

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU-78023

6. If Indian, Allottee or Tribe Name

1a. Type of Work: DRILL REENTER

b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

7. If Unit or CA Agreement, Name and No.
Moon Canyon

8. Lease Name and Well No.
V Canyon 20-1

2. Name of Operator
Royale Energy, Inc.

9. API Well No.
43-047-38948

3. Address of Operator
7676 Hazard Center Dr. Suite 1500, San Diego, CA. 92108

10. Field and Pool, or Exploratory
Wildcat

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface **NENW 2172'FWL, 507'FNL 39.504374**
At proposed prod. zone **Same 621102X 4373488Y -109.591467**

11. Sec., T., R., M., or Blk, and Survey or Area
Section 20-T15S-R21E SLM

14. Distance in miles and direction from nearest town or post office*
75 miles Northwest of Fruita, CO.

12. County or Parish **Uintah** 13. State **Utah**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	507 ft.	16. No. of Acres in lease	1,040.23	17. Spacing Unit dedicated to this well	40 acres
---	----------------	---------------------------	-----------------	---	-----------------

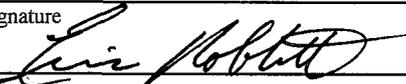
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	Approx. 1,200 ft.	19. Proposed Depth	11,000'	20. BLM IBIA Bond No. on file	UT000026
--	--------------------------	--------------------	----------------	-------------------------------	-----------------

21. Elevations (Show whether DF, KDB, RT, GL, etc.)	7,248' GL	22. Approximate date work will start*	May 15, 2007	23. Estimated duration	30 days
---	------------------	---------------------------------------	---------------------	------------------------	----------------

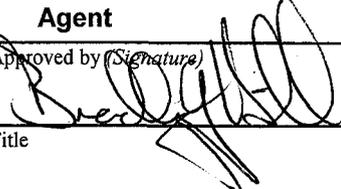
24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Eric Noblitt	Date 1/5/2007
---	--	----------------------

Title **Agent**

Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL ENVIRONMENTAL MANAGER	Date 01-10-07
--	---	----------------------

Title _____ Office _____

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Federal Approval of this Action is Necessary

RECEIVED

JAN 09 2007

DIV. OF OIL, GAS & MINING

T15S, R21E, S.L.B.&M.

1920 Brass Cap,
1.0' High, Pile of
Stones

S89°53'31"W - 2637.09' (Meas.)

S89°57'52"W - 2640.96' (Meas.)

90°12'
(G.L.O.)

507'

1920 Brass Cap,
1.6' High, Pile of
Stones

1920 Brass Cap,
3.0' High, Pile
of Stones

2172'
(Comp.)

V CANYON #20-1

Elev. Ungraded Ground = 7248'

NOTE:

THE PROPOSED WELL HEAD BEARS S42°31'41"W
688.92' FROM THE NORTH 1/4 CORNER OF SEC.
20, T15S, R21E, S.L.B.&M.

20

5280.00' (G.L.O.)

N00°03'W - 5280.00' (G.L.O.)

S89°52'W - 5266.80' (G.L.O.)

BASIS OF BEARINGS

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

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)

LATITUDE = 39°30'15.67" (39.504353)

LONGITUDE = 109°35'31.98" (109.592217)

(AUTONOMOUS NAD 27)

LATITUDE = 39°30'15.80" (39.504389)

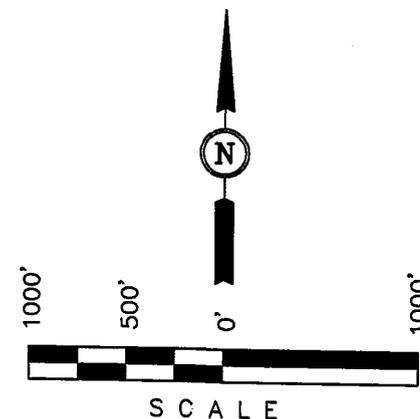
LONGITUDE = 109°35'29.51" (109.591531)

ROYALE ENERGY, INC.

Well location, V CANYON #20-1, located as shown in the NE 1/4 NW 1/4 of Section 20, T15S, R21E, S.L.B.&M., Uintah County, Utah.

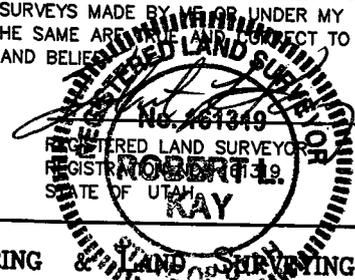
BASIS OF ELEVATION

TRIANGULATION STATION WINTER LOCATED IN THE NW 1/4 OF SECTION 25, T15S, R21E, S.L.B.&M. TAKEN FROM THE WOLF POINT QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7462 FEET.



CERTIFICATE

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



UINTAH ENGINEERING & SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 11-22-06	DATE DRAWN: 12-12-06
PARTY D.R. Q.B. C.H.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ROYALE ENERGY, INC.	

CONFIDENTIAL

ROYALE ENERGY, INC.

V Canyon 20-1

2172'FWL, 507'FNL

NE/4NW/4; Section 20, Township 15 South, Range 21 East, SLM

Uintah County, Utah

Lease # UT U-78023

Surface Use & Operations Plan

Ownership

Surface & Minerals:

Bureau of Land Management

Vernal Field Office

170 South 500 West

Vernal, UT 84078

(435) 781-4800

1. EXISTING ROADS – Refer to Exhibit Topo Maps “A” and “B”.

- A. The proposed wellsite and access road has been surveyed. (see Location Layout Plat)
- B. To reach the proposed location from the UT/CO state line proceed East on Interstate 70 approximately 4.6 miles to the Westwater exit; proceed north .3 mile, turn right and go East 2.2 miles to Hay Canyon & East Canyon road (At National Fuel sign) turn left, proceed Northwest 12.6 miles to Hay Canyon road, turn left and travel up Hay Canyon 13.8 miles to Divide road. Proceed in a northwesterly direction approximately 11.0 miles to the junction of this road and an existing road to the northwest; Turn right and proceed in a Northwesterly, then southerly direction approximately 2.8 miles to the beginning of the proposed access road for the staked Bill Barrett #1-19 well to the south. Follow road flags in a southerly direction approximately 0.2 miles to the beginning of the proposed access road to the Southwest; Follow road flags to in a Southeasterly direction approximately 0.2 to the proposed location
- C. Access roads refer to Exhibit Topo Maps “A” and “B”.
- D. Access roads within a one (1) mile radius, none – refer to Exhibit Topo Maps “A” and “B”.
- E. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operation and said maintenance will continue until final abandonment and reclamation of said well location.

2. NEW ROAD– Refer to Topo Map Exhibits “A”& “B”

Access to the location will be on Grand and Uintah County maintained roads until you reach the proposed new access road in NESW Sec.17-T15S-R21E

- A. Width – This road constructed to a twenty (20) foot running surface with a thirty (30) foot right-of-way.
- B. Construction Standard -Any road improvements will be conducted in accordance with roading guidelines established for oil & gas exploration and development activities as referenced in the joint BLM/USFS publication: *Surface Operating Standards for Oil and Gas Exploration and Development*, Third Edition and/or BLM Manual Section 9113 concerning road construction activities on public domain lands.
- C. Maximum grade – The maximum grade is under 8%.
- D. Turnouts – Several turnouts exist on the existing road any new turnouts will be consultation of the appropriate governing authority.
- E. Drainage design – The existing road shall be maintained to provide proper drainage along the road.
- F. Culverts and low water crossings – No low water crossings are anticipated. Culverts will be installed as needed.
- G. Surface material – It is anticipated that no additional surface material will be required for drilling and production operations. Should spot graveling be required during drilling operations, gravel would be obtained from the nearest commercial site.
- H. Gates, cattleguards or fence cuts: No Fence cuts or cattleguards will be required along the proposed existing route. All gates will be maintained during operations.
- I. Road maintenance – During both the drilling and production phase of operations, the road surface will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards. The access road will be kept free and clear of trash during all operations.

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

- A. Water wells none
- B. Abandoned wells none
- C. Temporarily abandoned wells none

D.	Disposal wells	none
E.	Proposed wells	Barrett/Tumbleweed U Fed 14-17-15-21 SESW Sec17-T15S-R21E
F.	Shut-in wells	none
G.	Producing	none

4. LOCATION OF PROPOSED FACILITIES

- A. All production facilities will be located on the disturbed portion of the well pad and at a minimum from of twenty-five (25) feet from the toe of the back slope or top of the fill slope.
- B. Any road improvements will be conducted in accordance with roading guidelines established for oil & gas exploration and development activities as referenced in the joint BLM/USFS publication: *Surface Operating Standards for Oil and Gas Exploration and Development*, Third Edition and/or BLM Manual Section 9113 concerning road construction activities on public domain lands.
- C. If the subject well is commercial, a proposed 3" welded surface line will be laid from the edge of location to the existing road in NESE Section 17-15S-21E. (Approximately .74 miles) The line will then turn southeast and parallel the existing road for 1.9 miles to intersection of roads. Then heading east paralleling existing road for 1.1 miles to tie-in point at existing pipeline in SESW Section 23-T15S-R21E. Royale is proposing a surface pipeline, due to the exposed bed rock at the surface of the pipeline R-O-W.
- D. All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective color to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required by OSHA may be excluded. Colors will be painted Juniper Black (5W A20-6), unless otherwise advised by the governing authority.
- E. If a gas meter run is constructed, it will be located within 500 feet of the wellhead. The flowline will be buried from the wellhead to the meter and will be buried downstream until it leaves the pad. The meter run will be housed. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR 3162. 7-3, *Onshore Oil and Gas Order No. 5*, and the American Gas Association (AGA) Report No. 3.

- F. If a tank battery is constructed on the lease, it will be surrounded by a berm of sufficient capacity to contain 1-1/2 times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurements shall conform to provisions of 43 CFR 3162. 7-3 and *Onshore Oil and Gas Order No. 4*.
- G. Production facilities on location may include a lined or unlined water pit as specified in *Onshore Oil and Gas Order No. 7*. If water is produced from the well, an application in conformance with Order No. 7 must be submitted. Any pit will be fenced with barbwire held in place by metal side post and wooden corner "H" braces in order to protect livestock and wildlife.
- H. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road, drill pad and any additional area specified in the approved Application for Permit to Drill (APD).
- I. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the BLM.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Water supply for the subject well shall come from a private source in Sec. 6, T16S-R23, owned by Bert Delambert. Utah Water Change Application # t27896 authorizes such use and a water use agreement with Mr. Delambert has been obtained.
- B. No water well will be drilled.

6. SOURCE OF CONSTRUCTION MATERIALS

- A. It is not anticipated that any construction materials (gravel) will be required during construction or operations. If required, a private contractor (or surface owner) having a previously approved source within the general area will be used.
- B. No construction material will be taken from Federal lands. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.

7. METHODS OF HANDLING WASTE MATERIALS

- A. Cuttings - The drill cuttings will be deposited in the reserve pit.
- B. Drilling fluids – All fluids including chemicals will be contained in the reserve pit. The reserve pit will be designed to prevent the collection of surface runoff and will be constructed with a minimum of one-half (1/2) total depth below the original ground level and at the lowest point within the pit. Prior to back-filling the reserve pit liquids will be disposed in an approved facility and the contents will be allowed to dry. The disturbed portion of the pad will be reclaimed. A 12-mil synthetic pit liner is proposed.

- C. Produced fluids – Liquid hydrocarbons that may be produced during completion operations will be placed in test tanks on the location. Produced water will be placed in the reserve pit (V Canyon #20-1) for a period not to exceed ninety days after initial production.

During this ninety (90) day period, in accordance with *Onshore Oil and Gas Order Number 7*, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted to the Authorized Officer for approval.

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.

- D. Sewage – Portable, self-contained chemical toilets will be provided for human waste disposal. Upon completion of operations, or as required, these toilets will be removed and the contents thereof disposed of in an approved sewage disposal facility.
- E. Garbage and other waste material – All garbage and non-flammable waste materials will be contained in a dumpster or trash cage. Upon completion of operations, or as needed, the accumulated trash will be hauled off-site to an approved sanitary landfill. No trash will be placed in the reserve pit during any operations pertaining to this well.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No potentially adverse materials or substances will be left on location.
- G. Any open pits will be fenced during the drilling operation and said fencing will be maintained until such time as the pits have been back-filled.

8. ANCILLARY FACILITIES

None anticipated.

9. WELLSITE LAYOUT

- A. Attached hereto is a diagram (fig.1) showing the proposed location layout. No permanent living facilities are planned. There will be approximately four (4) trailers on location during drilling operations: one each for the wellsite supervisor, mudloggers, drilling fluids engineer and toolpusher.
- B. Topsoil will be stock piled on the West and East sides of the drillpad. Brush and trees will also be stock piled on the Southeast corner of pad and will be used in the site reclamation process. Erosion ditches will be created along the side of the drill pad to control runoff from the drill pad. (see location layout plat. Fig.1)

- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via *Sundry Notice* (form #3160-5) for approval (see # 4B)
- D. Prior to commencement of drilling operations, the reserve pit will be fenced on three (3) sides with four strand barbed wire held in place by metal side post and wooden corner "H" braces in order to protect livestock and wildlife.
 - 1. Corner post shall be braced in such a manner to keep the fence tight at all times.
 - 2. Standard steel, wood or pipe post shall be used between the corner braces. The maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
 - 3. All wire shall be stretched, by using a stretching devise, before it is attached to the corner posts.
 - 4. The fourth (4th) side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is back-filled.
- E. Any Hydrocarbons on the pit will be removed immediately.
- F. Flare pit will be a minimum of 100 feet from the wellhead and 30 feet from the reserve pit when applicable. The flare pit will be on laydown side of pad.

10. PLANS FOR RECLAMATION OF THE SURFACE

Producing

- A. Any rat and mouse holes will be back-filled and compacted from top immediately upon release of the completion rig from the location. The location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.
- B. Any oil located on the pits will be removed immediately in accordance with 43 CFR 3162.7-1.
- C. Back-filling, leveling and re-contouring are planned as soon as possible after cessation of drilling and completion operations. Waste and spoil materials will be disposed of immediately upon cessation of drilling and completion activities.

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

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

During the interim management of these wells, the locations will be recontoured and topsoil spread to the deadmen. Utilizing a drill, the location will be seeded using 6 lbs of Western Wheatgrass and 6 lbs of Smooth Brome grass or as recommended by the Authorizing Officer(AO)

Dry Hole/Abandoned Location

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

11. OTHER INFORMATION

- A. Proximity of Water, Occupied Dwellings, Archaeologist, Historical or Cultural Sites:
 1. There are no known, occupied dwellings within one (1) mile of the location.
 2. There are no known water wells within one (1) mile of location.
 3. A Class III cultural inventory was completed on the proposed well site and access road by Grand River Institute (970) 245-7868. Report will be sent under separate cover.

Royale Energy, Inc. will be responsible for informing all persons in the area who are associated with the project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. If historic or archaeological materials are uncovered, Royale will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer (AO). Operations are not to resume until written authorization to proceed is issued by the AO. Within five (5) working days the AO will inform the operator as to:

- A. whether the materials appear eligible for the National Register of Historic Places;

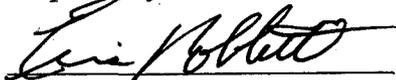
- B. the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- C. a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Reservation Officer, that the findings of the AO are correct and that mitigation is appropriate.
- B. The operator will, control noxious weeds along right-of-way for roads, pipelines, wellsites or other applicable facilities. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

12. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Royale Energy, Inc.
7676 Hazard Center Drive, Suite 1500
San Diego CA 92108
Phone: (619) 881-2870
Fax (619) 881-2876
Drilling@royl.com
Attention: Lauren Hartwell

Prepared by:

Date: December 29, 2006



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

ROYALE ENERGY, INC.

V Canyon 20-1

2172'FWL, 507'FNL

NE/4NW/4; Section 20, Township 15 South, Range 21 East, SLM

Uintah County, Utah

Lease # UT U-78023

December 29, 2006

DRILLING PLAN

General

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

Surface Location: 507' FNL and 2172' FWL
NENW; Sec. 20-T16S-R21E, SLM
Uintah County, Utah
Latitude: 39.504389
Longitude: 109.591531 (NAD 27)

Bottomhole Location: Same

Proposed Total Depth: 11,000'

Elevation: 7248' Ground Level (Ungraded)

Drilling Contractor: As yet to be determined.

Drilling Procedure

Location

- 1) Build location, dig and line reserve pit w/ felt and 12 mil liner as per pad layout specifications.

Surface Hole

- 1) Move in and rig up air drilling rig. Called in spud to BLM
- 2) Drill a 12-1/4" surface hole to 2,100' with air. Notified Vernal BLM as to cementing of surface casing.
- 3) Circulate and condition as required. Trip out of hole.
- 4) Run and cement 2,100' of 9-5/8", 36#, K-55, ST&C, 8rd casing.
- 5) Rig down and move off surface hole drilling rig.
- 6) Install 4'X6' cellar rig. Weld on 11" X 5,000 PSI flanged casing head. MU 11"5K X 11"5K spacer spool.

Intermediate Hole

- 1) MIRU rotary rig. Notify Vernal as to BOP/CSG pressure test. Nipple up and pressure test BOPE and 9-5/8" casing, not to exceed to 70% internal yield of 9-5/8" csg.
- 2) Mud up. Trip in hole w/ 8-3/4" PDC bit. Drill out float collar and guide shoe. Drill 8-3/4" intermediate hole from base of surface casing to 5800' (or 200'+/- into Mancos or as to Geologist recommendation)

Decision Point: Run 7" casing or continue drilling

This area of the Bookcliffs is notorious for hole problems (i.e. loss circulation, hole sloughing, deviation, etc.) in the Wasatch / Green River sections. At casing point(200' into Mancos @ 5800'+/-), hole conditions will dictate whether to run casing or drill ahead to total depth without intermediate casing. If casing is run, proceed with #3. If casing is not run, proceed to #8.

- 3) Condition hole as per mud program. Run openhole logs as per logging program.
- 4) Trip in hole w/ bit and drill string. Condition hole for running pipe. Laydown 4-1/2" DP.
- 5) Run and cement 7" 23# production casing according to cement recommendation. Change out ram blocks in BOP.
- 6) Pressure test 7" casing string to 1,500 psi for thirty (30) minutes. PU 3-1/2" DP.
- 7) Drill out 7" intermediate casing with 6-1/4" PDC bit.
- 8) Well will be drilled to a depth of 11,000'
- 9) At T.D., condition hole for running openhole logs as per mud program.
- 10) Run openhole logs as per logging program.

Decision Point: Producible/Dryhole

Producible

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

Dryhole

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

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

Green River	Surface
Main Mancos	5,600'
Dakota Silt	9,100'
Entrada	10,000'
TD	11,000'

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

<u>Formation</u>	<u>Top</u>	<u>Possible Formation Content</u>
Dakota Sandstone	9,300'	gas
Morrison	9,400	gas or water
Entrada	10,000'	gas or water

Pressure Control Equipment

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

The blowout preventer will be equipped as follows:

- 1) One set of blind rams
 - 2) One set of pipe rams
 - 3) Drilling spool with two side outlet (choke side: 3" minimum and kill side 2" minimum)
 - 4) Kill line: Two-inch minimum
 - 5) Two kill line valves, one of which will be a check valve (2" minimum)
 - 6) Choke line: Three-inch minimum.
 - 7) Two choke line valves: Three-inch minimum.
 - 8) One manually operated choke: Three-inch minimum.
 - 9) Pressure gauge on choke manifold.
 - 10) Upper kelly cock with handle readily available.
 - 11) Full opening internal blowout preventer or drill pipe safety valve able to fit all connections.
 - 12) Fill-up line to be located above uppermost preventer.
- 2) PRESSURE RATING: 5,000 PSI

3) TESTING PROCEDURE

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

At a minimum, this pressure test will be performed:

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

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

5) CHOKE MANIFOLD EQUIPMENT: (See Schematic #1)

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

These lines will be anchored to prevent whip and vibration.

