11.6#	P-110	10,142
Legals : Sec. 1 T16S R21E							
Directions to Location :							
				Tubulars			
				Size	Weight	Grade	Depth

Lead: 190 sacks Class 5 cement
 Tail: 425 sacks Class 5 cement
 Top Job: 41 bbl cement





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal.html>



September 16, 2011

IN REPLY REFER TO:
3160 (UTG011)

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

Re: Well No. Trail Canyon 1-3 *43-019-31603*
SESE, Sec. 1, T16S, R21E
Grand County, Utah
State Lease No. ML-47218
Moon Canyon Unit

Dear Ms. Wolchko:

Enclosed are two (2) "Accepted by BLM for Unit Purposes Only" copies of the State of Utah Applications for Permit to Drill (APDs) for the above referenced well.

If you have any questions regarding APD processing, please contact Cindy Severson at (435) 781-4455.

Sincerely,

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

Enclosures

cc: UDOGM

RECEIVED
OCT 07 2011
DIV. OF OIL, GAS & MINING

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.

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

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

Trail 3.) TRAIL 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

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:** **MOON CANYON**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
TRAIL CYN 1-3	01	160S	210E	4301931603	17239	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: Not Yet
- 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 LPM9103723
- 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.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: See Attached
2. NAME OF OPERATOR: Royale Energy, Inc. <u>N2465</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive S CITY San Diego STATE CA ZIP 92108		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (619) 881-2800		8. WELL NAME and NUMBER: See Attached
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT:

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 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <u>2/1/2013</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 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) <u>Stephen Hosmer</u>	TITLE <u>CFO/Co-President/Co-CEO</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2/21/2013</u>

(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,



Stephen Hosmer
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

LEASE NAME: _____
LEASE NUMBER: UTU-52471, UTU-78023, ML-46542

RECEIVED
FEB 22 2013
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>

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

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

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

—
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

—
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web: www.ogm.utah.gov

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 VILL STATE CO ZIP 80111 PHONE NUMBER: (303) 220-7772
4. LOCATION OF WELL: FOOTAGES AT SURFACE: 0667 FSL 0838 FEL COUNTY: GRAND QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 1 16S 21E S STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA
TYPE OF SUBMISSION: [] NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: [] SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 4/30/2013
TYPE OF ACTION: [] 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 [X] 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 [Signature] DATE 5/2/2013

(This space for State use only)

RECEIVED

MAY 06 2013

DIV. OF OIL, GAS & MINING

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

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: 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.		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:
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION		8. WELL NAME and NUMBER: TRAIL CYN 1-3
3. ADDRESS OF OPERATOR: 8400 E PRENTC AVE #735 CITY GREENWOOD VILL STATE CO ZIP 80111		9. API NUMBER: 4301931603
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0667 FSL 0838 FEL		10. FIELD AND POOL, OR WILDCAT: WILDCAT
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 1 16S 21E S		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: 5/31/2013	<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: MONTHLY REPORT
	<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

(This space for State use only)

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:

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 1-3

2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION

9. API NUMBER: 4301931603

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: 0667 FSL 0838 FEL

COUNTY: GRAND

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

STATE: UTAH

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 JUNE, 2013

NAME (PLEASE PRINT) ROSE GREENFIELD

TITLE CONTROLLER

SIGNATURE

[Handwritten Signature]

DATE 7/11/2013

(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

RECEIVED
AUG 08 2013

CONFIDENTIAL
FORM 9

DIV. OF OIL, GAS & MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-47218

SUNDRY NOTICES AND REPORTS ON WELLS

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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 1-3

2. NAME OF OPERATOR:

NATIONAL FUEL CORPORATION

9. API NUMBER:

4301931603

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: 0667 FSL 0838 FEL

COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 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: 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
	<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	

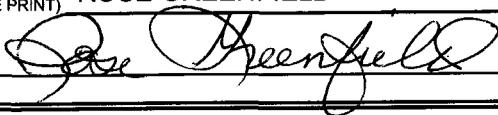
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN JULY, 2013

NAME (PLEASE PRINT) ROSE GREENFIELD

TITLE CONTROLLER

SIGNATURE



DATE 8/1/2013

(This space for State use only)

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

RECEIVED
AUG 08 2013

CONFIDENTIAL
FORM 9

DIV. OF OIL, GAS & 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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1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER _____