6) ACCUMULATOR:

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

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

7) MISCELLANEAUS INFORMATION:

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

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

Casing and Cementing Programs

PROPOSED CASING DESIGN

<u>Size</u>	<u>Interval</u>	<u>Length</u>	<u>Description</u>
9-5/8"	0' – 2,100'	2,100'	36#, K-55, STC
7"	0' – 5,600'	5,600'	23#, N-80, LTC
4-1/2"	0' - 11,000'	11,000'	11.6# P-110, LTC

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

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

PROPOSED CEMENTING PROGRAM

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

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

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

<u>Casing / Hole Size</u>	<u>Cement Slurry</u>	<u>SX</u>	<u>PPG</u>	<u>Yield</u>
7" / 8-3/4"	50/50 Pozmix w/.25 PPS Flocele (30% excess)	657	14.2	1.26

hole full at all times. Monitor pit levels to detect loss circulation and gas kicks. Sweep hole as dictated by hole conditions and prior to running production casing. Keep drill string moving at all times. Have 100-200 PPM nitrates in mud system prior to drilling any potential pay zones that may be DST'd.

Recommended Fluid Properties:	Weight:	8.8 – 9.2 PPG
	Viscosity:	As per mud engineer rec
	Water Loss:	8-10 CC'

Evaluation Program

MUDLOGGING: Drilling samples will be caught every 20' from 1100' to 9,000'. Mudloggers will be on location and rigged up before drilling of the Castlegate formation. 10' samples will be caught from 9,000' to T.D. or as directed by wellsite geologist.

OPENHOLE LOGGING: 5,600 –2,100' – CNL/FDC w/ XY caliper and DLL
11,000 –5,600' – CNL/LDT w/ XY caliper and DLL

DRILLSTEM TESTING: None anticipated.

CORING: None anticipated.

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

The proposed Evaluation Program may change at the discretion of the well site drilling supervisor and geologist with the approval from the Authorizing Officer, Vernal BLM.

Two copies of all logs, core descriptions, core analyses, DST test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during drilling, workover, and/or completion operations will be filed on form #3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the District Manager, Vernal BLM.

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

A cement bond log (CBL) will be run from the production casing shoe to top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

An electronic copy of all logs run on this well will be submitted in LAS format.

Anticipated Bottomhole Pressure

A bottomhole pressure of 4400 psi (.40 gradient) is anticipated at total depth (11,000')

Abnormal Conditions

No abnormal temperature or pressures are anticipated in the drilling of the V Canyon 20-1

Anticipated Starting Date and Miscellaneous

ANTICIPATED STARTING DATE:	Location Construction	May 15, 2007
	Spud Date	June 1, 2007
	Drilling Days	30 days
	Completion Days	14 days

Notifications of Operations

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

All water shows and water-bearing sands shall be reported to John Mayers of the Vernal BLM office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Written notification of such must be submitted to this office not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergencies, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries and tested for meter accuracy at least quarterly thereafter. The AO 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 reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform to Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If operator fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

In the event after-hours approvals are necessary, operator will contact one of the following individuals:

James Ashley
Petroleum Engineer

(435) 828-7874

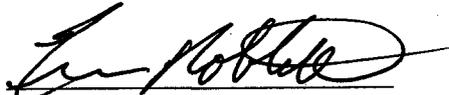
Michael Lee
Petroleum Engineer

(435) 828-7875

BLM FAX Machine (435) 781-4410

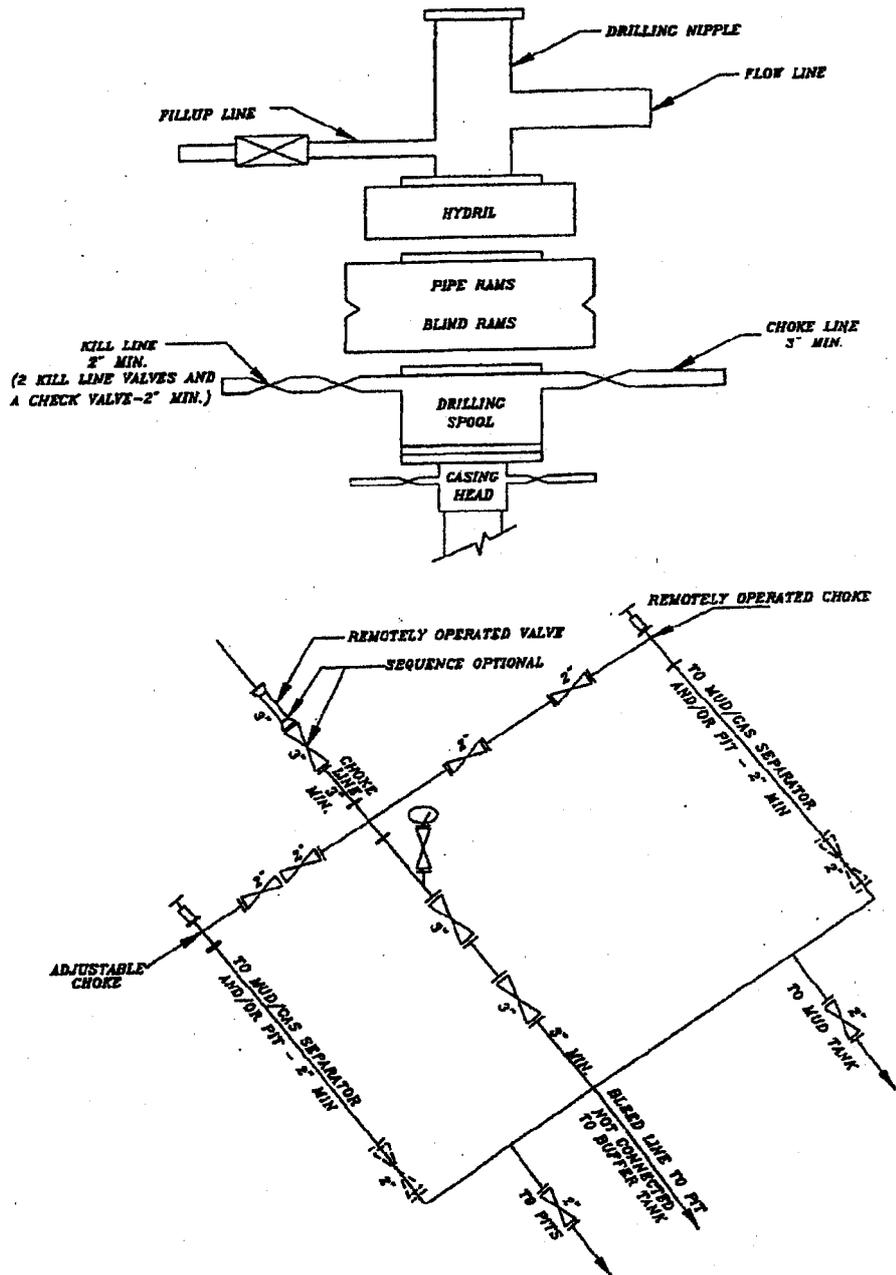
Prepared by:

Date: December 29, 2006

A handwritten signature in black ink, appearing to read "Eric Noblitt", written over a horizontal line.

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

5M BOP STACK and CHOKE MANIFOLD SYSTEM



ROYALE ENERGY, INC.

V Canyon 20-1

2172'FWL, 507'FNL

NE/4NW/4; Section 20, Township 15 South, Range 21 East, SLM

Uintah County, Utah

Lease # UT U-78023

December 29, 2006

Hazardous Material Declaration & Self-Certification

1. HAZARDOUS MATERIAL DECLARATION

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used in the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

2. SELF CERTIFICATION

Please be advised that Royale Energy Inc. is considered to be the operator of the V Canyon 20-1 located in the NENW Sec.20-TWP.15S-RNG 21E, Uintah County, Utah. Federal Lease #UTU-78023. Royale Energy Inc. will be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by:

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

Type of Bond: Statewide Oil and Gas

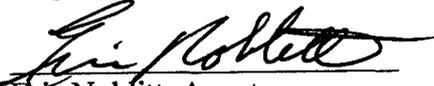
Bond Amount: \$25,000.00

Bond Surety NO.: 179597

BLM Bond NO.: UT000026

Prepared by:

Date: December 29, 2006



Eric Noblitt, Agent

Energy Operating Company

2275 Logos CT. #B-1

Grand Junction, CO. 81505

Phone: (970) 245-3951

Fax: (970) 245-3958

enoblitt@bresnan.net

ROYALE ENERGY, INC.

V CANYON #20-1

SECTION 2, T15S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH 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, UTAH; 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 TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 8.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 11.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 2.8 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1-19 TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 109.0 MILES.

CONFIDENTIAL

ROYALE ENERGY, INC.

V CANYON #20-1

LOCATED IN UINTAH COUNTY, UTAH
SECTION 20, T15S, R21E, S.L.B.&M.



PHOTO: VIEW FROM LOCATION STAKE TO CORNER #5

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

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

LOCATION PHOTOS

12 08 06
MONTH DAY YEAR

PHOTO

TAKEN BY: D.R.

DRAWN BY: C.P.

REVISED: 00-00-00

ROYALE ENERGY, INC.

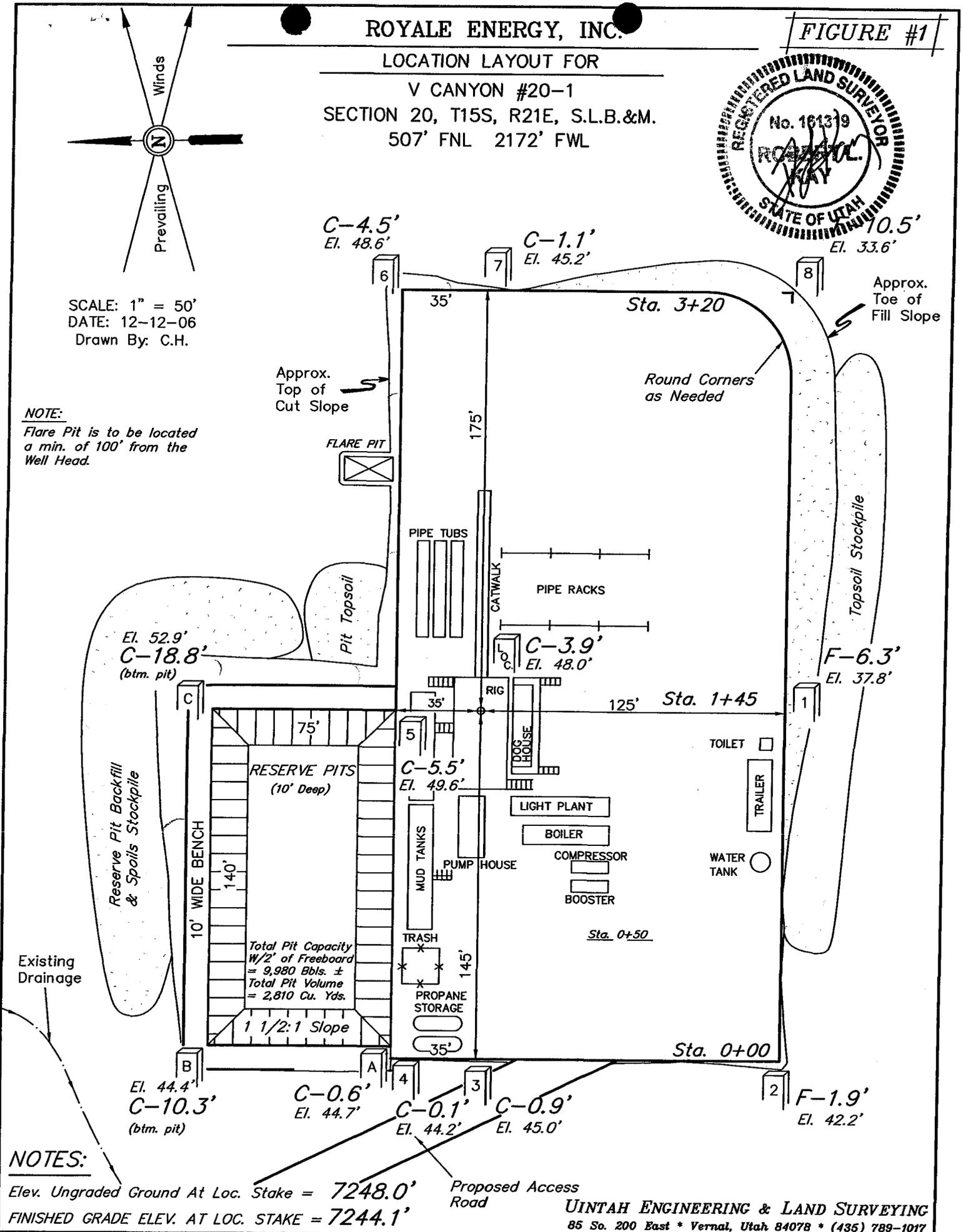
FIGURE #1

LOCATION LAYOUT FOR
 V CANYON #20-1
 SECTION 20, T15S, R21E, S.L.B.&M.
 507' FNL 2172' FWL



SCALE: 1" = 50'
 DATE: 12-12-06
 Drawn By: C.H.

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 7248.0'
 FINISHED GRADE ELEV. AT LOC. STAKE = 7244.1'

Proposed Access Road

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

ROYALE ENERGY, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

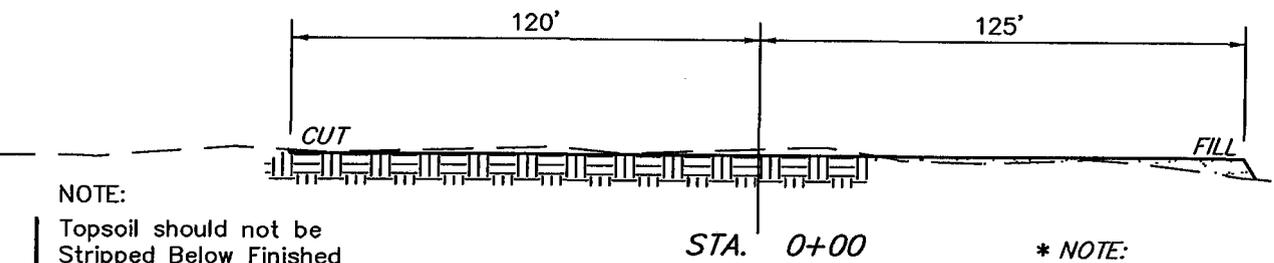
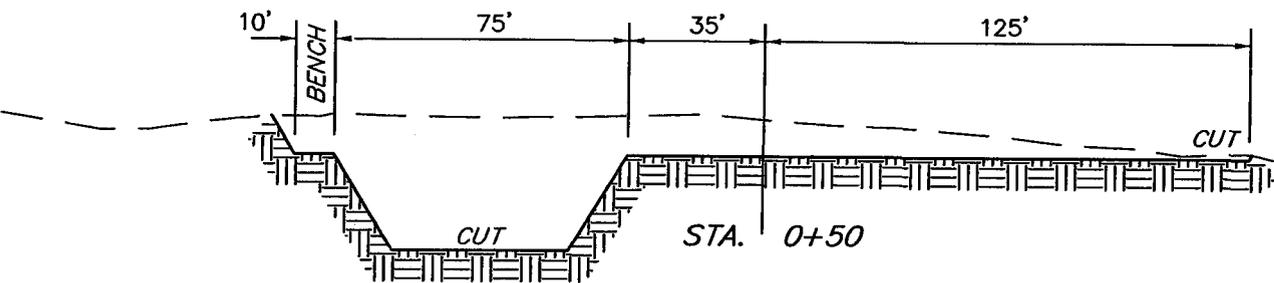
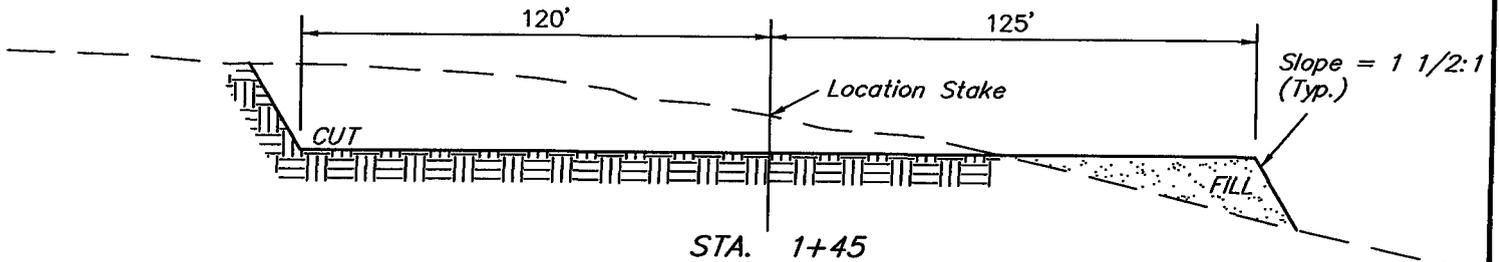
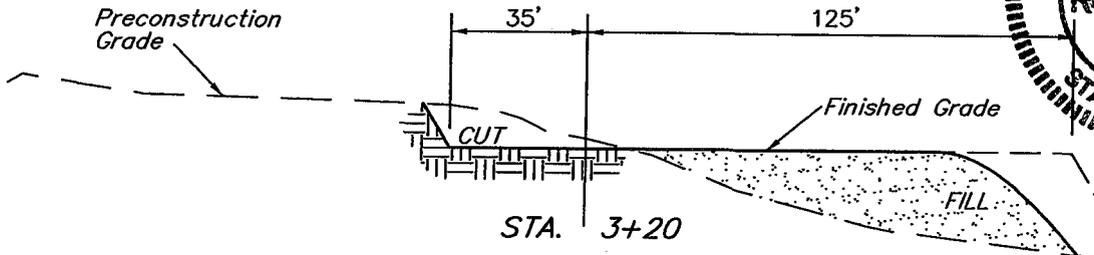
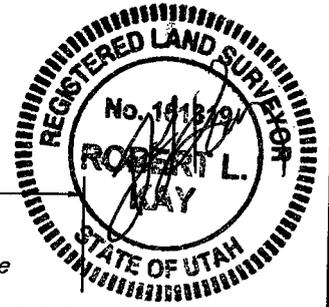
V CANYON #20-1

SECTION 20, T15S, R21E, S.L.B.&M.

507' FNL 2172' FWL

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

DATE: 12-12-06
Drawn By: C.H.