8. WELL NAME and NUMBER:

TRAIL CYN 1-3

2. NAME OF OPERATOR:

NATIONAL FUEL CORPORATION

9. API NUMBER:

4301931603

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: 0667 FSL 0838 FEL

COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 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
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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
	<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	

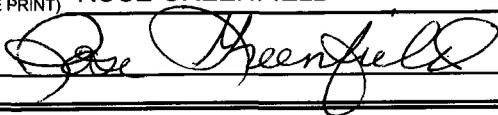
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NO ACTIVITY IN JULY, 2013

NAME (PLEASE PRINT) ROSE GREENFIELD

TITLE CONTROLLER

SIGNATURE



DATE 8/1/2013

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: 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.		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:
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION		8. WELL NAME and NUMBER: TRAIL CYN 1-3
3. ADDRESS OF OPERATOR: 8400 E PRENTC AVE #735 CITY GREENWOOD VILL STATE CO ZIP 80111		9. API NUMBER: 4301931603
		10. FIELD AND POOL, OR WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0667 FSL 0838 FEL		COUNTY: GRAND
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 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: 8/31/2013	<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: MONTHLY REPORT
	<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, 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)

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47218	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME: MOON CANYON	
8. WELL NAME and NUMBER: TRAIL CYN 1-3	
9. API NUMBER: 43019316030000	
9. FIELD and POOL or WILDCAT: WILDCAT	
COUNTY: GRAND	
STATE: UTAH	

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 Gas Well
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION
3. ADDRESS OF OPERATOR: 8400 E Prentice Avenue Suite 735 , Greenwood Village, CO, 80111
PHONE NUMBER: 970 260-8128
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0667 FSL 0838 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 01 Township: 16.0S Range: 21.0E Meridian: S

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: 9/30/3013	<input checked="" 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 type="checkbox"/> OTHER	OTHER: <input type="text" value="Perforate Mancos Formation"/>

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 complete the Trail Canyon #1-3 in the Mancos formation. Attached for your review and approval is the completion procedure.

Approved by the Utah Division of Oil, Gas and Mining
Date: September 19, 2013
By: *Derek Duff*

NAME (PLEASE PRINT) Andrew Busch	PHONE NUMBER 970 260-8128	TITLE VP Operations
SIGNATURE N/A	DATE 9/3/2013	

National Fuel Corporation

Trail Canyon #1-3

SESE, Sec.1 – T16S – R21E

API - 4301931603

Mancos Completion Procedure

1. Have wellhead installed on Trail Canyon #1-3.
2. MIRU on Trail Canyon #1-2.
3. Blow down well. ND wellhead. NU BOP.
4. POOH and lay down tbg on trailer.
5. ND BOP. NU wellhead.
6. Move rig and tbg to Trail Canyon #1-3.
7. ND wellhead. NU BOP.
8. RIH with bit, drill collars and tbg and drill out DV tools at 5853' and 8412'. Run in to TD and circulate hole clean with 3% KCl water.
9. POOH with tbg, collars and bit.
10. Pressure test casing.
11. MIRU wireline and run CBL, CCL and GR from TD to 6500'.?
12. RIH with perf guns and perforate the following intervals in order at 2 SPF: 9502-08, 9442-48, 9416-20, 8708-10, 8700-05, 8662-68, 8651-56, 8551-56 and 8510-20.
13. RD wireline. RIH with tbg and packer and set packer at 9400'. Acidize perfs at 9416 to 9508.
14. POOH with packer. RIH with RBP and set at 8800. Pull tbg. RIH with packer and set at 8600'.
15. Acidize perfs at 8651 to 8710.
16. Pull packer. RIH with tbg and move RBP to 8600'. Pull tbg. RIH with packer and set at 8500.
17. Acidize perfs at 8510 to 8556.
18. POOH with packer.
19. POOH with RBP.
20. RIH with tbg and land at 9505'.
21. ND BOP. NU wellhead.
22. RD completion rig. MIRU swab rig.
23. Swab fluid off of well and test for production.