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

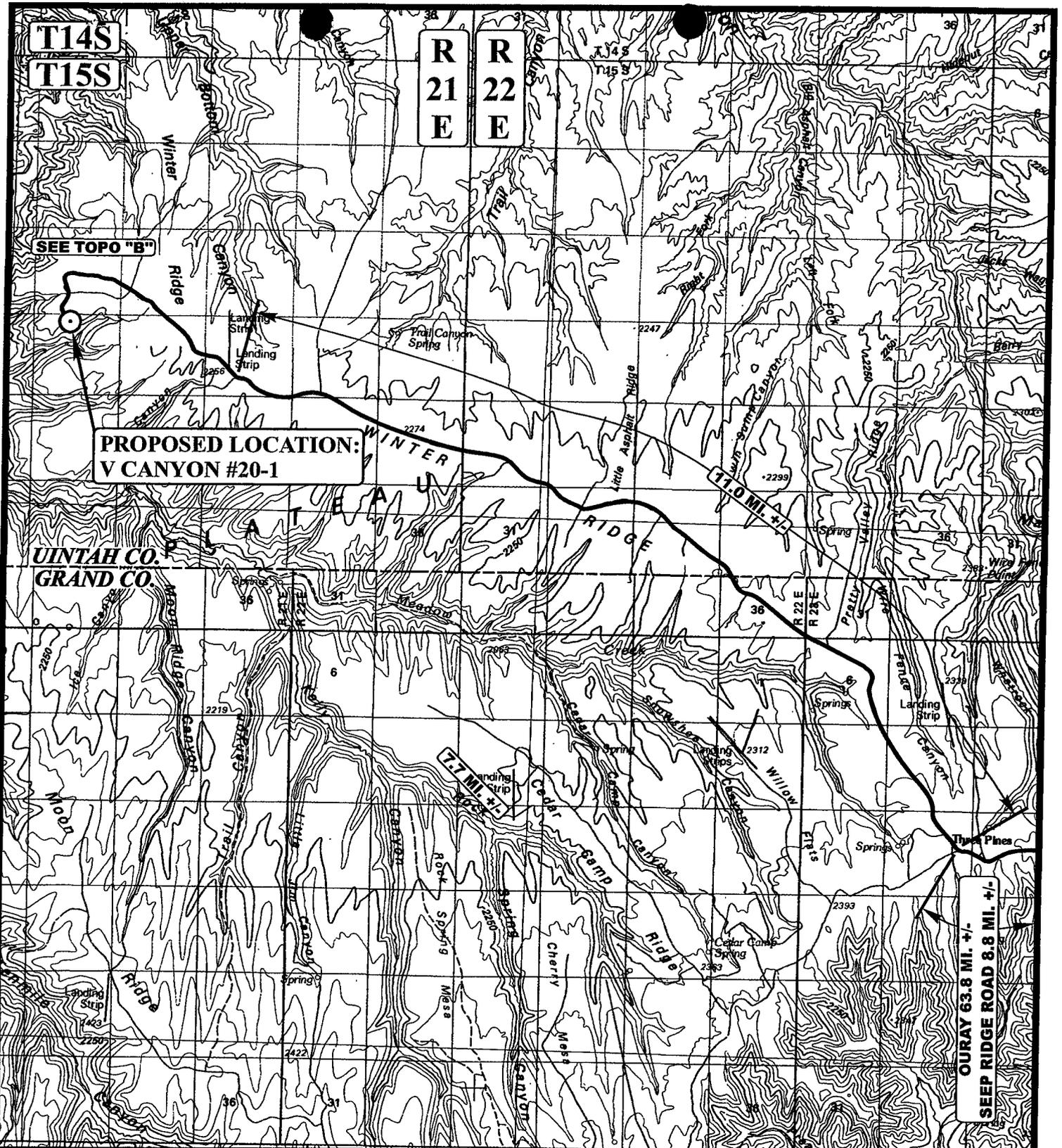
* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,390 Cu. Yds.
Remaining Location	= 7,670 Cu. Yds.
TOTAL CUT	= 9,060 CU.YDS.
FILL	= 6,260 CU.YDS.

EXCESS MATERIAL	= 2,800 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,800 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

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



LEGEND:

⊙ PROPOSED LOCATION



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



ROYALE ENERGY, INC.

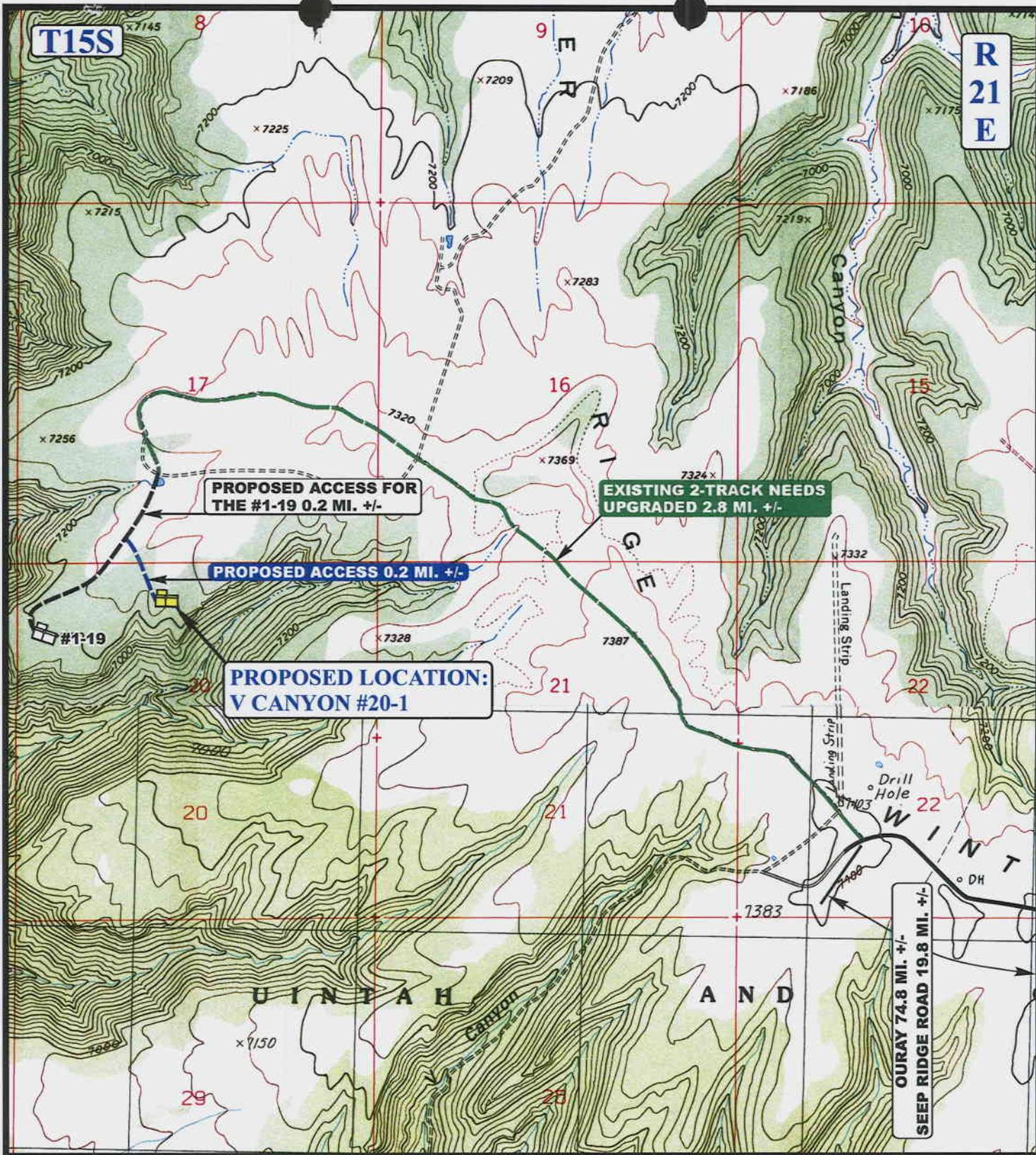
V CANYON #20-1
 SECTION 20, T15S, R21E, S.L.B.&M.
 507' FNL 2172' FWL

**TOPOGRAPHIC
 MAP**

12	08	06
MONTH	DAY	YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





LEGEND:

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



ROYALE ENERGY, INC.

V CANYON #20-1
SECTION 20, T15S, R21E, S.L.B.&M.
507' FNL 2172' FWL



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

TOPOGRAPHIC
MAP

12 08 06
 MONTH DAY YEAR

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



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/09/2007

API NO. ASSIGNED: 43-047-38968

WELL NAME: V CYN 20-1

OPERATOR: ROYALE ENERGY, INC. (N2465)

CONTACT: ERIC NOBLITT

PHONE NUMBER: 370-245-3951

PROPOSED LOCATION:

NENW 20 150S 210E
 SURFACE: 0507 FNL 2172 FWL
 BOTTOM: 0507 FNL 2172 FWL
 COUNTY: UINTAH
 LATITUDE: 39.50437 LONGITUDE: -109.5915
 UTM SURF EASTINGS: 621102 NORTHINGS: 4373488
 FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-78023
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: ENRD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UT000026)
- 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: _____

STIPULATIONS: _____

1. Spacing Strip
2. Spacing Strip

TUMBLEWEED UNIT

TUMBLEWEED U FED 14-17-15-21

T15S R21E

V CYN 20-1

MOON CANYON UNIT

19

20

30

29

OPERATOR: ROYALE ENERGY INC (N2465)

SEC: 20 T.15S R. 21E

FIELD: WILDCAT (001)

COUNTY: Uintah

SPACING: R649-3-2 / GENERAL SITING

Field Status

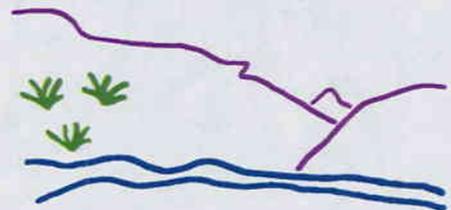
ABANDONED
ACTIVE
COMBINED
INACTIVE
PROPOSED
STORAGE
TERMINATED

Unit Status

EXPLORATORY
GAS STORAGE
NF PP OIL
NF SECONDARY
PENDING
PI OIL
PP GAS
PP GEOTHERML
PP OIL
SECONDARY
TERMINATED

Wells Status

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



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 10-JANUARY-2007

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)

January 10, 2007

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2007 Plan of Development Moon Canyon, Grand 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 wells are planned for calendar year 2007 within the Moon Canyon Unit, Grand County, Utah.

API #	WELL NAME	LOCATION
<i>(Proposed PZ Entrada)</i>		
43-019-31512	Vernal Equinox 11-1	Sec 11 T16S R21E 0608 FNL 0813 FWL
43-047-38968	V Canyon 20-1	Sec 20 T15S R21E 0507 FNL 2172 FWL

This office has no objection to permitting the wells 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:1-10-07



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 10, 2007

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

Re: V Canyon 20-1 Well, 507' FNL, 2172' FWL, NE NW, Sec. 20, T. 15 South,
R. 21 East, Uintah 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 43-047-38968.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
Bureau of Land Management, Vernal District Office

Operator: Royale Energy, Inc.
Well Name & Number V Canyon 20-1
API Number: 43-047-38968
Lease: UTU-78023

Location: NE NW Sec. 20 T. 15 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

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

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: UTU-78023
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: Moon Canyon
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: V Canyon 20-1	
2. NAME OF OPERATOR: Royale Energy, Inc		9. API NUMBER: 4304738968
3. ADDRESS OF OPERATOR: 7676 Hazard Ctr, Dr. #1500 CITY San Diego STATE CA ZIP 92108		PHONE NUMBER: (619) 881-2800
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2172'FWL, 507' FNL		10. FIELD AND POOL, OR WLOCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: nenw 20 15S 21E		COUNTY: Uintah
		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 (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Royale Energy, Inc request that information on the above referenced well be held confidential.

NAME (PLEASE PRINT) <u>Eric Noblitt</u>	TITLE <u>Agent</u>
SIGNATURE	DATE <u>1/29/2007</u>

(This space for State use only)

RECEIVED
JAN 29 2007
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-78023	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Royale Energy, Inc.		7. If Unit or CA Agreement, Name and No. Moon Canyon	
3. Address of Operator 7676 Hazard Center Dr. Suite 1500, San Diego, CA. 92108		8. Lease Name and Well No. V Canyon 20-1	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2172'FWL, 507'FNL NENW At proposed prod. zone Same		9. API Well No. 43-0A7-38968	
14. Distance in miles and direction from nearest town or post office* 75 miles Northwest of Fruita, CO.		10. Field and Pool, or Exploratory Wildcat	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 507 ft.	16. No. of Acres in lease 1,040.23	17. Spacing Unit dedicated to this well 40 acres	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 1,200 ft.	19. Proposed Depth 11,000'	20. BLM IBIA Bond No. on file UT000026	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7,248' GL	22. Approximate date work will start* May 15, 2007	23. Estimated duration 30 days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Eric Noblitt	Date 1/5/2007
-------------------	---	-------------------------

Approved by (Signature) 	Name (Printed/Typed) Jerry Kevzla	Date 7-5-2007
Title Assistant District Manager Leads of Mineral Resources	Office	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

RECEIVED

JUL 23 2007

DIV. OF OIL, GAS & MINING

075X5207A



NOTICE OF APPROVAL

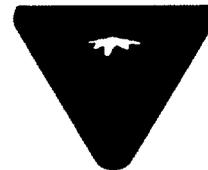


**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE**

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Royale Energy, Inc.
Well No: V Canyon 20-1
API No: 43-047-38968

Location: NENW, Sec. 20, T15S, R21E
Lease No: UTU-78023
Agreement: Moon Canyon

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
NRS/Enviro Scientist:	Paul Buhler	(435) 781-4475	(435) 828-4029
NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:	Chuck MacDonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Jannice Cutler	(435) 781-3400	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	

Fax: (435) 781-4410

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

General Surface COA

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A report will be prepared by a BLM permitted paleontologist and submitted to the AO at the completion of surface disturbing activities.

Site Specific Surface COAs

- **Within 90** calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee will submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the Best Management Practice of the reshaping of the pad to the original contour to the extent possible; the re-spreading of the top soil up to the rig anchor points; and, reseeding the area using appropriate reclamation methods.
- **Surface Disturbing Activities Notification:** Notify the Authorized Officer (AO) 48 hours prior to surface disturbing activities.
- **Time Limitations:** (Only during construction & drilling)
Lands in this lease have been identified as crucial Elk and Mule Deer winter habitat. Therefore, modifications to the Surface Use Plan of Operations will be required in order to protect Elk and Mule Deer habitat from surface disturbing activities.
From **December 1 - April 30**, there will be no construction activities, in order to protect crucial Elk winter habitat.
- **Special Status Plants:** If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.
- **Paleontology:** If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.
- **Pipelines:** The buried pipeline exception request has been received. It has been determined that the pipeline route has bedrock exposed at the surface. The exception is granted for a surface, steel pipeline (3").
 - Pipelines will be buried at all major road and drainage crossings.
- **Right of way (ROW):** Will be required for the proposed gas well V Canyon 20-1. ROW is required for 400 feet by 50 feet width for access roads and pipelines.

- **Wet Soil - Caution:** No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of three inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- **Topsoil:** Store topsoil on East side of the location
- **Low-water crossing:** Install on access road near location, as per onsite discussion.
- **Soil Erosion – Caution:** Lands where the proposed gas well is located have been identified as vulnerable to severe erosion. If additional erosion occurs during the life of this project, more low water crossings, culverts, diversion channels, berms, wing ditches etc. will need to be installed/constructed in order to control erosion.
- **Reserve Pit:** Line with a 12 ml or greater liner and felt.
- **Drainages:**
 - Keep drainages clear.
 - Low-water crossings will be appropriately constructed to avoid sedimentation of drainage ways and other water resources.
 - Prevent fill and stock piles from entering drainages.
- **Paint Color:** All well facilities not regulated by OSHA will be painted Juniper Black.
- **Trees:** Pile all trees together on the North side of the location.
- **General Maintenance:**
- The operator will be responsible for treatment and control of invasive and noxious weeds.
 - Prior to any treatment on BLM administered lands, a Pesticide Use Proposal will be submitted to the Vernal Field Office for approval.
 - All boulders found on the surface with a length (or diameter) greater than 3 feet, will be stockpiled for use during final reclamation.
 - The operator shall keep the site well maintained and up-to-date.
- **Interim Reclamation:**
 - **Maximize** interim reclamation. Within the pad, reseed all areas not needed for production; only leave room for vehicle access.
 - During interim management of the surface, the following seed mixture will be used (PLS formula).

▪ Western Wheatgrass (<i>Pascopyrum smithii</i>)	6 lbs/acre
▪ Smooth Brome grass (<i>Bromus inermis</i>)	6 lbs/acre

 - Rates are set for drill seeding; double the rate if broadcasting.
 - Reseeding may be required if initial seeding is not successful.
 - **If no germination after two attempts, contact BLM authorized officer.**

- **Final Reclamation:**

- See APD
- Once the location is plugged and abandoned, it shall be recontoured to natural topography, topsoil shall be re-spread, and the entire location shall be seeded with a seed mixture recommended by the A.O. **Seed application will follow all guidelines recommended for seedbed preparation, planting, watering, and seedling care after germination.**

DOWNHOLE CONDITIONS OF APPROVAL

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- Production casing cement shall be brought up and into the surface casing (when intermediate casing is not run). Production casing minimum cement top is 1900 ft. The minimum cement top is 200 ft above the surface casing shoe.
- Production casing cement shall be brought up and into the intermediate casing.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each

encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Wellogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers 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 reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: ROYALE ENERGY INC

Well Name: V CYN 20-1

Api No: 43-047-38968 Lease Type: FEDERAL

Section 20 Township 15S Range 21E County UINTAH

Drilling Contractor PETE MARTIN RIG # RATHOLE

SPUDDED:

Date 08/06/07

Time 11:00 AM

How DRY

Drilling will Commence: _____

Reported by KEITH

Telephone # (701) 770-1376

Date 08/09/07 Signed CHD

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-047-38968	V Canyon 20-1	NWSE NE NW	20	15 S	21 E	Utah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	N/A	16331	8-10-07		8/23/07	
Comments: <u>ENRD</u>						CONFIDENTIAL

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-019-31532	Trail Canyon 1-2	SUNE	1	16 S	21 E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	N/A	16332	8-12-07		8/23/07	
Comments: <u>ENRD</u>						CONFIDENTIAL

Well 3

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

ACTION CODES:

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

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

RECEIVED

AUG 23 2007

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78023
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: 2172' FWL, 507' FNL BHL 3400 FWL 1277 FNL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 20 15S 21E		8. WELL NAME and NUMBER: V Canyon 20-1
PHONE NUMBER: (619) 881-2800		9. API NUMBER: 047-38968
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>8/23/2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change Bottomhole Location</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.
New Seismic data received/interpreted on August 17-19, 2007. has required a change in bottomhole location. This well was permitted as a vertical well to test the Entrada/Wingate formations. The bottomhole location of all formations will be within the lease line limits as set by R649-3-11 for directional drilling (sub paragraph 1.1). A directional plot is attached.

Zone	TVD	MD
Mancos	5846	5946
Dakota Silt	9289	9458
Entrada	10237	10406
Wingate	10583	10752

A verbal approval is requested, as the Nabors Rig #124 is presently moving to location and will be prepared to drill below pre set 9 5/8" casing approximately August 23, 2007.

COPY SENT TO OPERATOR
Date: 8-27-07
Initials: Rm

NAME (PLEASE PRINT) Glenn Donaldson TITLE Chief Engineer
SIGNATURE *Glenn Donaldson* DATE 8/21/2007
Approved by the Utah Division of Oil, Gas and Mining

(This space for State use only)

AUG 23 2007
DIV. OF OIL, GAS & MINING

Federal Approval of this Action is Necessary
Date: 08-27-07
By: *[Signature]*
(See Instructions on Reverse Side)

(5/2000)

T15S, R21E, S.L.B.&M.