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

43 019 31603
165 21E 1

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**

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
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Salt Lake City, Utah 84116
801.538.5281 (ofc)
801.359.3940 (fax)

web: 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

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 [x]

OTHER

8. WELL NAME and NUMBER:

TRAIL CYN 1-3

2. NAME OF OPERATOR:

NATIONAL FUEL CORPORATION

9. API NUMBER:

4301931603

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: 0667 FSL 0838 FEL

COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 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

[] NOTICE OF INTENT (Submit in Duplicate)

Approximate date work will start:

[x] SUBSEQUENT REPORT (Submit Original Form Only)

Date of work completion:

9/30/2013

[] 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

[x] 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

[Handwritten 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		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: ML-47218
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Gas Well		7. UNIT or CA AGREEMENT NAME: MOON CANYON
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION		8. WELL NAME and NUMBER: TRAIL CYN 1-3
3. ADDRESS OF OPERATOR: 8400 E Prentice Avenue Suite 735 , Greenwood Village, CO, 80111		9. API NUMBER: 43019316030000
PHONE NUMBER: 970 260-8128		9. FIELD and POOL or WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0667 FSL 0838 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 01 Township: 16.0S Range: 21.0E Meridian: S		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 checked="" type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/23/2013	<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 checked="" 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 type="checkbox"/> OTHER	OTHER: <input type="text" value="Perforate"/>

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

This Subsequent Sundry Notice is being submitted for notification of National Fuel Corporations(NFC) completion of the Trail Canyon #1-3 in the Juana Lopez/Mancos formation. Attached for your review and approval is a completion report outlining the work that was performed.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
January 15, 2014**

NAME (PLEASE PRINT) Andrew Busch	PHONE NUMBER 970 260-8128	TITLE VP Operations
SIGNATURE N/A	DATE 12/30/2013	

**National Fuel Corporation
Trail Canyon #1-3
Mancos Completion**

9/30/13 – Moved rig pump and tank to location and filled with 3% KCl water.

10/2/13 – Moved BOP to location. Scheduled Western Augor and Anchor to set deadmen tomorrow morning.

10/3/13 – Move rig, tubing from Trail Canyon #1-2, and drill collars to location. Unable to stand rig due to high winds. Western Augor set deadmen.

10/4/13 – Postponed work due to poor road conditions.

10/8/13 – Moved power swivel and flowback tank to location. Raised derrick and rigged up. ND wellhead. NU BOP. PU & RIH in order with 3 7/8" medium tooth tri-cone bit, bit sub, 4 – 3" drill collars, 3" lift sub and 1 – 4' pup. PU, strapped and RIH with 20 jts. Shut in well. SDFD 5:00PM.

10/9/13 - PU, strapped & RIH with 158 jts. Tagged cement at 5757'. DV tool at 5853'. Installed stripping head. Hooked up rig pump to csg. Broke circulation pumping down csg and up through tbg with 3% KCl water. Washed down 10' before tagging solid cement. Circulated green cement to surface. RU Power swivel. Shut in well. SDFD 5:00PM.

10/14/13 – Broke circulation. Drilled down through 94' of good cement and DV tool at 5853'. RD swivel and rig pump. PU & RIH with 35 jts. SDFD 5:00PM.

10/15/13 – PU & RIH with 43 jts. Tagged cement at 8318'. 2nd DV tool at 8412'. RU pump and swivel. Drilled down through good cement to 8382'. Drilling slowed by the bit plugging with DV tool debris. SDFD 5:30PM. Winterized equipment.

10/16/13 – Broke circulation down tbg and up through csg. Drilled through cement and DV tool at 8412'. It took 2.5 hours to drill through 2nd DV. Circulated for 1 hour to clear wellbore of cuttings. Circulated in 5 gallons of KCL concentrate to maintain 3% concentration in wellbore. RD swivel and pump. PU & RIH with 45 jts to 9814'. 306' below proposed perf interval. Laid down 5 jts. Winterized equipment. SDFD 5:00PM.

10/17/13 – RU rig pump. Circulated 3% KCl water down csg and up tbg for 1 hour. RD pump. POOH with tbg and BHA. Shut in well. SDFD 5:00PM.

10/18/13 – MIRU Mesa Wireline. PU & RIH with 3.750 gage ring. Tagged bottom at 9965'. POOH with gage ring. PU & RIH with CCL, CBL and temp tool. Logged from 9947' to 7000'. Good bond throughout the interval. POOH with logging tools. RD wireline. PU & RIH in order with NC, SSN and 180 jts to 5719'. Landed tbg in hanger. ND BOP and ran in tbg hanger lock downs.

10/22/13 – MIRU test truck. Pressure tested csg to 3700#. Hydrostatic pressure at top DV tool = 6261#. Pressure at bottom DV tool = 7342#. Pressure held for 15 minutes. Bled off pressure. RD test truck. MIRU Swabco swab rig. Made 14 runs and recovered 75 bbls. Fluid level at 5700'. RD swab rig. SDFD 5:00PM.

10/23/13 – NU BOP. POOH with tbg. SDFD 3:00PM. Scheduled wireline to perf on 10/25. Contacted Dustin Doucet at DOGM and received verbal approval for change in perforating and stimulation plans.

10/25/13 – MIRU Cutters Wireline. PU & RIH with multi stage perf gun. Fluid level 4970' from surface. Correlated depth with DV tool at 8349' and short jt at 9448'. Perforated the following in order at 2 SPF with 23 gram, 0.34" dia, 26" penetration, hero charges. 9593' – 95', 9578' – 80', 9556' – 58', 9502' – 08', 9478' – 82', 9442' – 48' and 9416' – 20'. POOH with spent gun. All shots fired. RD wireline. RIH with SSN and 150 stands to 9549.15' KB. Landed tbg in hanger. ND BOP. NU wellhead. Shut in well.

10/26/13 – Csg – 0#. Tbg – 0#. RU Swabco swab rig. 1st run fluid level 4507' from surface. Made 10 runs and recovered 47 bbls. Last run made from SN. No pressure on csg and no gas during swabbing. Shut in well.

10/28/13 – Csg – 120#. Tbg – 0#. Resumed swabbing. First run fluid level at 7873'. Made 10 runs and recovered 16 bbls. Last run from SN only recovered ¼ bbl. Csg – 127#. Tbg – 0#. Shut in well.

10/29/13 – Csg – 147#. Tbg – 5#. Made 1 swab run. Fluid level at 8993'. Released swab rig.

10/30/13 – Csg – 190#. Tbg – 0#. Scheduled Dalbo to start delivering frac tanks tomorrow. Met with Cal Frac on location to review equipment placement. Scheduled H-Twenty to begin hauling water tomorrow afternoon.

10/31/13 – Csg – 200#. Tbg – 0#. Blew down csg. ND wellhead. NU BOP. POOH with tbg. Shut in well. Dalbo delivered 6 frac tanks to location. H-Twenty delivered 1700 bbls of fresh water.

11/1/13 – Moved rig pump and tank to TMC 22-1 location. Dalbo delivered 4 frac tanks and 1 flowback tank to location. H-Twenty hauled 1800 bbls to location.

11/4/13 – ND BOP. NU frac tree. Frac tanks full. Checked water temp in tanks. Temp range 39 – 42 degrees. Scheduled water to be heated on 11/7.

11/7/13 – Action Hot Oil Service heated water in frac tanks to 70 degrees. Monument Trucking delivered sand to sand master. Dalbo delivered 2nd flowback tank to location. Porta Johns and light plants delivered to location. Plumbed flowback line to flowback tanks.

11/8/13 – MIRU Calfrac and Pro Technics.

11/9/13 – Calfrac personnel on location at 8:30AM. Primed pumps and held safety meeting. Pressure tested lines to 8,500#. Started pre-pad at 35 BPM. Caught pressure with 138 bbls pumped. Pressure climbed to 5,254' then broke back to 3,990#. Started in with 1,500 gal of 15% HCl at 10 BPM. Bumped rate to 49 BPM and displaced acid with 374 bbls of slickwater. Shut down to calculate frac gradient and open perms. FG = .826. Estimated 29 perms to be open based on rate and pressures. Pumped frac as follows: Pumped 420 bbl pad at 77 BPM at 7411 psi followed by sand stages below.

Treating PSI(End)	Slurry Rate(bpm)	Clean Rate(bpm)	Prop Conc	Prop Stage Total
6830	80	78	0.50	12495
7329	79.7	77	0.75	20034
7288	79.4	76	1.00	33390
6778	77.8	73	1.5	40509
5740	45.7	42	2.00	21372
3750	46.8	47	Flush	

Total Prop = 127,800

Pumped 4171 total bbls. ISIP 3750#. 5 min = 3538#. 10 min = 3424#. 15 min = 3330#.