1920 Brass Cap,
1.0' High, Pile of
Stones

S89°53'31"W - 2637.09' (Meas.)

S89°57'52"W - 2640.96' (Meas.)

90°12'
(G.L.O.)

507'

1920 Brass Cap,
1.6' High, Pile of
Stones

1920 Brass Cap,
3.0' High, Pile
of Stones

2172'
(Comp.)

V CANYON #20-1
Elev. Ungraded Ground = 7248'

NOTE:
THE PROPOSED WELL HEAD BEARS S42°31'41"W
688.92' FROM THE NORTH 1/4 CORNER OF SEC.
20, T15S, R21E, S.L.B.&M.

20

5280.00' (G.L.O.)

N00°03'W - 5280.00' (G.L.O.)

S89°52'W - 5266.80' (G.L.O.)

BASIS OF BEARINGS

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

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

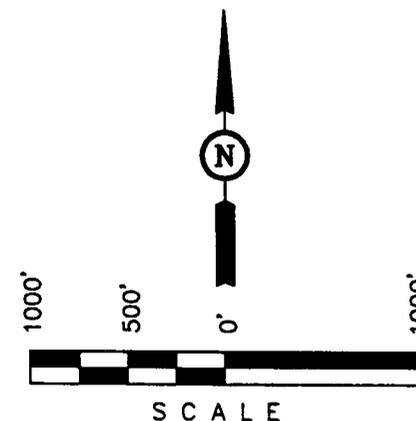
(AUTONOMOUS NAD 83)
LATITUDE = 39°30'15.67" (39.504353)
LONGITUDE = 109°35'31.98" (109.592217)
(AUTONOMOUS NAD 27)
LATITUDE = 39°30'15.80" (39.504389)
LONGITUDE = 109°35'29.51" (109.591531)

ROYALE ENERGY, INC.

Well location, V CANYON #20-1, located as shown in the NE 1/4 NW 1/4 of Section 20, T15S, R21E, S.L.B.&M., Uintah County, Utah.

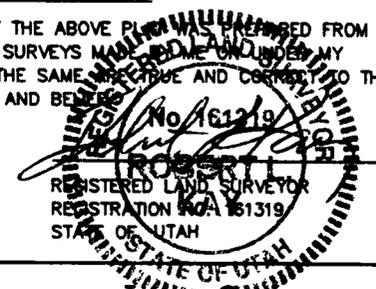
BASIS OF ELEVATION

TRIANGULATION STATION WINTER LOCATED IN THE NW 1/4 OF SECTION 25, T15S, R21E, S.L.B.&M. TAKEN FROM THE WOLF POINT QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7462 FEET.



CERTIFICATE

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



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

SCALE 1" = 1000'	DATE SURVEYED: 11-22-06	DATE DRAWN: 12-12-06
PARTY D.R. Q.B. C.H.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ROYALE ENERGY, INC.	

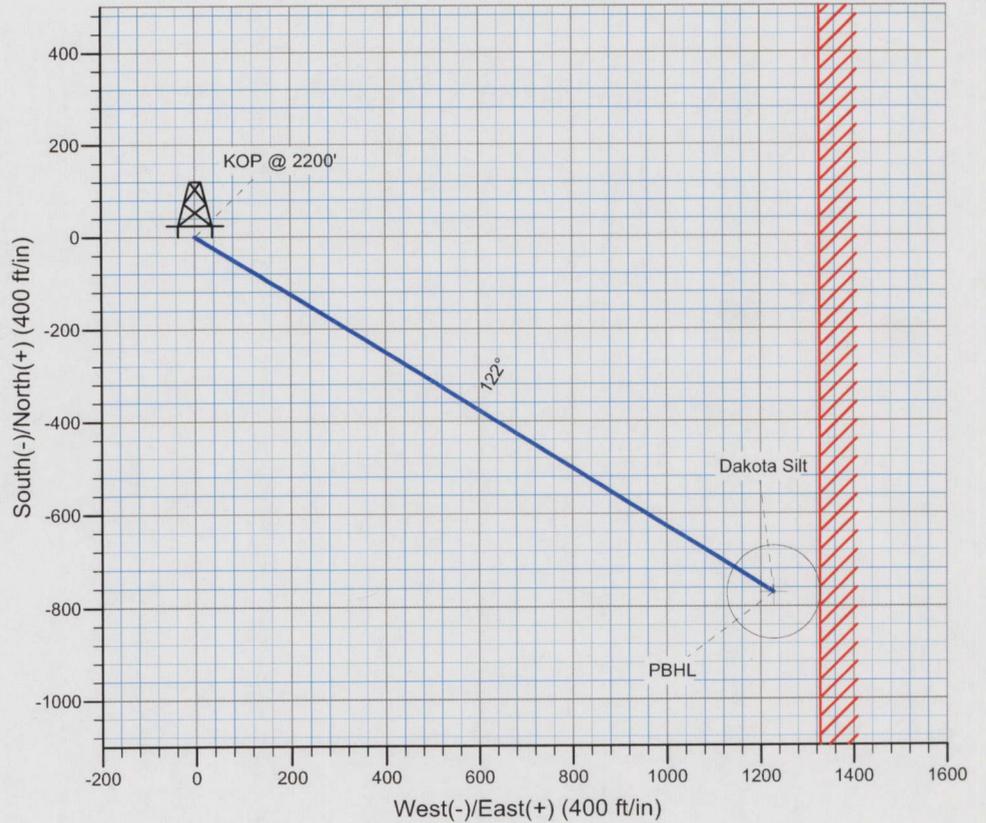
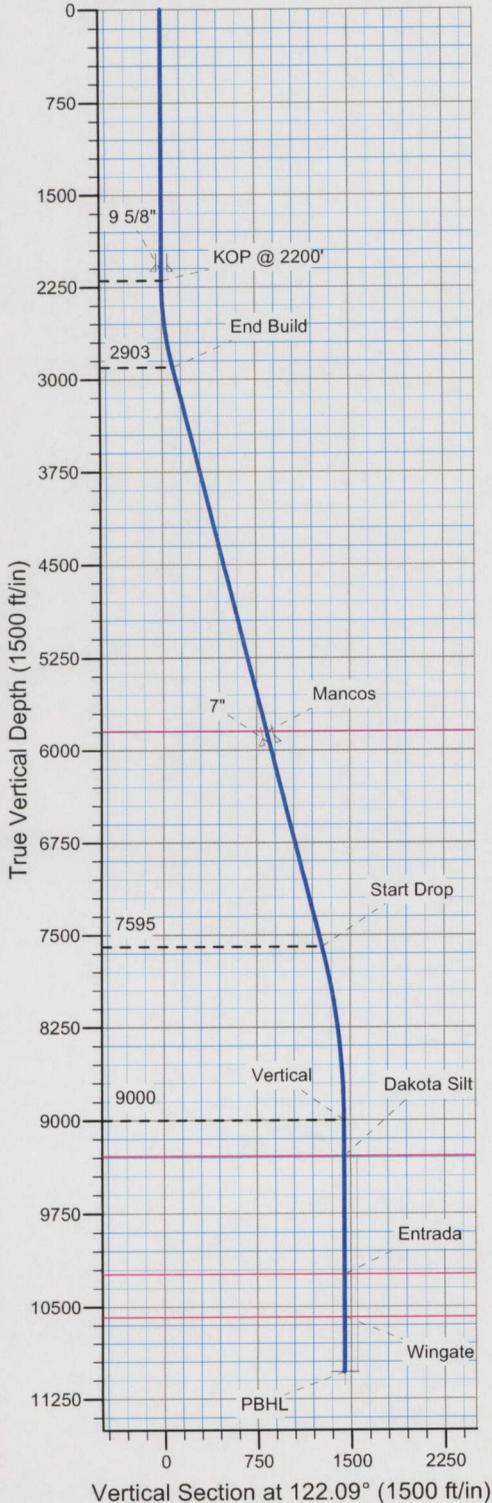


Royale Energy, Inc.

V Canyon 20-1
 Sec. 20, T15S, R21E
 Uintah County, Utah
 Plan #1

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	2200.0	0.00	0.00	2200.0	0.0	0.0	0.00	0.00	0.0	
3	2909.8	14.20	122.09	2902.6	-46.5	74.1	2.00	122.09	87.5	
4	7749.9	14.20	122.09	7594.9	-677.1	1079.8	0.00	0.00	1274.5	
5	9169.5	0.00	0.00	9000.0	-770.0	1228.0	1.00	180.00	1449.4	
6	11202.5	0.00	0.00	11033.0	-770.0	1228.0	0.00	0.00	1449.4	



FORMATION TOP DETAILS

TVDPath	MDPath	Formation
5846.0	5946.0	Mancos
9289.0	9458.5	Dakota Silt
10237.0	10406.5	Entrada
10583.0	10752.5	Wingate



Azimuths to True North
 Magnetic North: 11.56°

Magnetic Field
 Strength: 52770.4nT
 Dip Angle: 65.97°
 Date: 8/21/2007
 Model: IGRF200510

SITE DETAILS: V Canyon 20-1

Site Centre Latitude: 40° 0' 0.000 N
 Longitude: 109° 30' 0.000 W

Positional Uncertainty: 0.0
 Convergence: 1.32

PROJECT DETAILS: Uintah County

Geodetic System: US State Plane 1983
 Datum: North American Datum 1983
 Ellipsoid: GRS 1980
 Zone: Utah Northern Zone

System Datum: Mean Sea Level

Royale Energy, Inc.

Uintah County

V Canyon 20-1

V Canyon 20-1

Original Hole

Plan: Plan #1

Standard Planning Report

21 August, 2007

Nevis Planning Report

Database: EDM 2003.14 Single User Db	Local Co-ordinate Reference: Well V Canyon 20-1
Company: Royale Energy, Inc.	TVD Reference: WELL @ 0.0ft (Original Well Elev)
Project: Uintah County	MD Reference: WELL @ 0.0ft (Original Well Elev)
Site: V Canyon 20-1	North Reference: True
Well: V Canyon 20-1	Survey Calculation Method: Minimum Curvature
Wellbore: Original Hole	
Design: Plan #1	

Project	Uintah County, Sec. 20, T15S, R21E		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Northern Zone		

Site	V Canyon 20-1		
Site Position:		Northing: 3,165,833.81 ft	Latitude: 40° 0' 0.000 N
From:	Lat/Long	Easting: 2,200,801.20 ft	Longitude: 109° 30' 0.000 W
Position Uncertainty:	0.0 ft	Slot Radius: "	Grid Convergence: 1.32 °

Well	V Canyon 20-1		
Well Position	+N/-S 0.0 ft	Northing: 3,165,833.81 ft	Latitude: 40° 0' 0.000 N
	+E/-W 0.0 ft	Easting: 2,200,801.20 ft	Longitude: 109° 30' 0.000 W
Position Uncertainty	0.0 ft	Wellhead Elevation: ft	Ground Level: 0.0 ft

Wellbore Original Hole

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	8/21/2007	11.56	65.97	52,770

Design Plan #1

Audit Notes:

Version:	Phase: PROTOTYPE	Tie On Depth: 0.0
-----------------	-------------------------	--------------------------

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	122.09

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,909.8	14.20	122.09	2,902.6	-46.5	74.1	2.00	2.00	0.00	122.09	
7,749.9	14.20	122.09	7,594.9	-677.1	1,079.8	0.00	0.00	0.00	0.00	
9,169.5	0.00	0.00	9,000.0	-770.0	1,228.0	1.00	-1.00	0.00	180.00	
11,202.5	0.00	0.00	11,033.0	-770.0	1,228.0	0.00	0.00	0.00	0.00	

Nevis Planning Report

Database: EDM 2003.14 Single User Db
Company: Royale Energy, Inc.
Project: Uintah County
Site: V Canyon 20-1
Well: V Canyon 20-1
Wellbore: Original Hole
Design: Plan #1

Local Co-ordinate Reference: Well V Canyon 20-1
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,125.0	0.00	0.00	2,125.0	0.0	0.0	0.0	0.00	0.00	0.00
9 5/8"									
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
KOP @ 2200'									
2,300.0	2.00	122.09	2,300.0	-0.9	1.5	1.7	2.00	2.00	0.00
2,400.0	4.00	122.09	2,399.8	-3.7	5.9	7.0	2.00	2.00	0.00
2,500.0	6.00	122.09	2,499.5	-8.3	13.3	15.7	2.00	2.00	0.00
2,600.0	8.00	122.09	2,598.7	-14.8	23.6	27.9	2.00	2.00	0.00
2,700.0	10.00	122.09	2,697.5	-23.1	36.9	43.5	2.00	2.00	0.00
2,800.0	12.00	122.09	2,795.6	-33.3	53.0	62.6	2.00	2.00	0.00
2,900.0	14.00	122.09	2,893.1	-45.2	72.1	85.1	2.00	2.00	0.00
2,909.8	14.20	122.09	2,902.6	-46.5	74.1	87.5	1.99	1.99	0.00
End Build									
3,000.0	14.20	122.09	2,990.0	-58.2	92.9	109.6	0.00	0.00	0.00
3,100.0	14.20	122.09	3,087.0	-71.3	113.6	134.1	0.00	0.00	0.00
3,200.0	14.20	122.09	3,183.9	-84.3	134.4	158.7	0.00	0.00	0.00
3,300.0	14.20	122.09	3,280.8	-97.3	155.2	183.2	0.00	0.00	0.00
3,400.0	14.20	122.09	3,377.8	-110.3	176.0	207.7	0.00	0.00	0.00
3,500.0	14.20	122.09	3,474.7	-123.4	196.7	232.2	0.00	0.00	0.00
3,600.0	14.20	122.09	3,571.7	-136.4	217.5	256.7	0.00	0.00	0.00
3,700.0	14.20	122.09	3,668.6	-149.4	238.3	281.3	0.00	0.00	0.00
3,800.0	14.20	122.09	3,765.6	-162.5	259.1	305.8	0.00	0.00	0.00
3,900.0	14.20	122.09	3,862.5	-175.5	279.9	330.3	0.00	0.00	0.00
4,000.0	14.20	122.09	3,959.5	-188.5	300.6	354.8	0.00	0.00	0.00
4,100.0	14.20	122.09	4,056.4	-201.5	321.4	379.4	0.00	0.00	0.00
4,200.0	14.20	122.09	4,153.4	-214.6	342.2	403.9	0.00	0.00	0.00
4,300.0	14.20	122.09	4,250.3	-227.6	363.0	428.4	0.00	0.00	0.00
4,400.0	14.20	122.09	4,347.3	-240.6	383.7	452.9	0.00	0.00	0.00
4,500.0	14.20	122.09	4,444.2	-253.6	404.5	477.5	0.00	0.00	0.00
4,600.0	14.20	122.09	4,541.1	-266.7	425.3	502.0	0.00	0.00	0.00
4,700.0	14.20	122.09	4,638.1	-279.7	446.1	526.5	0.00	0.00	0.00

Nevis

Planning Report

Database: EDM 2003.14 Single User Db
Company: Royale Energy, Inc.
Project: Uintah County
Site: V Canyon 20-1
Well: V Canyon 20-1
Wellbore: Original Hole
Design: Plan #1

Local Co-ordinate Reference: Well V Canyon 20-1
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
4,800.0	14.20	122.09	4,735.0	-292.7	466.8	551.0	0.00	0.00	0.00
4,900.0	14.20	122.09	4,832.0	-305.8	487.6	575.6	0.00	0.00	0.00
5,000.0	14.20	122.09	4,928.9	-318.8	508.4	600.1	0.00	0.00	0.00
5,100.0	14.20	122.09	5,025.9	-331.8	529.2	624.6	0.00	0.00	0.00
5,200.0	14.20	122.09	5,122.8	-344.8	550.0	649.1	0.00	0.00	0.00
5,300.0	14.20	122.09	5,219.8	-357.9	570.7	673.7	0.00	0.00	0.00
5,400.0	14.20	122.09	5,316.7	-370.9	591.5	698.2	0.00	0.00	0.00
5,500.0	14.20	122.09	5,413.7	-383.9	612.3	722.7	0.00	0.00	0.00
5,600.0	14.20	122.09	5,510.6	-397.0	633.1	747.2	0.00	0.00	0.00
5,700.0	14.20	122.09	5,607.6	-410.0	653.8	771.8	0.00	0.00	0.00
5,800.0	14.20	122.09	5,704.5	-423.0	674.6	796.3	0.00	0.00	0.00
5,900.0	14.20	122.09	5,801.4	-436.0	695.4	820.8	0.00	0.00	0.00
5,946.0	14.20	122.09	5,846.0	-442.0	704.9	832.1	0.00	0.00	0.00
Mancos									
6,000.0	14.20	122.09	5,898.4	-449.1	716.2	845.3	0.00	0.00	0.00
6,053.2	14.20	122.09	5,950.0	-456.0	727.2	858.4	0.00	0.00	0.00
7"									
6,100.0	14.20	122.09	5,995.3	-462.1	737.0	869.8	0.00	0.00	0.00
6,200.0	14.20	122.09	6,092.3	-475.1	757.7	894.4	0.00	0.00	0.00
6,300.0	14.20	122.09	6,189.2	-488.2	778.5	918.9	0.00	0.00	0.00
6,400.0	14.20	122.09	6,286.2	-501.2	799.3	943.4	0.00	0.00	0.00
6,500.0	14.20	122.09	6,383.1	-514.2	820.1	967.9	0.00	0.00	0.00
6,600.0	14.20	122.09	6,480.1	-527.2	840.8	992.5	0.00	0.00	0.00
6,700.0	14.20	122.09	6,577.0	-540.3	861.6	1,017.0	0.00	0.00	0.00
6,800.0	14.20	122.09	6,674.0	-553.3	882.4	1,041.5	0.00	0.00	0.00
6,900.0	14.20	122.09	6,770.9	-566.3	903.2	1,066.0	0.00	0.00	0.00
7,000.0	14.20	122.09	6,867.9	-579.3	923.9	1,090.6	0.00	0.00	0.00
7,100.0	14.20	122.09	6,964.8	-592.4	944.7	1,115.1	0.00	0.00	0.00
7,200.0	14.20	122.09	7,061.7	-605.4	965.5	1,139.6	0.00	0.00	0.00
7,300.0	14.20	122.09	7,158.7	-618.4	986.3	1,164.1	0.00	0.00	0.00
7,400.0	14.20	122.09	7,255.6	-631.5	1,007.1	1,188.7	0.00	0.00	0.00
7,500.0	14.20	122.09	7,352.6	-644.5	1,027.8	1,213.2	0.00	0.00	0.00
7,600.0	14.20	122.09	7,449.5	-657.5	1,048.6	1,237.7	0.00	0.00	0.00
7,700.0	14.20	122.09	7,546.5	-670.5	1,069.4	1,262.2	0.00	0.00	0.00
7,749.9	14.20	122.09	7,594.9	-677.1	1,079.8	1,274.5	0.00	0.00	0.00
Start Drop									
7,800.0	13.70	122.09	7,643.5	-683.5	1,090.0	1,286.5	1.00	-1.00	0.00
7,900.0	12.70	122.09	7,740.8	-695.6	1,109.3	1,309.4	1.00	-1.00	0.00
8,000.0	11.70	122.09	7,838.6	-706.8	1,127.2	1,330.5	1.00	-1.00	0.00
8,100.0	10.70	122.09	7,936.7	-717.1	1,143.7	1,349.9	1.00	-1.00	0.00
8,200.0	9.70	122.09	8,035.1	-726.5	1,158.7	1,367.6	1.00	-1.00	0.00
8,300.0	8.70	122.09	8,133.8	-735.0	1,172.2	1,383.6	1.00	-1.00	0.00
8,400.0	7.70	122.09	8,232.8	-742.6	1,184.3	1,397.8	1.00	-1.00	0.00
8,500.0	6.70	122.09	8,332.0	-749.2	1,194.9	1,410.4	1.00	-1.00	0.00
8,600.0	5.70	122.09	8,431.4	-755.0	1,204.0	1,421.2	1.00	-1.00	0.00
8,700.0	4.70	122.09	8,531.0	-759.8	1,211.7	1,430.2	1.00	-1.00	0.00
8,800.0	3.70	122.09	8,630.7	-763.7	1,217.9	1,437.5	1.00	-1.00	0.00
8,900.0	2.70	122.09	8,730.6	-766.6	1,222.6	1,443.1	1.00	-1.00	0.00
9,000.0	1.70	122.09	8,830.5	-768.7	1,225.9	1,446.9	1.00	-1.00	0.00
9,100.0	0.70	122.09	8,930.5	-769.8	1,227.6	1,449.0	1.00	-1.00	0.00
9,169.5	0.00	0.00	9,000.0	-770.0	1,228.0	1,449.4	1.00	-1.00	0.00
Vertical									
9,200.0	0.00	0.00	9,030.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00