Started flowback through 18/64 choke at 12:50PM. Pressure 3200#.

1:20PM – 2800#

1:40PM – 2555#. No and in returns.

2:00PM – 2195#

2:30PM – 2020#. Minimal sand in returns.

3:00PM – 1950#. 195 bbls in flowback tank. Minimal sand in returns.

Changed choke to 14/64. Pressure 2200#.

4:00PM – 2030#. 234 bbls in flowback tank. Minimal sand in returns.

5:00PM – 1900#. 272 bbls in tank. Made 38 bbls in last hour. Minimal sand in returns.

5:30PM – 1850#. Moderate sand in returns. Dropped choke size to 12/64. Pressure 2000# after change.

6:00PM – 1800#. 325 bbls in tank. Sand decreased in returns.

7:00PM – 1695#. 379 bbls in tank. Light sand in returns.

8:30PM – 1400#. 475 bbls in tank. Light sand in returns.

9:30PM – 1240#. 518 bbls in tank. Minimal sand in returns. H-Twenty on location.

Transferred water from flowback tanks to frac tanks. Hauled 130 bbls to disposal.

10:30PM – 1060#. 44 bbls in tank. No sand in returns. Increased choke to 14/64.

11/10/13 -

12:30AM – 630#. 68 bbls in tank. No sand in returns. Increased choke to 16/64.
2:30AM – 240#. 125 bbls in tank. No sand in returns. Increased choke to 18/64.
5:00AM – 180#. 160 bbls in tank. No sand in returns. Increased choke to 24/64.
6:30AM – 85#. 185 bbls in tank. No sand in returns. Fluid becoming gas cut between slugs. Increased choke to 26/64.
10:30AM – 42#. 239 bbls in tank. 801 bbls recovered since frac. 3370 BLTR. No sand in returns. Fluid gas cut between slugs of fluid. Increased choke to 32/64.
12:00PM – Pressure fluctuating between 10 and 25#. 255 bbls in tank.
1:30PM - Pressure fluctuating between 15 and 40#. 275 bbls in tank. H-Twenty on location. Emptied flowback tank. 837 bbls recovered since frac.
3:00PM - Pressure fluctuating between 5 and 20#. 19 bbls in tank. H-Twenty on location. Emptied flowback tank and pulled 220 bbls from frac tank. 856 bbls recovered since frac.
5:00PM - Pressure fluctuating between 10 and 25#. 14 bbls in tank. 870 bbls recovered since frac. Periods of gas flow increasing between slugs of fluid.
7:00PM - Pressure fluctuating between 20 and 45#. Slugging fluid followed by periods of dry gas flow. 25 bbls in flowback tank. H-Twenty on location. Emptied flowback tank and pulled 100 bbls from frac tank. 881 bbls recovered since frac.

11/11/13 -

7:00AM - Pressure fluctuating between 5 and 70#. Slugging fluid followed 10 to 15 minute periods of dry gas flow. Made 43 bbls in last 12 hrs. 924 bbls recovered since frac. 3247 BLTR.
10:00AM – No significant change in flow or pressure. 48 bbls in frac tank. H-Twenty emptied flowback tank and remaining frac fluid in frac tank. Increased choke to 42/64. 929 bbls recovered since frac.
1:00PM – Periods of strong water and gas flow followed periods of no flow. Pressure fluctuating from 0 to 70#. No sand in returns. 15 bbls in flowback tank.
5:00PM – Flow pattern unchanged. 38 bbls in flowback tank. 967 bbls recovered since frac. 3204 BLTR. Calfrac on location to pick up sand master and frac tank manifold. Shut in well to allow Calfrac to rig out without risk of igniting gas fumes from flowback tank. Pressure built to 150# in 40 minutes. Reduced choke size to 32/64 for the overnight flow period. Opened well to flowback tank at 5:45PM. Flow watch service scheduled to move in tomorrow morning. Called Dalbo and released frac tanks.

11/12/13 –

7:00AM – 50# on csg. Well still slugging water followed by gas flow. 95 bbls in flowback tank. Made 57 bbls overnight. Increased choke size to 42/64. 1024 bbls recovered since frac.
12:00PM – 125 bbls in flowback tank. 1054 bbls recovered. Flow cycle consists of 3 - 6 minutes of water slugs followed by 10 – 20 minutes of gas flow. Pressure fluctuating from 0 to 100#.