Nevis Planning Report

Database: EDM 2003.14 Single User Db
Company: Royale Energy, Inc.
Project: Uintah County
Site: V Canyon 20-1
Well: V Canyon 20-1
Wellbore: Original Hole
Design: Plan #1

Local Co-ordinate Reference: Well V Canyon 20-1
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
9,300.0	0.00	0.00	9,130.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
9,400.0	0.00	0.00	9,230.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
9,458.5	0.00	0.00	9,289.0	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
Dakota Silt - Dakota Silt									
9,500.0	0.00	0.00	9,330.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
9,600.0	0.00	0.00	9,430.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
9,700.0	0.00	0.00	9,530.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
9,800.0	0.00	0.00	9,630.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
9,900.0	0.00	0.00	9,730.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
10,000.0	0.00	0.00	9,830.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
10,100.0	0.00	0.00	9,930.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
10,200.0	0.00	0.00	10,030.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
10,300.0	0.00	0.00	10,130.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
10,400.0	0.00	0.00	10,230.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
10,406.5	0.00	0.00	10,237.0	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
Entrada									
10,500.0	0.00	0.00	10,330.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
10,600.0	0.00	0.00	10,430.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
10,700.0	0.00	0.00	10,530.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
10,752.5	0.00	0.00	10,583.0	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
Wingate									
10,800.0	0.00	0.00	10,630.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
10,900.0	0.00	0.00	10,730.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
11,000.0	0.00	0.00	10,830.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
11,100.0	0.00	0.00	10,930.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
11,200.0	0.00	0.00	11,030.5	-770.0	1,228.0	1,449.4	0.00	0.00	0.00
11,202.5	0.00	0.00	11,033.0	-770.0	1,228.0	1,449.4	0.00	0.00	0.00

PBHL

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL - plan hits target - Circle (radius 100.0)	0.00	0.00	11,033.0	-770.0	1,228.0	3,165,092.27	2,202,046.59	39° 59' 52.392 N	109° 29' 44.224 W
Dakota Silt - plan hits target - Circle (radius 100.0)	0.00	0.00	9,289.0	-770.0	1,228.0	3,165,092.27	2,202,046.59	39° 59' 52.392 N	109° 29' 44.224 W

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
2,125.0	2,125.0	9 5/8"	9-5/8	12-1/4
6,053.2	5,950.0	7"	7	8-3/4

Nevis Planning Report

Database: EDM 2003.14 Single User Db
Company: Royale Energy, Inc.
Project: Uintah County
Site: V Canyon 20-1
Well: V Canyon 20-1
Wellbore: Original Hole
Design: Plan #1

Local Co-ordinate Reference: Well V Canyon 20-1
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
5,946.0	5,846.0	Mancos		0.00	
9,458.5	9,289.0	Dakota Silt		0.00	
10,406.5	10,237.0	Entrada		0.00	
10,752.5	10,583.0	Wingate		0.00	

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
2,200.0	2,200.0	0.0	0.0	KOP @ 2200'
2,909.8	2,902.6	-46.5	74.1	End Build
7,749.9	7,594.9	-677.1	1,079.8	Start Drop
9,169.5	9,000.0	-770.0	1,228.0	Vertical

From: "Glenn Donaldson" <glenn@royl.com>
To: "Diana Mason" <dianawhitney@utah.gov>
Date: 8/27/2007 10:57 AM
Subject: RE: V Canyon 20-1 BHL Footages

CC: <bradhill@utah.gov>, "Rachele Wolchko" <rachele@royl.com>, "Mohamed A. A...
Diana

The footages for our BHL are as follows:

3400'FWL and 1277' FNL Section 20 T15S R21E

621480X 39.502270
4373260Y -109.587116

Reference a "drilling letter":

"Royale Energy is the owner of all the oil and gas within a radius of 460' from all points along the intended well bore. At the end of the drilling a complete angular deviation and directional survey shall be filed."

If you need further information please advise. Brad has indicated that with this information he should be able to issue a verbal approval for this directional program.

Glenn Donaldson
Chief Engineer
Royale Energy, Inc.
619-881-2870

-----Original Message-----

From: Diana Mason [mailto:dianawhitney@utah.gov]
Sent: Monday, August 27, 2007 8:26 AM
To: Glenn Donaldson
Subject: V Canyon 20-1

Glenn,

What is the new BHL footages for the V Canyon 20-1? Also, I will need a new directional drilling letter.

Thanks,
Diana

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78023
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME: Moon Canyon
8. WELL NAME and NUMBER: V Canyon 20-1
9. API NUMBER: 43-047-38968
10. FIELD AND POOL, OR WILDCAT: Wildcat
COUNTY: Uintah
STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA
TYPE OF SUBMISSION: NOTICE OF INTENT (Submit in Duplicate)
TYPE OF ACTION: FRACTURE TREAT, REPERFORATE CURRENT FORMATION, etc.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
- Cement Evaluation Log to 11,200
- Test following zones - Entrada/Brushy Basin/Dakota Silt/Mancos B - information held confidential

COPY SENT TO OPERATOR
Date: 11-13-07
Initials: Rm

NAME (PLEASE PRINT) Glenn Donaldson TITLE Chief Engineer
SIGNATURE [Signature] DATE 11/2/2007

(This space for State use only)

Division of Oil, Gas and Mining

Federal Approval Of This Action Is Necessary

RECEIVED
NOV 05 2007

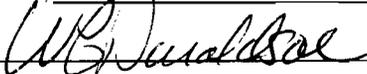
Date: 11/7/07
By: [Signature]

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU - 78023
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: Moon Canyon
2. NAME OF OPERATOR: Royale Energy, Inc		8. WELL NAME and NUMBER: V Canyon 20-1
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		9. API NUMBER: 4304738968
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2172' FWL, 507' FNL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 20 15S 21E		COUNTY: Uintah
		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/18/2007	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Drilling History</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

NAME (PLEASE PRINT) <u>Glenn Donaldson</u>	TITLE <u>Chief Engineer</u>
SIGNATURE <u></u>	DATE <u>7/11/07</u>

(This space for State use only)

RECEIVED
NOV 13 2007
DIV. OF OIL, GAS & MINING

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Spud Date: 8/26/2007
 Start: 8/26/2007 End: 10/17/2007
 Rig Release: 10/17/2007 Group:
 Rig Number: 124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
8/17/2007	07:00 - 18:00	11.00	01	E	MIRU	<p>*** (08/17/2007) ***</p> <p>BOTH CREWS PREPARING RIG TO MOVE. LAY DOWN DERRICK. MOVE 3-1/2" DRILL PIPE HWDP AND DRILL COLLARS OFF LOCATION TO FACILITATE TRUCKS AND CRANE.</p> <p>*** (08/18/2007) ***</p> <p>CREWS PREPARING RIG TO MOVE. I E MILLER'S CRANE BROKE DOWN ABOUT ONE HOUR FROM LOCATION. WAS SUPPOSED TO BE ON LOCATION THIS AFTERNOON AND MOBILIZE AND SEPERATE RIG FOR LOAD OUT TOMORROW.</p> <p>*** (08/19/2007) ***</p> <p>CREWS PREPARING RIG TO MOVE. IE MILLER'S TANDUM, GIN TRUCK AND FORKLIFT ARRIVED AT 1600 HRS. CRANE ARRIVED AT 1820 HRS. WILL START R/D AND LOAD TOMORROW.</p> <p>*** (08/20/2007) ***</p> <p>SAFETY MEETING WITH DRILL CREWS AND I E MILLER RIG MOVER. REMOVE DERRICK AND LOAD OUT RIG AND SEND TO V CANYON LOCATION. CRANE LEFT LOCATION BOUND FOR V CANYON LOCATION AT 1700 HRS. LIVING QUARTERS AND ALL TUBULARS PLUS MUD HOUSE STILL ON TMC LOCATION AT 1800 HRS.</p> <p>*** (08/21/2007) ***</p> <p>CRANE BROKE DOWN ENROUTE TO V CANYON. I E MILLER TRYING TO LOCATE A RENTAL CRANE. NOT POSSIBLE TODAY. MOVING TUBULARS TO V CANYON. CREWS SPOTTING SUBASES AND MUD TANKS AND OTHER PIECES OF EQUIPMENT THAT THEY CAN WITHOUT A CRANE ON V CANYON. WILL MOVE LIVING QUARTERS TOMORROW.</p> <p>*** (08/22/2007) ***</p> <p>MOUNTAIN WEST RIGGED DOWN LIVING QUARTERS. I E MILLER'S TRUCKS MOVED THEM TO V CANYON. ALL ON LOCATION AT 1630 HRS. SPOTTED AND R/U QUARTERS AND FINISHED AT 2000 HRS. RENTAL CRANE ARRIVED ON V CANYON AT 1530 HRS. MOBILIZE AND SET ROTARY TABLE. CENTERED SUBSTRUCTURE OVER WELL. RIG CREWS WORKING ON DRAWWORKS AND CHANGED OUT FLUID END ON #2 MUD PUMP. ALL THAT IS LEFT ON TMC LOCATION IS BAROID'S CHEMICALS AND PALLETS.</p> <p>*** (08/23/2007) ***</p> <p>R/U ON V CANYON. DELAY IN HANGING DERRICK FROM 1100 HRS TO 1800 HRS. WAITED ON DERRICK INSPECTOR AND NEW DERRICK PIN. HANG DERRICK AND BOARD. PLACE DERRICK ON STAND. RELEASE I E MILLER TRUCKS. AT 1930 HRS. KEEP RENTAL CRANE.</p> <p>*** (08/24/2007) ***</p>

Halliburton Energy Services
Operations Summary Report

Legal Well Name:	V CANYON 20-1		
Common Well Name:	V CANYON 20-1	Spud Date:	8/26/2007
Event Name:	ORIG DRILLING	Start:	8/26/2007
Contractor Name:	NABORS DRILLING	End:	10/17/2007
Rig Name:	NABORS	Rig Release:	10/17/2007
		Rig Number:	124
		Group:	

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
8/17/2007	07:00 - 18:00	11.00	01	E	MIRU	FINISH CRANE WORK AT 1245 HRS. RELEASE. CREWS N/U AIR, WATER AND PREPARING TO RAISE DERRICK. WELDERS WORKING ON BAROID SHALE SHAKERS. DERRICK READY TO RAISE AT 1500 HRS. WAITING ON NABOR'S SAFETY REP TO INSPECT THE DERRICK AT 1500 HRS. RAISE DERRICK AT 1630 HRS. START R/U. WILL WORK BOTH CREWS TOMORROW FOR 1/2 DAY, THEN NIGHT CREW WILL REST AND WORK TOMORROW NIGHT.
8/26/2007	06:00 - 16:30	10.50	01	E	MIRU	DRESS DRILL FLOOR. PICK UP KELLY, SWIVEL, STANDPIPE MANIFOLD, TONGS, RIG UP HYDRAULIC CHOKE PANEL AND SENSORS, SAFETY VALVES, RUN PUMPS, DRESS SHAKERS, MIX SPUD MUD AND MISCELLANEOUS TROUBLESHOOTING ON EQUIPMENT.
	16:30 - 17:30	1.00	14	C	MIRU	RIG UP DOUBLEJACK BOP TESTERS. MAKE UP TEST PLUG AND SET SAME. FILL BOP WITH WATER. LEAK BETWEEN WELLHEAD FLANGE.
	17:30 - 19:30	2.00	14	A	MIRU	TIGHTEN BREAK AT WELLHEAD FLANGE AND CHECK WING VALVE BREAKS.
	19:30 - 23:00	3.50	14	C	P2	TEST BOPE: ANNULAR TO 250/1,500 PSI, 4-1/2" PIPE RAMS, BLIND RAMS, CHOKE MANIFOLD, WING VALVES, SAFETY VALVES, IBOP, KELLY, UPPER KELLY VALVE, STANDPIPE TO PUMPS TO 250/3,000 PSI. ALL TESTS POSITIVE. NO FAILURES. LAY OUT BHA AND CALIPER WHILE TESTING BOPE. RIG ELEVATION FROM ROTARY TABLE TO WELLHEAD FLANGE = 16.75'.
	23:00 - 00:00	1.00	14	C	P2	RIG DOWN DOUBLEJACK BOP TESTERS, PULL TEST PLUG, INSTALL WEAR BUSHING.
	00:00 - 02:00	2.00	06	B	P2	MAKE UP PDC BIT #3, MOTOR, STABILIZER, SHORT DRILL COLLAR, MONEL DC, MWD TOOL. SCRIBE MOTOR TO MWD AND CHECK INTEGRITY OF MWD. OK.
	02:00 - 06:00	4.00	06	B	P2	PICK UP BHA OFF PIPE RACK AND RUN IN HOLE. BHA IN HOLE AT 0600 HRS. RIG ON DAY RATE AT 00:00, 08/26/2007.
8/27/2007	06:00 - 09:30	3.50	06	C	P2	PICK UP 4-1/2" DRILL PIPE TO 2,075'. TAG 30' HIGH.
	09:30 - 10:00	0.50	05	F	P2	PICK UP KELLY, FILL PIPE AND BREAK CIRCULATION AT 2,075'. START TO DRILL CMT ON TOP OF FLOAT COLLAR. VIBRATOR HOSE TO #1 MUD PUMP STARTED LEAKING BETWEEN THREADS ON COUPLING. SHUT DOWN.
	10:00 - 19:30	9.50	08	A	P2	CALL OUT WELDER, REMOVE VIBRATOR HOSE. WELD BOTH COUPLINGS. REPLACE HOSE, PRESSURE TEST LINE. OK.
	19:30 - 20:00	0.50	02	D	P2	DRILL 30' OF SOFT CEMENT TO FLOAT COLLAR AT 2,105'.
	20:00 - 20:30	0.50	15	A	P2	CLOSE 4-1/2" PIPE RAMS AND TEST 9-5/8", 36 PPF, K-55 CASING TO 1,000 PSI. POSITIVE TEST.
	20:30 - 22:30	2.00	02	D	P2	DRILL FLOAT COLLAR, SHOE TRACK AND 10' OF NEW FORMATION TO 2,160'. CIRCULATE BOTTOMS UP TO VERIFY FORMATION. SAND.
	22:30 - 23:00	0.50	15	B	P2	PERFORM FIT TO 11 PPG EMW = 295 PSI. BLED BACK 25 PSI IN THREE MINUTES. 250 PSI AFTER 5 MINUTES. GOOD TEST.
	23:00 - 06:00	7.00	02	B	P2	MOTOR DRILL 8-3/4" HOLE FROM 2,160' TO 2,635' TAKING MWD SURVEYS EVERY 100' +/- REAM EACH CONNECTION. WOB = 14,000 - 18,000#, RPM = 60/82, PSI = 1,400, ROP = 69 FPH.
8/28/2007	06:00 - 10:00	4.00	02	B	P2	MOTOR DRILL 8-3/4" HOLE FROM 2,635' TO 2,877'. WOB = 15,000#, RPM = 135, PSI = 1,300, PUMP STROKES = 100 X 2. MUD PUMP SUCTION PROBLEM.
	10:00 - 13:00	3.00	08	A	P2	LOST PUMP PRESSURE WHILE PUMPING A HI-VIS SWEEP.

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Start: 8/26/2007
 Rig Release: 10/17/2007
 Rig Number: 124

Spud Date: 8/26/2007
 End: 10/17/2007
 Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations	
8/28/2007	10:00 - 13:00	3.00	08	A	P2	PUMPS NOT PRESSURING UP. CHECK VALVES AND SEATS. START PUMPS PRESSURE OK.	
	13:00 - 17:00	4.00	02	B	P2	MOTOR DRILL AND SLIDE FROM 2,877' TO 2,957'. 20 FEET PER HOUR, SLIDING VERY DIFFICULT.	
	17:00 - 19:00	2.00	09	B	P2	PUMP PRESSURE ERRATIC. WORK ON THIRD PARTY PRESSURE SENSORS.	
	19:00 - 21:30	2.50	02	B	P2	DRILL AND SLIDE FROM 2,957' TO 3,047'. 36 FPH. SLIDING DIFFICULT.	
	21:30 - 06:00	8.50	06	A	P2	LOST 500 PSI PUMP PRESSURE. CHECK ALL SURFACE EQUIPMENT. POOH WET FROM 3,047' TO 2,843', HOLE CLEAN. HIT TIGHT SPOT AT 2,843'. 20% SANDSTONE, 50% SILTSTONE, 30% SHALE AT STABILIZER. PICK UP KELLY AND START BACKING REAMING OUT OF HOLE FROM 2,843' WITH INTERMITTENT FREE PULL TO 2,785' AT REPORT TIME. WORK OUT OF HOLE EASY BECAUSE OF WASH OUT.	
8/29/2007	06:00 - 12:00	6.00	06	A	P2	FINISH BACKREAMING THROUGH TIGHT SPOT FROM 2,785' TO 2,760'. HOLE CLEAN TO 9-5/8" CASING SHOE. CONTINUE TO PULL OUT WITH WET PIPE LOOKING FOR HOLE IN PIPE. DID NOT FIND ANY PROBLEM WITH DRILL PIPE OR BHA. STABILIZER AND BIT WAS BALLED WITH RED CLAY. EASY TO REMOVE. HAD A SPONGY TEXTURE. LAY DOWN 1.5 DEGREE, .17 REV PER GAL. MOTOR AND 8-5/8" INTERGAL BLADE STABILIZER. CLEAN AND INSPECT PDC BIT. GRADE = 1. IN EXCELLENT CONDITION.	
	12:00 - 14:00	2.00	06	B	P2	P/U 1.5 DEGREE, .28 REV. PER GAL. MAKE UP BIT #1R, SCRIBE AND ORIENTATE MOTOR TO MWD TOOL. CLEAN DRILL FLOOR FOR SAFETY AFTER WET TRIP. CHANGE DIES IN BOTH ROTARY TONGS.	
	14:00 - 18:00	4.00	06	B	P2	TRIP IN HOLE WITH BOTTOM HOLE ASSEMBLY TO 1,024'. PICK UP KELLY AND RUN PUMPS TO DRILLING RATE TO CHECK PRESSURE. PRESSURE CORRECT. CONTINUE IN HOLE TO 2,985'. WASH AND REAM TWO JOINTS DP TO BOTTOM AT 3,047'. HOLE CLEAN, NO FILL ON BOTTOM. NO MUD LOSSES ON TRIP.	
	18:00 - 18:30	0.50	02	B	P2	MOTOR DRILL 8-3/4" HOLE FROM 3,047' TO 3,071'.	
	18:30 - 19:30	1.00	09	A	P2	CIRCULATE WHILE TROUBLESHOOTING PROBLEM WITH MWD TOOL ORIENTATION. PROBLEM SOLVED.	
	19:30 - 03:30	8.00	02	B	P2	DRILL AND SLIDE FROM 3,071' TO 3,445'. SLIDING IS MUCH BETTER. INCLINATION = 7.5 DEGREES.	
	03:30 - 04:00	0.50	07	C	P2	SERVICE RIG.	
	04:00 - 06:00	2.00	02	B	P2	CONTINUE TO DRILL AND SLIDE FROM 3,445' TO 3,556'. WOB = 8/10,000, STROKES = 100 X 2, REV. PER MIN. ON MOTOR = 136. AROP = 55.5 FPH.	
	8/30/2007	06:00 - 13:30	7.50	02	B	P2	MOTOR DRILL, SLIDE, SURVEY WITH 8-3/4" PDC BIT FROM 3,556' TO 3,706'.
		13:30 - 14:00	0.50	07	C	P2	SERVICE RIG
14:00 - 06:00		16.00	02	B	P2	DRILL, SLIDE AND SURVEY FROM 3,706' TO 4,196'. WOB = 10,000 / 18,000, PUMP STROKE = 100 X 2 = 484 GPM, PUMP PRESSURE = 1,500, REV. PER MIN. ON MOTOR = 136, ROTARY = 40, AROP = 27.23 FPH.	
8/31/2007	06:00 - 00:00	18.00	02	B	P2	MOTOR DRILL, SLIDE AND SURVEY 8-3/4" HOLE WITH PDC BIT FROM 4,196' TO 4,795'.	
	00:00 - 00:30	0.50	07	A	P2	SERVICE RIG.	
	00:30 - 06:00	5.50	02	B	P2	MOTOR DRILL, SLIDE AND SURVEY FROM 4,795' TO 4,977'. WOB = 6 / 18 K#, RPM = 136 + 40, PUMP PRESSURE = 1,530 / 1,805 PSI,	

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Spud Date: 8/26/2007
 Start: 8/26/2007 End: 10/17/2007
 Rig Release: 10/17/2007 Group:
 Rig Number: 124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
8/31/2007	00:30 - 06:00	5.50	02	B	P2	SPM = 100 X 2 = 484 GPM. AVE. ROP = 33.2 FT/HR.
9/1/2007	06:00 - 16:30	10.50	02	B	P2	MOTOR DRILL, SLIDE, SURVEY 8-3/4" HOLE W/ PDC BIT FROM 4,977' TO 5,304'.
	16:30 - 17:00	0.50	07	A	P2	SERVICE RIG
	17:00 - 06:00	13.00	02	B	P2	DRILL, SLIDE AND SURVEY FROM 5,304' TO 5,583'. WOB = 6 / 18 K#, RPM = 40 + 135, SPM = 100 X 2 = 484 GPM, SPP = 1,827 / 1,960, AVE. ROP = 25.8 PPH. SHOULD REACH CASTLEGATE FORM. TODAY.
9/2/2007	06:00 - 08:30	2.50	02	B	P2	MOTOR DRILL, SLIDE AND SURVEY FROM 5,583' TO 5,713'. AROP = 52 FPH. WEIGHT ON BIT = 10 / 15,000. 200 PUMP STROKES, PUMP PRESSURE = 1,875. REV. PER/MIN. = 40 / 135. FORMATION CHANGE, PENETRATION RATE SLOWED TO 15 FPH.
	08:30 - 09:00	0.50	05	E	P2	CIRCULATE OUT SAMPLE. SAND AND SHALE IN SAMPLE INDICATING TOP OF CASTLEGATE FORMATION.
	09:00 - 15:30	6.50	02	B	P2	MOTOR DRILL FROM 5713' TO 5787' AT REDUCED PUMP RATE OF 365 GPM TO REDUCE MOTOR RPM IN HARD CASTLEGATE FORM. ROTARY 30 RPM. RUN 12,000# ON BIT. PENETRATION RATE VARIED FROM 13 TO 20 FPH UNTIL CHERT WAS ENCOUNTERED AT 5,783' - 5,787'. PENETRATION RATE FELL TO 6.9 FPH. AND CONTINUED TO TREND DOWN. DRILL 74' OF CASTLEGATE.
	15:30 - 16:30	1.00	05	F	P2	CIRCULATE BOTTOMS UP. MIX AND PUMP SLUG.
	16:30 - 22:00	5.50	06	A	P2	PULL OUT OF HOLE AND CHANGE OUT 1.5 DEGREE. .28 REV. PER/GAL. MOTOR TO 1.5 DEGREE, .17 REV. PER/GAL. MOTOR. CHANGE OUT PDC BIT TO ROLLER CONE INSERT BIT #2. BIT GRADE = 2 ON OUTER CUTTERS, SOME BROKEN CUTTERS, 3/16" UNDERGAUGE. NOTE: FOUND TWO JOINTS OF DRILL PIPE IN STRING THAT WERE NOT ADDED IN PIPE TALLY. THE ABOVE DEPTHS ARE ADJUSTED TO REFLECT THE TWO JOINTS.
	22:00 - 03:30	5.50	06	B	P2	SCRIBE MOTOR TO MWD TOOL, TRIP IN HOLE (MEASURING STANDS IN DERRICK) TO 5,713'.
	03:30 - 04:30	1.00	03	A	P2	WASH AND REAM TWO JOINTS TO BOTTOM AT 5,787'.
	04:30 - 06:00	1.50	02	B	P2	MOTOR DRILL AND SURVEY WITH INSERT BIT FROM 5,787' TO 5,805'. WEIGHT ON BIT = 20,000#, PUMP OUTPUT = 365 GAL./MIN. = 62 REV. PER/MIN. ON MOTOR, 40 RPM ON ROTARY. PUMP PRESSURE = 1200 PSI. AVE. RATE OF PENE. = 12 FPH.
9/3/2007	06:00 - 22:00	16.00	02	B	P2	MOTOR DRILL AND SURVEY WITH INSERT BIT FROM 5,805' TO 5,941'. 25,000 WEIGHT ON BIT, 150 PUMP STROKES, 365 GALLONS PER MINUTE FLOW, 62 REVOLUTIONS PER MINUTE ON .17 GAL. PER./REV. MOTOR, 40 RPM ON ROTARY, 1,275 PSI PUMP PRESSURE. 9.75 FEET PER HR. AVE. RATE PENE.
	22:00 - 22:30	0.50	07	C	P2	RIG SERVICE, INSTALL KELLY SPINNER MOTOR.
	22:30 - 06:00	7.50	02	B	P2	MOTOR DRILL FROM 5,941' TO 6,006'. MUD LOGGER'S TOP OF CASTLEGATE FORMATION = 5,708', BOTTOM AT = 5,920', TOP OF TRANSITION ZONE BETWEEN CASTLEGATE AND MANCOS SHALE = 5,920', BOTTOM AT 5,990'. TOP OF MANCOS SHALE AT 5,990'. PLAN TO DRILL 150'+ INTO MANCOS SHALE FOR LOGGING TOOLS AND TO HANG OFF 7" CASING. 8.66 FEET PER HR. AVE. ROP. TRENDING UPWARD AT REPORT TIME TO 15 FPH. EXPECT AROUND 20 - 23 FPH.
9/4/2007	06:00 - 21:00	15.00	02	B	P2	MOTOR DRILL AND SURVEY WITH 8-3/4" INSERT BIT FROM 6,006' TO 6,154' MD / 6,030' TVD, 25/30,000 WEIGHT ON BIT, 40/50 ROTARY, 1,275 PSI PUMP PRESSURE. PUT TWO SLIDES TO TURN BIT BACK TO RIGHT AT: 6,023' - 6,033' = 10'; 6,057' - 6,065' = 10'.

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Start: 8/26/2007
 Rig Release: 10/17/2007
 Rig Number: 124

Spud Date: 8/26/2007
 End: 10/17/2007
 Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
9/4/2007	06:00 - 21:00	15.00	02	B	P2	SLIDES SUCESSFUL. 12 FPH AROP, EXCLUDING SLIDE TIME. TD 7" CASING POINT AT 6,154' MD / 6,030' TVD.
	21:00 - 22:00	1.00	05	D	P2	PUMP SWEEP AND CIRCULATE BOTTOMS UP. SLUG PIPE.
	22:00 - 01:00	3.00	06	A	P2	SHORT TRIP 35 STANDS, HOLE CLEAN, SOME EXCESS DRAG IN NEW HOLE SECTION, BUT CLEAN ON TRIP IN HOLE.
	01:00 - 02:00	1.00	05	D	P2	CIRCULATE HOLE CLEAN, SLUG PIPE.
	02:00 - 05:00	3.00	06	A	P2	PULL OUT OF HOLE WITH DRILL PIPE AND HWDP.
	05:00 - 06:00	1.00	06	B	P2	LAY DOWN BIT, MUD MOTOR, MWD TOOL AND RACK DRILL COLLARS IN DERRICK. CLEAN FLOOR FOR BAKER ATLAS LOGGING OPERATIONS.
	9/5/2007	06:00 - 07:00	1.00	13	C	P2
07:00 - 20:00		13.00	11	A	P2	RIG UP BAKER ATLAS LOGGING EQUIPMENT. RUN HDI (INDUCTION LOG); ZDL (DENSITY TOOL); CN (COMPENSATED NEUTRON TOOL); GR / SL (GAMMA RAY / SPECTRA LOG); XMAT (SONIC LOG); ORIT (ORIENTATION / DIRECTIONAL SURVEY TOOL). SEND LOGS VIA E-MAIL TO APPROPRIATE RECEIPIENTS. RIG DOWN BAKER ATLAS. DRILLED DEPTH = 6,154'. LOGGER'S DEPTH = 6,153'.
20:00 - 23:30		3.50	06	A	P2	MAKE UP BIT #2R, DRILL COLLARS AND HEVI-WATE DRILL PIPE. TRIP IN HOLE WITH 4-1/2" DP TO 6,154'.
23:30 - 00:30		1.00	05	C	P2	SWEEP HOLE, CIRCULATE AND CONDITION MUD WHILE RIGGING UP LAY DOWN MACHINE.
00:30 - 01:30		1.00	06	C	P2	LAY DOWN 29 JOINTS OF 4-1/2" DRILL PIPE TO BIT DEPTH OF 5,200'. P/U KELLY.
01:30 - 02:00		0.50	05	C	P2	MIX AND PUMP AS BALANCED PILL, 30 BBLs. OF LOST CIRCULATION MATERIAL SPOTTED FROM 4,800' TO 5,200'.
02:00 - 02:30		0.50	06	A	P2	STAND BACK KELLY AND PULL OUT OF HOLE SIX STANDS OF DRILL PIPE TO BALANCE 400' PILL.
9/6/2007	02:30 - 03:00	0.50	05	C	P2	P/U KELLY, MIX AND PUMP SLUG.
	03:00 - 06:00	3.00	06	C	P2	CONTINUE TO LAY DOWN DRILL PIPE. RUN IN HOLE WITH SIX STANDS FROM DERRICK AT REPORT TIME. FINISHED WITH PIPE IN HOLE. BHA REMAINING.
	06:00 - 09:00	3.00	06	C	P2	FINISH L/D DRILL PIPE & BHA, PU KELLEY AND SOFT BREAK CONNECTIONS AND RACK BACK SAME.
	09:00 - 17:30	8.50	12	A	P2	R/U CALIBER CASING EQUIP. AND HOLD SAFETY MEETING WITH DRILL CREW AND CSG, CREW. M/U FLOAT SHOE, RUN 1 JT. INSTALL CENTRALIZER AND TWO STOPS IN MIDDLE OF JT., MAKE UP FC AND RUN TOTAL OF 155 JTS. OF 7", 23 PPF, N-80, LTC SURFACE CASING. INSTALL 33 CENTRALIZERS PER CEMENT PROGRAM. BACK OFF COLLAR ON JT. 155, INSTALL MULTI BOWL 7"x11" CASING HANGER, M/U LANDING JOINT. LAND HANGER AND CHECK FOR PROPER SEAT. SEAT OK. SHOE AT 6,138.58 FT, TD AT 6,155'. ROTARY TABLE TO WELLHEAD = 16.75'.
	17:30 - 18:00	0.50	12	A	P2	RIG DOWN CASING EQUIPMENT AND RIG UP CEMENTING HEAD, BREAK CIRCULATION WITH FULL RETURNS.
	18:00 - 03:00	9.00	12	B	P2	CIRCULATE AND CONDITION HOLE AT 8 BBLs. PER / MIN. WHILE WAITING ON TOW TRUCK TO PULL HALLIBURTON PUMP TRUCK OUT OF DITCH. TRUCK CAUGHT IN A DOWNPOUR ON THE WAY TO LOCATION. APPROX. 5 MILES FROM LOCATION.
	03:00 - 04:30	1.50	12	B	P2	PUMP TRUCK ARRIVED ON LOCATION AT 0300 HRS. RIG UP LINES TO DRILL FLOOR AND BULK TRUCK. HELD SAFETY MEETING WITH DRILL CREW AND CEMENTERS.

Halliburton Energy Services

Operations Summary Report

Legal Well Name:	V CANYON 20-1		
Common Well Name:	V CANYON 20-1	Spud Date:	8/26/2007
Event Name:	ORIG DRILLING	Start:	8/26/2007
Contractor Name:	NABORS DRILLING	End:	10/17/2007
Rig Name:	NABORS	Rig Release:	10/17/2007
		Group:	
		Rig Number:	124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
9/6/2007	04:30 - 05:30	1.00	12	B	P2	PRESSURE TEST LINES TO 3,000 PSI. PUMP 40 BBLs. OF FRESH WATER AHEAD, COMPUTER STOPPED WORKING ON CEMENT TRUCK. ATTEMPT TO SOLVE PROBLEM. UNABLE TO DIAGNOSE. CALL VERNAL SHOP FOR ANOTHER COMPUTER.
9/7/2007	05:30 - 06:00	0.50	09	A	P2	CIRCULATE WELL AND WAIT ON HALLIBURTON EQUIPMENT.
	06:00 - 11:00	5.00	13	C	P2	CIRC WAITING ON HALLIBURTON TO REPAIR EQUIPMENT.
	11:00 - 13:00	2.00	12	B	P2	R/U CMT HEAD & LINES AND PRESSURE TEST TO 3,000 PSI, OK. PUMP 50 BBLs, WATER SPACER, MIX AND PUMP 40 BBLs. SUPER FLUSH SPACER, 10 BBLs. WATER, MIX AND PUMP 160 SKS LEAD CMT< (109) BBLs. @ 3.84 YIELD, 11 PPG, 3 LB SX GRANULITE TR 1/4, 50 LB SX. 23.31 GPS MIX WATER. PUMP 135 SKS TAILCMT 1.09 YIELD, 14.8 PPG, 0.3% HALAD (R)-344, 50LB SX. 0.125 LB SX POLY-E-FLAKE, 0.2% CFR-3 W/O DEFOAMER, 50 LB SK. 4.479 GPS MIX. DISP. - 8 BPM UNTIL PRESSURE INCREASE, SLOW RATE TO 5 BPM UNTIL 220 BBLs. SLOW RATE TO 2 BPM UNTIL 240 BBLs PUMPED. @ 750 PSI. PUMPED 800 PSI STOP PUMP AND HELD FOR 10 MINS, NO PRESSURE DROP RELEASE PRESSURE AND OBSERVED NO RETURN TO TANK. FLOAT HOLDING. CMT IN PLACE @ 12:51pm. NO CMT TO SURFACE.
	13:00 - 14:00	1.00	12	A	P2	R/D HALLIBURTON CEMENT HEAD AND LINES. SECURE EQUIPMENT.
	14:00 - 03:00	13.00	14	C	P2	CHANGE OUT KELLY F/ 4 1/2" DP TO 3 1/2" DP. C/O ALL HANDLING TOOLS F/ 4 1/2" TO 3 1/2" WHILE LAYING OUR 6 1/4" DRILLING BHA AND TESTING BOP. TEST KELLEY TO 3,500 PSI, SAFETY VALVE FAILED, ORDERED REPLACEMENT. TESTED PIPE RAMS TO 250/ 3,500 PSI OK.
	03:00 - 06:00	3.00	06	B	P2	P/U NEW 6 1/4" SECURITY BIT # 3, P/U DIRECTIONAL ASSEMBLY. P/U 3 1/2" DP.
9/8/2007	06:00 - 13:30	7.50	06	C	PROD	TIH WITH 3 1/2" DP to FLOAT COLLAR. AND P/U KELLY, CIRC FOR CASING TEST.
	13:30 - 18:00	4.50	08	A	PROD	SERVICE RIG AND SLIP AND CUT DRILL LINE.
	18:00 - 18:30	0.50	15	A	PROD	TEST CASING TO 1,500 PSI, POSITIVE TEST.
	18:30 - 20:00	1.50	03	A	PROD	REAM TO BOTTOM.
	20:00 - 20:30	0.50	02	D	PROD	DRILL OUT FLOAT COLLAR AND CEMENT AND 10 FT NEW HOLE FOR FIT TEST.
	20:30 - 21:30	1.00	15	B	PROD	PERFORM FIT TEST AT 6,164 FT. TO 11.5 PPG, EMW USING 8.7PPG MUD. 879 PSI TEST PRESSURE. NO BLEED OFF OBSERVED AFTER 10 MINUTES. RELEASE PRESSURE.
	21:30 - 06:00	8.50	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY FROM 6,164 FT. TO 6,500 FT. WOB- 12,000 LBS, SPM- 110, RPM- 40, ROP- 26 FEET.
9/9/2007	06:00 - 06:00	24.00	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY 6 1/4 " HOLE FROM 6,500 FT TO 7,100 Ft.
9/10/2007	06:00 - 02:00	20.00	02	B	PROD	WOB= 12,000, RPM= 50, SPM= 106, GPM= 257, ROP= 78 FT Per Hr. MOTOR DRILL, SLIDE AND SURVEY 6 1/4" HOLE FROM - 7,100 Ft. TO 7,511 Ft.
	02:00 - 06:00	4.00	06	A	PROD	WOB- 5,000, SPM-105, RPM-25, ROP-27 FT. PER HR. POOH FOR BHA, STABILIZERS CAUSING PROBLEMS WITH SLIDING AND KEEPING CORRECT ANGLE. INSPECT BIT.
9/11/2007	06:00 - 08:00	2.00	06	B	PROD	CHANGE OUT 4-3/4" MUD MOTOR 0.56 REV/GAL BY 0.32 REV/GAL, BH=1.5 DEG.
	08:00 - 13:30	5.50	06	A	PROD	BIT IN GOOD CONDITION. TIH TO AND REAM DOWN 2 STANDS TO BTM. MOTOR DRILL 6 1/4 " HOLE FROM 7,511 FEET.