1:00PM – No water made in the last hour. Blowing dry gas and surging to tank at variable rates indicating well is loading with fluid.

2:30PM – No change in conditions. Flow watch service on location to monitor through the weekend.

11/14/13 –

Currently well is unloading 1.5 bbl/hr and maintaining 35# through a 36/64 choke. Well has made 49bbls since last report. Fluid is diminishing and gas is increasing. 1,103 bbls recovered since frac. 3,068 BLTR.

11/15/13 –

Currently well is blowing dry gas. Slugging fluid with less frequency. Holding 30# against a 42/64 choke. Made 9 bbls in the last 24 hr period. 1,112 bbls recovered since frac. No signs of oil or condensate.

11/16/13 – Flowing dry gas. 20# against a 14/64 choke. Well made 1 bbl in last 24 hours. Released flow watch personnel. Shut in well. Scheduled wireline for Monday morning. 1,113 bbls recovered since frac.

11/18/13 – Csg – 2,200#. ND goat head. Dug ice out of top valve on frac tree. MIRU Mesa Wireline. RIH with 3.50" gage ring to 9695'. Fluid level at 6100'. Bottom perf at 9595'. No sand across perfs. RD wireline. Began flowing well to flowback tank through 18/64 choke. Will pull live flowing sample tomorrow morning prior to shutting in to run tracer log. Scheduled delivery of 5K BOP stack for drillout. Notified Cudd Energy services of possible Wednesday drill out.

11/19/13 – 8:00AM. Csg blowing dry stream of gas through 18/64 choke. Made 21 bbls since yesterday. 1,134 bbls recovered since frac. Pulled gas sample while well was flowing. Shut in well at 8:30AM. Moved flowback tank to northeast corner of location. RU wireline. PU and RIH with tracer logging tool. Tagged fill at 9725'. Logged 8900' to 9725'. POOH with logging tool. PU and RIH with 10K composite bridge plug. Fluid level at 5600'. Set plug at 9378'. POOH with setting tool. RD wireline. Csg built to 600# in 5 ½ hr shutin period for wireline operations. Blew down well. Prepped 5K BOP's for install. Well still surging enough gas through fluid to not allow safe frac tree removal. SDFD 4:00PM. Left well venting to flowback tank through 26/64 choke.

11/20/13 – Well still blowing lightly. No fluid made overnight. Suspect CBP is leaking. ND frac tree. NU BOP and stripping head. PU and RIH in order with 3.875" med tooth tri-cone bit, pump off bit sub, SSN and 295 jts. Tagged CBP at 9378'. Installed stripping rubber. Ran flow lines to flowback tank. MI Cudd Energy Services N2 unit. SDFD 5:30PM. Starting to snow heavily.

11/21/13 – RU power swivel and finished laying flowback lines. Installed string float. RU Cudd. Began pumping N2 down tbg at 1000 scf/min. Broke circulation at 1800#. Circulated 25 bbls of water to surface. Light skim of condensate in flowback tank. Let well clean for 30 min. Drilled through CBP at 9738'. Circulated for 1 hour to clean hole. RD Cudd. RIH with 8 jts to 9635'. Bottom perf at 9595'. Laid down 8 jts. Blew down tbg. Stripped in tbg hanger and landed hot. ND BOP. Dropped bit shear ball down tbg. NU wellhead. RU Cudd. Pumped N2 down tbg. Sheared bit off at 2200#. Shut in well. RD Cudd. SDFD 7:00PM.

Tubing Detail

295 jts of 4.7#, 2 3/8" tbg	- 9374.76'
SN	- 1.10'
Bit sub	- .65'
KB	- 16.00'
Total	- 9392.51'

11/22/13 – Csg – 1850#. Tbg – 1850#. RD W.P. Inc rig. Re-plumbed flow line to tbg. Knight rentals picked up BOP's. H-Twenty emptied rig tank and flowback tank. 3:30PM Started well blowing through 18/64 choke. Tbg pressure dropped to 1100# then well started unloading fluid. Unloaded 12 bbls in 15 minutes then cleaned up. Tbg – 1350#. Csg – 1450#. Received word that H-Twenty water truck had spun out and is blocking access road. Snowing heavily with low visibility. Notified L&L Roustabouts to bring out blade. Shut in well after 1 ½ hr of flow. 12:00AM L&L on site to free truck. Truck free at 1:30AM. Rig crew headed in. Escorted water truck to Seep Ridge intersection.