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Start: 8/26/2007
 Rig Release: 10/17/2007
 Rig Number: 124

Spud Date: 8/26/2007
 End: 10/17/2007
 Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
9/11/2007	13:30 - 06:00	16.50	02	B	PROD	DRILL AND SURVEY 6-1/4" DIRECTIONAL HOLE FROM 7,511 FT TO 7,790 FT. WOB= 4 - 15 K#, GPM= 260, RPM= 25 + 83, ROP= 16.9 FPH. NEVIS HAVE A DIFFICULT TIME MAINTAINING DIRECTION AND DIFFICULT FOR THEM TO SLIDE.
9/12/2007	06:00 - 17:30	11.50	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY 6 1/4" HOLE FROM 7,790 FT. TO 7,970 FT. WOB= 3 - 10 K#, GPM= 254, RPM= 30 + 81, ROP= 15.6 FPH
	17:30 - 18:00	0.50	07	A	PROD	LUBRICATE RIG.
	18:00 - 06:00	12.00	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY FROM 7,970 FT. TO 8,140 FT. ROP= 14.2 FPH.
9/13/2007	06:00 - 08:00	2.00	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY 6 1/4" HOLE FROM 8,140 FT TO 8,169 FT. WOB= 4/15 K#, SPM - 105 = 254 GALS, RPM - 30, ROP= 14.5 FPH.
	08:00 - 08:30	0.50	17	B	PROD	INSTALL WHEATHERFORD ROTATING HEAD.
	08:30 - 16:30	8.00	02	B	PROD	DRILL, SLIDE, SURVEY 6 1/4 " HOLE FROM 8,169 FT TO 8,266 FT. WOB = 4/15 K#, SPM - 105 = 254 GALS, RPM - 30, ROP= 12.1 FPH.
	16:30 - 17:00	0.50	07	A	PROD	LUBRICATE RIG WHILE IN HOLE. SURVEY.
	17:00 - 06:00	13.00	02	B	PROD	DRILL, SLIDE, SURVEY 6 1/4" HOLE FROM 8,266 FT TO 8,425 FT. WOB = 4/15 K#, SPM -105 = 254 GPM, RPM - 30, ROP= 12.23 FPH.
						NOTE: DRILL WATER TODAY= 390 BBLs.
9/14/2007	06:00 - 08:00	2.00	02	B	PROD	MOTOR DRILL, SLIDE , SURVEY 6 1/4" HOLE FROM 8,425 FT. TO 8,450 FT. WOB = 6 K#, SPM -105 = 254 GPM, RPM= 50 + 82, ROP= 12.5 FPH.
	08:00 - 08:30	0.50	09	A	PROD	NEVIS WORKING ON COMPUTER
	08:30 - 16:30	8.00	02	B	PROD	MOTOR DRILL FROM 8,450 FT to 8,551 FT. WOB = 4/15 K#, SPM -105 = 254 GPM, RPM 50 + 81, ROP= 12.61 FPH.
	16:30 - 17:00	0.50	07	A	PROD	LUBRICATE RIG.
	17:00 - 06:00	13.00	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY 6 1/4 " HOLE FROM 8,551 TO 8,707 FT. WOB = 14 K#, SPM -105 = 254 GPM, RPM= 50 + 81, ROP= 12.0 FPH.
9/15/2007	06:00 - 17:00	11.00	02	B	PROD	MOTOR DRILL, SLIDE AND SURVEY 6 1/4 " HOLE FROM 8,707 FT TO 8,932 FT. WOB -7,000, SPM - 105, RPM -50, ROP - 76 FT.
	17:00 - 17:30	0.50	07	A	PROD	LUBRICATE RIG.
	17:30 - 20:00	2.50	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY 6 1/4" HOLE FROM 8,392 FT TO 9,053 FT.
	20:00 - 22:00	2.00	05	F	PROD	PUMP 20 BBL HIGH VISC. SWEEP CIRC BTMS UP.
	22:00 - 06:00	8.00	06	A	PROD	POOH TO CHANGE OUT MUD MOTOR, AND BATTERY ON MWD TOOL DUE TO FAILURE.
9/16/2007	06:00 - 07:00	1.00	06	A	PROD	TIH WITH HW DP& DC, AND MUDD MOTOR, RE -RUN SAME BIT.
	07:00 - 14:00	7.00			PROD	TIH WITH 3 1/2" DRILL PIPE TO BTM.
	14:00 - 14:30	0.50	05	F	PROD	CIRC BTMS UP, REAM DOWN 2 - STNDS TO BTM @ 9,053 FT.
	14:30 - 06:00	15.50	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY 6-1/4" HOLE FROM 9,053 FT TO 9,379 FT. WOB - 12,000, SPM - 106 = 254 GALS, RPM - 90, ROP 6.74.
9/17/2007	06:00 - 18:30	12.50	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY FROM 9,379 FT. TO 9,628 FT. WOB= 12 K#, 254 GPM, RPM 30 + 82, ROP= 19.9 FPH.
	18:30 - 20:00	1.50	06	A	PROD	CIRCULATE AND ATTEMPT TO TAKE SURVEY, (NEVIS SAYS UNSURE IF TOOL IS WORKING), POOH 8 STNDS TO TAKE A CHECK SHOT. CIRCULTE AND TAKE SURVEY (MWD TOOL WORKING PROPERLY).
	20:00 - 20:30	0.50	06	A	PROD	TIH WITH 8 STNDS 3 1/2" DP TO BTM. @ 9,628 FT
	20:30 - 06:00	9.50	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY 6 1/4 " HOLE FROM 9,628 FT TO

Halliburton Energy Services
Operations Summary Report

Legal Well Name: V CANYON 20-1	Spud Date: 8/26/2007
Common Well Name: V CANYON 20-1	
Event Name: ORIG DRILLING	Start: 8/26/2007 End: 10/17/2007
Contractor Name: NABORS DRILLING	Rig Release: 10/17/2007 Group:
Rig Name: NABORS	Rig Number: 124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
9/17/2007	20:30 - 06:00	9.50	02	B	PROD	9,729 FT. WOB= 9 K#, 254 GPM, RPM 30 + 82, ROP= 10.63 FPH.
9/18/2007	06:00 - 23:30	17.50	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY 6-1/4" HOLE, FROM 9,729 FT TO 9,951 FT. WOB - 8,000, SPM - 108 = 261 GPM, RPM - 60, ROP - 12.68 FPH.
	23:30 - 00:00	0.50	07	A	PROD	LUBRICATE RIG EQUIP, INSTALL ROTATING HEAD AND NEW 2 7/8 " ROTATING HEAD RUBBER.
	00:00 - 06:00	6.00	02	B	PROD	MOTOR DRILL, SLIDE & SURVEY FROM 9,951 FT TO 10,100 FT. WOB - 8,000, SPM - 108 = 261 GPM, RPM - 55, ROP - 24.83 FPH.
9/19/2007	06:00 - 09:30	3.50	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY, 6 1/4" HOLE FROM 10,100 TO 10,127 FT. WOB= 6 - 18 K#, 254 GPM, RPM 60 + 82, ROP= 7.7 FPH.
	09:30 - 11:30	2.00	05	F	PROD	PUMP HIGH VISC SWEEP AND CIRC BTMS UP.
	11:30 - 18:00	6.50	06	A	PROD	POOH TO CHANGE BIT AND BHA.
	18:00 - 19:30	1.50	06	B	PROD	LAY DOWN MUD MOTOR, DRILL COLLARS, BIT SUB, BIT.
	19:30 - 20:00	0.50	07	A	PROD	SERVICE RIG (LUBRICATE)
	20:00 - 21:30	1.50	06	B	PROD	PU NEW SECURITY FM 3643 BIT, BIT SUB, MWD TOOLS & DRILL COLLARS.
	21:30 - 04:30	7.00			PROD	TIH NEW BHA AND 3-1/2" DP.
	04:30 - 05:30	1.00	05	F	PROD	PU KELLEY AND BREAK CIRC. REAM DOWN 2 STANDS TO BTM @ 10,127 FT.
	05:30 - 06:00	0.50	02	A	PROD	DRILL WITH ROTARY ASSY 6 1/4 " HOLE, FROM 10,127 FT TO 10,129 FT, WOB= 6 - 14 K#, 254 GPM, RPM 65.
9/20/2007	06:00 - 18:30	12.50	02	A	PROD	ROTOR DRILL 6 1/4 " HOLE FROM 10,129 FT. TO 10,421 FT. WOB= 3 - 15 k#, 260 GPM, RPM= 40 / 80, ROP= 23.36 FPH.
						NOTE: ATTEMPT TO WORK THE PENDULUM ASSEMBLY WITH NO SUCCESS. STRONG TENDENCY TO BUILD ANGLE AND WALK TO THE LEFT. DECIDE TRIP TO SURFACE AND RUN DIRECTIONAL BHA.
	18:30 - 22:00	3.50	05	F	PROD	CIRC BTMS UP, PUMP 2 HIGH VISC SWEEPS WITH WALNUT, CIRC OUT HOLE.
	22:00 - 06:00	8.00	06	A	PROD	POOH TO CHANGE BHA.
9/21/2007	06:00 - 11:30	5.50	06	B	PROD	TIH WITH DIRECTIONAL BHA TO 7" CASING SHOE.
	11:30 - 12:30	1.00	07	B	PROD	SLIP AND CUT DRILL LINE.
	12:30 - 15:30	3.00	06	A	PROD	TIH WITH 3 1/2" DRILL PIPE FROM 7" CASING SHOE TO 2 - STNDS OFF BOTTOM.
	15:30 - 18:00	2.50	05	F	PROD	PUMP 2 - 20 BBL SWEEPS AND CIRC OUT TO CLEAN AND COND. HOLE. SPM - 108 = 264 GPM. REAMING AND WASHING TO BOTTOM.
	18:00 - 06:00	12.00	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY, 6- 1/4" HOLE FROM 10,421 FT TO 10,496 FT. WOB= 3 - 16 k#, 264 GPM, RPM= 30 + 84, ROP= 6.25 FPH.
9/22/2007	06:00 - 17:00	11.00	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY, 6 -1/4" HOLE FROM 10,496 FT TO 10,560 FT. WOB= 3 - 16 k#, 258 GPM, RPM= 30 + 83, ROP= 5.8 FPH.
	17:00 - 17:30	0.50	07	A	PROD	LUBRICATE RIG.
	17:30 - 06:00	12.50	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY 6 - 1/4" HOLE FROM 10,560 FT. TO 10,615 FT. WOB= 3 - 16 k#, 258 GPM, RPM= 30 + 83, ROP= 4.4 FPH.
9/23/2007	06:00 - 06:00	24.00	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY 6 -1/4 " HOLE FROM 10,615 FT. TO 10,745 FT. .WOB= 3 - 16 k#, 260 GPM, RPM= 30 + 83, ROP= 5.4 FPH.
9/24/2007	06:00 - 11:30	5.50	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY 6-1/4" HOLE FROM 10,745 FT TO 10,803 FT,
						WOB - 8,000, SPM - 108 = 261 GPM, RPM - 60, ROP - 23.60 FPH.
	11:30 - 12:30	1.00	19	B	PROD	SLIDING AND LOST STRING WGHT AND STND PIPE PRESSURE, PULLED UP OUT OF HOLE, DP SPUN OFF AT LOWER KELLEY

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Spud Date: 8/26/2007
 Start: 8/26/2007 End: 10/17/2007
 Rig Release: 10/17/2007 Group:
 Rig Number: 124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
9/24/2007	11:30 - 12:30	1.00	19	B	PROD	VALVE, PU 1 JNT DP TAG INTO STRING PU 60,000 ON STRNG AND PARTED, TAGGED BACK INTO STRNG AND PU 125,000 AND HOLD 5 MINUTES. POOH AND STRING PARTED AGAIN CAUSING BLOCK TO JUMP 5 TO 7 FT. SHOCK LOADED DRILL LINE, PULLED 23 STANDS AND STOOD BACK. LAST STAND HAVING NO THREADS ON PIN. SHUT DOWN RIG FOR SAFETY CONCERNS. NOTIFIED OFFICE OF PROBLEMS, CALLED SLAUGH FISHING TOOLS FOR EQUIP. TWIST OFF IS 2,218 FT AND IN CSNG, 77 STNDS + 1 SNGL + BHA LEFT IN HOLE. WAITING ON EQUIP.
	12:30 - 21:00	8.50	07	B	PROD	SLIPPED AND CUT 1,100 FEET DRILL LINE, REPLACED WEIGHT INDICATOR AND SENSORS ON EDR, WAITING ON BOP TESTERS FOR 30 DAY TEST ON STACK. WAITING ON FISHING TOOLS AND PERSONELLE.
	21:00 - 06:00	9.00	14	C	PROD	TESTING BOP'S TO 250 LOW TO 3,000 HIGH PER BLM REGULATIONS. FISHING TOOLS ON LOCATION.
9/25/2007	06:00 - 08:00	2.00	19	B	PROD	PU 4-3/4 " X 5" OVERSHOT TAG TOP OF DRILL STRING PUT 14,000 ON LATCH DID NOT HOOK UP. ATEMPTED SEVERAL TIMES. RECOVERY FAILED.
	08:00 - 11:30	3.50	19	B	PROD	POOH WITH OVERSHOT AND LD TOOLS.
	11:30 - 13:30	2.00	19	B	PROD	P/U 3 rd PARTY FISHING TOOLS - SCREW IN SUB & GUIDE.
	13:30 - 14:00	0.50	19	B	PROD	TAG TOP OF DRILL STRING WITH SCREW IN SUB, , SCREWED IN SUB TO DRILL STRING PU, WGHT 100,000 LATCHED ONTO DRILL STRING, ATEMPT SUCESSFUL NOTIFIED DRILLING ENGR.
	14:00 - 16:30	2.50	05	F	PROD	BREAK CIRCULATION PUMP @ 125 SPM. PUMPED 2 x 20 BBL HIGH VISC SWEEPS,
	16:30 - 18:00	1.50	19	B	PROD	JARRING P/U PULL ON STRING FROM 125,000 TO 200,000 WORKING DRILL STRING W/ NO GAIN. REPEATED PROCESS SEVERAL TIMES. DRILL STRING DOES NOT GIVE.
	18:00 - 00:00	6.00	05	F	PROD	PUMPED 20 BBL SWEEP AND DIESEL, SPOTTED PILL. WAITING ON WIRELINE EQUIP.
9/26/2007	00:00 - 01:00	1.00	19	B	PROD	R/U WIRELINE EQUIP. WITH MWD RETRIEVAL TOOL TO RECOVER MWD ELECTRONICS.
	01:00 - 06:00	5.00	19	B	PROD	TIH WITH WIRELINE RETRIEVAL TOOL TO RECOVER MWD TOOLS. ALL ATTEMPS TO RECOVER HAVE FAILED. POOH WITH RETRIEVAL TOOL.
	06:00 - 10:00	4.00	19	B	PROD	RIG UP WIRELINE EQUIP, TIH WITH NEVIS 2 3/16 RETRIEVAL TOOL TO RECOVER BHA ELECTRONICS, ATEMPTED 2 TIMES WITH FAILURE TO RETRIEVE TOOLS. RD WIRELINE EQUIP.
	10:00 - 15:00	5.00	05	F	PROD	CIRC AND PUMP 40 BBL DIESEL AROUND TO 7,000 FT. WORKING STRING TO FREE UP
	15:00 - 16:00	1.00	19	A	PROD	PULL ON DRILL STRING TO 200,000 LBS. WIT NO MOVEMENT.
	16:00 - 17:00	1.00	19	A	PROD	RIG UP WIRELINE EQUIP WITH STRING SHOT. @ 10,705 FT.
	17:00 - 17:30	0.50	19	A	PROD	TIH WITH STRING SHOOT TOOL TO 10,705 FT @ TOP OF NMDC, 5 ROUNDS TORQUE IN & 5 ROUNDS BACK. FAILED TO BACK OFF.
	17:30 - 18:00	0.50	05	F	PROD	POOH STRING SHOT TOOL & LD SAME.
	18:00 - 21:00	3.00	05	F	PROD	CIRC. & PUMP CARBIDE PILL, SEND 20 BBL SAW DUST SWEET DOWN HOLE
	21:30 - 22:30	1.00	19	B	PROD	CIRC @ 108 SPM, 261 GPM, WORK PIPE. PULL 240,000 ON DRILL STRING WITH NO MOVEMENT.
22:30 - 06:00	7.50			PROD	RU WIRELINE EQUIP FOR BACK OFF SHOT @ 5,950 FT. TIH WITH STRING SHOT AND SHOOT STRING @ 5,950 FT. BACK WAS SUCESSFUL. RD WL EQUIP. POOH WITH 3 1/2" DP PIPE EXTREMELY TIGHT HAVING TO BEAT	

Halliburton Energy Services
Operations Summary Report

Legal Well Name:	V CANYON 20-1		Spud Date: 8/26/2007
Common Well Name:	V CANYON 20-1		
Event Name:	ORIG DRILLING	Start: 8/26/2007	End: 10/17/2007
Contractor Name:	NABORS DRILLING	Rig Release: 10/17/2007	Group:
Rig Name:	NABORS	Rig Number: 124	

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
9/26/2007	22:30 - 06:00	7.50			PROD	ON IT WITH HAMMER, FISH JOINT BOX IS SPLIT @ CUTLIP JNT, LD 1 COLLAR, BUMPER SUB, CONTINUE BEAT ON DP CONN. TO BREAK CONN. CONTINUE POOH WITH 3 1/2 " DP. FOUND 2 MORE JNTS SO FAR.
9/27/2007	06:00 - 07:30	1.50	06	A	PROD	FINISH PULLING OUT OF HOLE WITH 58 STANDS OF 3-1/2" DRILL PIPE. LAY OUT SEVEN DAMAGED JOINTS BECAUSE OF EXCESS TORQUE. (5,950'). ALL CONNECTIONS VERY HARD TO BREAK OUT.
	07:30 - 08:00	0.50	06	A	PROD	CLEAN OFF CAT WALK AND PREPARE TO PICK UP JARRING ASSEMBLY.
	08:00 - 10:00	2.00	06	B	PROD	PICK UP HYDRAULIC JAR, ACCELERATOR JAR, NINE 4-3/4" DRILL COLLARS AND ONE STAND OF HWDP.
	10:00 - 14:00	4.00	06	A	PROD	TRIP IN HOLE WITH 58 STANDS OF 3-1/2" DRILL PIPE FROM DERRICK. VISUALLY CHECK CONNECTIONS ON TRIP IN.
	14:00 - 15:00	1.00	06	A	PROD	SPACE OUT DRILL STRING PRIOR TO SCREWING INTO FISH TOP AT 5,950' AND ESTABLISH CIRCULATION. SCREW INTO 3-1/2" DRILL PIPE BOX AND TORQUE PIPE.
	15:00 - 00:00	9.00	19	A	PROD	JAR AND WORK STUCK PIPE. ABLE TO CIRCULATE WITH 5% RETURNS INITIALLY, BUT DEBRIS PACKED OFF AT MWD TOOL TOTALLY PLUGGING PIPE. ORDER OUT PIPE SEVERING TOOLS AND CONTINUE TO JAR AND WORK PIPE.
	00:00 - 00:30	0.50	19	A	PROD	MAKE UP SEVERING TOOL, SET KELLY BACK AND RIG UP SWIVEL HEAD ASSEMBLY TO DRILL STRING.
	00:30 - 01:30	1.00	19	A	PROD	RUN IN HOLE WITH SEVERING TOOL AND LOCATE TOP OF MONEL DRILL COLLAR BETWEEN SINGLE GAP SUB AND 4-3/4" STEEL DRILL COLLAR AT 10,706'. PULL UP 260,000# ON DRILL STRING AND FIRE SEVERING CHARGE. LOST 6,000# ON WEIGHT INDICATOR AND FELT VIBRATION AT DRILL FLOOR INDICATING A GOOD SHOT. FOUND 20' OF FILL ON TOP OF GAP SUB THAT WAS NOT THERE WHEN MAKING AN ATTEMPT TO LATCH MWD SOURCE THE FIRST RUN.
	01:30 - 02:30	1.00	19	A	PROD	REDUCE OVERPULL AND PULL OUT OF HOLE WITH TOOL.
	02:30 - 06:00	3.50	19	A	PROD	MAKE UP KELLY AND ESTABLISH CIRCULATION WITH FULL RETURNS. WORK PIPE AND CIRCULATE OUT GAS. 5,800 UNITS MAX. GAS FELL OUT TO 42 UNITS. CIRCULATE AT 5.8 BPM. ATTEMPT TO ROTATE, JAR, WORK PIPE. MIX PIPE-LAX PILL, CONTINUE TO CLEAN HOLE AND WORK PIPE VIGOROUSLY AT REPORT TIME.
9/28/2007	06:00 - 07:30	1.50	19	A	PROD	CIRCULATE AND WORK PIPE ATTEMPTING TO PULL STRING FREE AT SEVERED DEPTH OF 10,706'. NO SUCESS.
	07:30 - 10:30	3.00	19	A	PROD	RIG UP AND RUN FREEPOINT TOOL AND TOOK FREEPOINT READINGS AT: 7,120' = 12% FREE; 7,215' = 12% F; 7,405' 12% F; 7,725' = 8% F; 7,914' = 2% F; 8,016' = 12% F; 8,300' = 50% F; 8,525' = 20% F; 8,715' = 20% F; 9,005' = 25% F; 9,515' = 28% F; 10,100' = 60% F; 10,454' = 25% F; 10,690' = 15% F. PULL OUT OF HOLE WITH FREEPOINT.
	10:30 - 12:30	2.00	19	A	PROD	CIRCULATE WITH FULL RETURNS AT 6.4 BARRELS PER MINUTE AND WORK STUCK PIPE. PIPE DOES NOT APPEAR TO BE SEVERED COMPLETELY, ABSOLUTELY NO PIPE MOVEMENT.
	12:30 - 13:00	0.50	19	A	PROD	SPOT EZ SPOT PILL ACROSS OPEN HOLE.
	13:00 - 17:00	4.00	19	A	PROD	WORK PIPE WITHOUT SUCESS.
	17:00 - 21:00	4.00	19	A	PROD	RIG UP AND RUN FREEPOINT TO 10,311'. TOOL INDICATED PIPE 100% FREE. TOOK FREEPOINT AT 10,693' WITH 62% FREE PIPE.