11/25/13 – Csg – 3300#. Tbg – 3200#. Opened well to tank through 18/64 choke.

Time	Tubing	Casing	Flow Rate
2:20	3200	3300	0
:30	2800	2800	2275
:40	2600	2600	2113
:50	2250	2300	1830
3:00	1930	1950	1587
:10	1850	1850	1506
:20	1760	1780	1433
:30	1600	1690	1303
:40	1490	1550	1214
:50	1375	1450	1121
4:00	1370	1440	1117
:10	1370	1420	1117
:20	1365	1430	1113
Shut in			
:30	1440	1470	0
:40	1475	1500	0
:50	1520	1540	0

5:00	1550	1590	0
------	------	------	---

Well made 2bbl of water and 1bbl of condensate during 2 hour flow period.

12/2/13 – Csg – 3750#. Tbg – 3748#. MIRU test separator and flare stack. Installed metering and set up for remote monitoring.

12/3/13 – Csg – 3780#. Tbg – 3775#. Put on line through 20/64 choke to bring down head pressure. Flowed from 9:35AM to 11:00AM. Put on line through test separator. Csg – 1582#. Tbg – 1547#. Flowed well from 12:05PM to 5:10PM. At end of flow period Csg – 951#. Tbg – 789#. Cumulative flow 141 mcf.

12/3 to 12/11/13 – Well shut in.

12/11/13 – 5:25 PM. Csg – 3738#. Tbg – 3736#. Put on line through 20/64 choke to bring down head pressure. Flowed from 5:25PM to 6:10PM through choke. Put well on line through test separator. Csg – 2182#. Tbg – 2155#. Monitored flow from 6:10PM to 11:00AM on 12/13. Well made 4 bbls of condensate and negligible water during current period. Turned over monitoring to Walls Oilfield Service.

12/11 to 12/14/13 – Flow tested well. Cumulative flow 920 mcf. Average flow during last 7 hours of test period 233 mcf/d. Made 12 bbls of water and 5 bbls of condensate.

12/14/13 – MIRU Teftellar Inc. PU & RIH with gauge ring. Tbg clear to SN. Laid down gauge ring. RIH with sinker bars and tagged fill at 9725'. No additional fill since running tracer log on 11/19. POOH with sinker bars. PU and RIH with tandem electronic pressure bombs. Made 2 passes through perforated interval at 25 ft/min to record temp. Well flowing 239 mcf/d while logging temp. POOH with pressure bombs. RIH with bombs, no go, and release tool. Set bombs in SN at 9375'. Shut in well to begin BHPS. RD Teftellar.

12/23/13 – Csg – 3400#. Tbg – 3398#. MIRU Teftellar. RIH with retrieving tool. Latched on to pressure bombs. POOH with bombs, making gradient stops at 9000', 8000', 6000' and 3000'. RD Teftellar. Filled wellhead with methanol and secured well for an extended shutin.

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
- SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION
- GEOLOGIC REPORT
- CORE ANALYSIS
- DST REPORT
- OTHER: _____
- DIRECTIONAL SURVEY

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 Phone: 801-538-5340
 1594 West North Temple, Suite 1210
 Box 145801 Fax: 801-359-3940
 Salt Lake City, Utah 84114-5801

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: 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.		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 1-3	
2. NAME OF OPERATOR: NATIONAL FUEL CORPORATION	9. API NUMBER: 43019316030000	
3. ADDRESS OF OPERATOR: 8400 E Prentice Avenue Suite 735 , Greenwood Village, CO, 80111	PHONE NUMBER: 970 260-8128	9. FIELD and POOL or WILDCAT: EWILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0667 FSL 0838 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 01 Township: 16.0S Range: 21.0E Meridian: S	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: 9/29/2014 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input checked="" type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <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.		
This Sundry Notice is being submitted by National Fuel Corporation as a request to release the Trail Canyon #1-3 from its "Confidential Status" ASAP.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY October 01, 2014		
NAME (PLEASE PRINT) Andrew Busch	PHONE NUMBER 970 260-8128	TITLE VP Operations
SIGNATURE N/A	DATE 9/29/2014	

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.

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