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Start: 8/26/2007
 Rig Release: 10/17/2007
 Rig Number: 124

Spud Date: 8/26/2007
 End: 10/17/2007
 Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
9/28/2007	17:00 - 21:00	4.00	19	A	PROD	BACKOFF PERSONNEL MAKE UP A HIGH CHARGE AND RAN IN HOLE AND SHOT AT TOP OF SEVER JOINT. PULL OUT OF HOLE WITH LINE AND WORK PIPE. NO MOVEMENT.
	21:00 - 22:30	1.50	19	A	PROD	MAKE UP SECOND SEVER TOOL AND RUN IN HOLE TO 10,395' (TOP OF HWDP ONE JOINT ABOVE 4-3/4" DRILL COLLAR) AND FIRE TOOL. PULL OUT OF HOLE WITH TOOL.
	22:30 - 00:00	1.50	19	A	PROD	WORK PIPE, NO MOVEMENT.
	00:00 - 02:00	2.00	19	A	PROD	MAKE UP BACK OFF STRING SHOT AND RUN IN HOLE TO 10,367', APPLY 10 ROUNDS OF TORQUE TO LEFT, PULL TO 230,000# AND SHOT CONNECTION IN HEVI-WATE DRILL PIPE TWO JOINTS ABOVE DRILL COLLAR. NO INDICATION OF BACKOFF. CHECK DRILL PIPE TORQUE, DID NOT BACK OFF. PULL OUT OF HOLE WITH STRING SHOT.
	02:00 - 04:00	2.00	19	A	PROD	MAKE UP SECOND STRING SHOT AND RUN IN HOLE AND SHOOT IN SAME CONNECTION. PULL OUT OF HOLE, CHECK TORQUE, DID NOT BACK OFF.
9/29/2007	04:00 - 06:00	2.00	19	A	PROD	WORK PIPE AND ATTEMPT TO ROTATE PIPE AT REPORT TIME.
	06:00 - 10:00	4.00	19	A	PROD	CONTINUE TO WORK STUCK PIPE. START CIRCULATING AT 0730 HRS. 4,520 UNITS OF GAS ON BOTTOMS UP.
	10:00 - 12:00	2.00	19	A	PROD	RIG UP DCT PIPE RECOVERY TRUCK AND MAKE UP FREE POINT TOOL.
	12:00 - 16:30	4.50	19	A	PROD	RUN IN HOLE WITH FREE POINT TO SEVER ATTEMPT AT 10,395'. DETERMINED THAT IT WAS POSSIBLE TO PERFORM A BACKOFF AROUND THIS DEPTH. PULL OUT OF HOLE WITH FREE POINT TOOL.
	16:30 - 20:00	3.50	19	A	PROD	MAKE UP STRING SHOT AND RUN IN HOLE TO 10,335' AND WORK TORQUE DOWN HOLE IN ORDER TO PERFORM A BACK OFF AT THIS DEPTH. FIRE STRING SHOT AND CONTINUE TO WORK BACK OFF TORQUE DOWN HOLE TO FISH TOP. BACK OFF SUCCESSFUL AT 10,335+-.
	20:00 - 21:00	1.00	19	A	PROD	PULL OUT OF HOLE WITH STRING SHOT TOOL.
	21:00 - 21:30	0.50	19	A	PROD	RIG DOWN DCT PIPE RECOVERY UNIT.
	21:30 - 23:30	2.00	05	F	PROD	CIRCULATE HOLE AFTER BACK OFF AT 6.4 BARRELS / MINUTE. GAS ON BOTTOMS UP = 3,955 UNITS. HOLE CLEAN.
23:30 - 06:00	6.50	06	A	PROD	PULL OUT OF HOLE SLOWLY VISUALLY CHECKING TOOL JOINT CONNECTIONS FOR DAMAGE. DID NOT LOCATE ANY DAMAGED JOINTS. LAY DOWN FISHING BOTTOM HOLE ASSEMBLY AT REPORT TIME.	
9/30/2007	06:00 - 11:00	5.00	06	A	PROD	FINISH PULLING OUT OF HOLE WITH DRILL PIPE AND HEVI-WATE DRILL PIPE. COUNT CORRECT. STEEL LINE MEASUREMENT= 2' LONGER THAN DRILL PIPE MEASUREMENT. BACKOFF DEPTH OF 10,335' IS CORRECT. DID NOT FIND ANY BAD PIPE OR ANY OVER TORQUED CONNECTIONS IN OPEN HOLE PIPE.
	11:00 - 12:00	1.00	06	A	PROD	LAY OUT AND MEASURE ENOUGH 3-1/2" DRILL PIPE TO REACH 10,335'. THIS REPLACES 8 DAMAGED JOINTS AND PIPE LEFT IN HOLE. WILL PREVENT STATIC PIPE IN OPEN HOLE.
	12:00 - 19:30	7.50	06	A	PROD	TRIP IN HOLE WITH 3-1/2" DRILL PIPE. PICK UP KELLY AND BREAK CIRCULATION AT 7" CASING SHOE, CIRCULATE AT 8,000+-, TAG FISH TOP AT 10,335'.
	19:30 - 20:30	1.00	05	F	PROD	ROTATE AND CIRCULATE BOTTOMS UP AT 10,335'. SPACE OUT 10' ABOVE FISH TOP WITH PUP JOINT TO 10,325'. MAX GAS = 525 UNITS. MAY NOT BE ACTUAL UNITS AS GAS POLY LINE WAS KINKED.

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Start: 8/26/2007
 Rig Release: 10/17/2007
 Rig Number: 124

Spud Date: 8/26/2007
 End: 10/17/2007
 Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations	
9/30/2007	20:30 - 21:00	0.50	12	E	PROD	RIG UP HALLIBURTON CMT LINES TO DRILL PIPE. HELD SAFETY MEETING WITH DRILL CREW AND CEMENT PERSONNEL. TEST HARD LINES TO 2,500 PSI.	
	21:00 - 22:00	1.00	12	E	PROD	PUMPED 16.5 BBLS. OF 8.4 PPG MUD FLUSH SPACER AHEAD. MIX AND PUMP 100 SKS, (17.6 BBLS), OF 17 PPG PLUG CEMENT WITH A YIELD OF .99. CONSISTING OF .5% CFR-3, .3% HR-5, 3.754 GAL. FRESH WATER. PUMPED 3.5 BBLS. OF 8.4 PPG MUD FLUSH BEHIND. PUMPED 67 BBLS OF 8.7 PPG WBM DISPLACEMENT TO BALANCE. PLUG DISPLACED AT 2200 HRS.	
	22:00 - 23:00	1.00	12	E	PROD	RIG DOWN HALLIBURTON CEMENT LINES FROM DRILL PIPE WITH PIPE ON VACCUM. PULL 9 STANDS OF DRY PIPE SLOWLY. BALANCED KICK OFF PLUG IN PLACE AT 2300 HRS.	
	23:00 - 00:30 00:30 - 05:00	1.50 4.50	05 06	F A	PROD PROD	ROTATE AND CIRCULATE 1-1/2 BOTTOMS UP. SLUG PIPE AND PULL OUT OF HOLE LAYING DOWN 13 JOINTS OF DRILL PIPE AND CONTINUE OUT OF HOLE RACKING IN DERRICK. PICK UP BOTTOM ASSEMBLY AT REPORT TIME.	
10/1/2007	05:00 - 06:00 06:00 - 12:00	1.00 6.00	06 06	B B	PROD PROD	PICK UP SIDE TRACK BOTTOM HOLE ASSEMBLY OFF PIPE RACK. CHANGE OUT MOTORS. SETTING TEETH WERE STRIPPED (OVER TORQUED IN REPAIR SHOP ACCORDING TO NEVIS). PICK UP MOTOR WITHOUT STABILIZER, SCRIBE TO MWD TOOL, MAKE UP PDC BIT #5, CHANGE OUT JARS, CHANGE OUT STRING SHOT HEVI-WATE JOINT.	
	12:00 - 16:00	4.00	06	A	PROD	TRIP IN HOLE WITH 3-1/2" DRILL PIPE TO 5,789'.	
	16:00 - 18:30	2.50	07	B	PROD	CUT AND SLIP DRILL LINE.	
	18:30 - 19:30	1.00	06	A	PROD	CONTINUE IN HOLE TO 6,268'. PICK UP KELLY, FILL PIPE AND CIRCULATE.	
	19:30 - 22:30 22:30 - 00:00	3.00 1.50	06 03	A E	PROD PROD	CONTINUE TO TRIP IN HOLE TO 9,947'. PICK UP KELLY, ESTABLISH CIRCULATION WITH FULL RETURNS, ROTATE AND WASH TO HARD CEMENT AT 10,120' WITH 20,000 WEIGHT ON BIT. DRILL HARD CEMENT TO KICK OFF POINT AT 10,150'. 100% CEMENT IN SAMPLE.	
	00:00 - 00:30	0.50	02	B	PROD	TOOK CHECK SURVEY AT 10,069' WITH 3.6 DEGREES INCLINATION AND 87.4 AZ. ORIENTATE TOOL FACE TO 173 DEGREES AZ AND START SLIDING AT 10,150'.	
	00:30 - 06:00	5.50	02	B	PROD	MOTOR DRILL, SLIDE AND SURVEY WITH PDC BIT ATTEMPTING TO GET OFF PLUG FROM 10,150' TO 10,170'. SAMPLE AT 10,160' WAS APPROXIMATELY 70% SHALE AND 30% CEMENT. SAMPLE AT 10,165' WAS 90% SHALE AND 10% CEMENT. CONTINUE SLIDING, ATTEMPTING TO GET OFF PLUG AT REPORT TIME.	
	10/2/2007	06:00 - 10:00	4.00	02	B	PROD	CONTINUE TO SLIDE ATTEMPTING TO GET OFF CMT PLUG FROM 10,170' TO 10,186'. NO SUCCESS. 100% SOFT TO MEDIUM HARD CEMENT IN SAMPLES. CIRCULATE WITH 255 GALLONS PER MINUTE, 20,000 - 30,000# WEIGHT ON BIT. HOLDING 172 DEGREE AZ.
		10:00 - 11:00	1.00	02	B	PROD	STOP AT 10,186', KELLY DOWN, AND WORK PIPE. CIRCULATE AND ROTATE KELLY AND DRILLED JOINT TO WORK OUT TORQUE. CIRCULATE BOTTOMS UP.
		11:00 - 05:00	18.00	02	B	PROD	SLIDE AT 10,186' TO 10,242' ATTEMPTING TO KICK OFF PLUG. AT 10,191', REDUCE FLOW RATE TO 200 GALLONS PER MINUTE TO SLOW MOTOR RPM. 100% CEMENT IN SAMPLES TO SURFACE AND TURNING TO VERY SOFT COMPOSITION. AT 10,196' RAISE FLOW RATE TO 255 GPM, SLOW RATE NOT DOING ANY GOOD. AT 10,205', TURN TOOL FACE TO 260 DEGREES AZ IN HOPES

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Spud Date: 8/26/2007
 Start: 8/26/2007 End: 10/17/2007
 Rig Release: 10/17/2007 Group:
 Rig Number: 124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
10/2/2007	11:00 - 05:00	18.00	02	B	PROD	THAT BIT WILL EXIT PLUG. CONTINUE TO SLIDE. CEMENT SAMPLES FIRMED UP TO MEDIUM HARDNESS. AT 10,242', ROTATE JOINT DOWN TO 10,250'. WORK AND ROTATE PIPE TO FREE UP TORQUE FOR SLIDE.
	05:00 - 06:00	1.00	02	B	PROD	ATTEMPT TO KICK OFF IN THE "BRUSHY BASIN" FORMATION WHICH INDICATE A SOMEWHAT SOFTER AREA ALLOWING THE BIT TO POSSIBLY EXIT WELLBORE. SLIDE FROM 10,250' TO 10,252' AT REPORT TIME.
10/3/2007	06:00 - 14:00	8.00	02	B	PROD	SLIDE ATTEMPTING TO GET OFF CEMENT PLUG FROM 10,252' TO 10,269'. (BHA CORRECTION DUE TO NEVIS ERROR). ANYWHERE FROM 50% FORMATION TO 70% FORMATION IN SAMPLES. CHECK PLUG HARDNESS OF PLUG. SET 35,000# DOWN ON PLUG. HARD PLUG.
	14:00 - 21:00	7.00	06	A	PROD	SLUG PIPE AND PULL OUT OF HOLE TO CHANGE BHA. BREAK OFF BIT #5. DRILL PIPE TALLY CORRECT, BUT FOUND 3.67' ERROR IN STRING STABILIZER. ADJUST BIT DEPTH.
	21:00 - 23:00	2.00	06	B	PROD	LAY DOWN STABILIZER AND SLICK MOTOR. PICK UP MOTOR WITH STABILIZER SLEEVE AND SET BENT HOUSING TO 2.38 DEGREES. MAKE UP ROLLER CONE INSERT BIT #6.
	23:00 - 06:00	7.00	05	F	PROD	TRIP IN HOLE WITH KICK OFF ASSEMBLY TO 10,231'. FILL PIPE AND BREAK CIRCULATION AT 6,200'. CIRCULATE AND TAG PLUG TOP TO VERIFY DEPTH BEFORE KICKING OFF. CORRECTED DEPTH IS 10,268.79'. MAKE CONNECTION AND PREPARE TO SIDE TRACK AT REPORT TIME.
10/4/2007	06:00 - 07:00	1.00	05	F	PROD	CIRCULATE HIGH VIS SWEEP AT 10,269', JUST TOUCHING TOP OF PLUG, TO FLUSH PDC CUTTERS THAT MIGHT INTERFERE WITH SIDE TRACK.
	07:00 - 12:00	5.00	02	B	PROD	ORIENTATE BIT TO 170 DEGREES MAGNETIC TOOLFACE AND TIME DRILL 2' OF FORMATION WITH 100% FORMATION IN SAMPLES. DRILL AND SLIDE FROM 10,269' TO 10,271'.
	12:00 - 16:30	4.50	02	B	PROD	CONTINUE TO TIME DRILL AND SLIDE FROM 10,271' TO 10,276' WITH 100% FORMATION IN SAMPLES. THIS GIVES US A TOTAL OF 7' OF SIDETRACK AFTER 100% OF FORMATION WAS DETECTED. STOP HERE TO PREVENT DOGLEG ISSUES.
	16:30 - 23:00	6.50	06	A	PROD	SLUG PIPE AND PULL OUT OF HOLE, BREAK OFF SIDE TRACK BIT #6.
	23:00 - 01:00	2.00	06	B	PROD	SET BENT HOUSING ON MOTOR FROM 2.38 DEGREE ANGLE TO 1.83 DEGREE ANGLE. CHANGE OUT BATTERIES IN MWD TOOL, SCRIBE MOTOR TO MULESHOE MWD.
	01:00 - 06:00	5.00	06	A	PROD	TRIP IN HOLE WITH BHA AND DRILL PIPE, FILL PIPE AND BREAK CIRCULATION AT 7" CASING SHOE, CONTINUE IN HOLE AT REPORT TIME.
10/5/2007	06:00 - 07:00	1.00	06	A	PROD	FINISH TRIP IN HOLE TO 10,256'. PICK UP KELLY AND ROTATE TO BOTTOM AT 10,276'.
	07:00 - 16:30	9.50	02	B	PROD	MOTOR DRILL, SLIDE AND SURVEY WITH PDC #7 FROM 10,276' TO 10,302'. SLIDE FIRST 15', THEN ROTATE DRILL TO 10,302'. 255 GALLONS PER MINUTE, 83 REV. PER MIN. ON MOTOR, 50 RPM ON ROTARY, 15,000# WEIGHT ON BIT ROTATING, 30,000# WEIGHT ON BIT SLIDING. DRILL AND SLIDE TO 10,333'.
	16:30 - 17:30	1.00	07	A	PROD	SERVICE RIG AT 10,333'.
	17:30 - 06:00	12.50	02	B	PROD	DRILL AND SLIDE FROM 10,333' TO 10,396'. SLIDES: 10,309' - 10,318': 10,337' - 10,350': HAVING TROUBLE WITH DIFFERENTIAL AFTER CONNECTION AT 10,396' AT REPORT TIME.

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Start: 8/26/2007
 Rig Release: 10/17/2007
 Rig Number: 124

Spud Date: 8/26/2007
 End: 10/17/2007
 Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
10/6/2007	06:00 - 08:00	2.00	05	E	PROD	DRILL FORM 10396' TO 10421' WITH THE ASSUMPTION WE ARE EXPERIENCING POSSIBLE MUD MOTOR FAILURE. CALL NATIONAL OILWELL SERVICE TECHNICIAN, HE SAYS IT IS POSSIBLE TO EXPERIENCE DIFFERENTIAL PRESSURE WITH A BAD MOTOR. NO PROGRESS.
	08:00 - 09:00	1.00	05	F	PROD	CIRCULATE, MIX AND PUMP SLUG.
	09:00 - 15:00	6.00	06	A	PROD	PULL OUT OF HOLE WITH 3-1/2" DRILL PIPE TO BOTTOM HOLE ASSEMBLY.
	15:00 - 17:00	2.00	06	B	PROD	PULL OUT WITH BOTTOM HOLE ASSEMBLY. CHANGE OUT MOTOR(1.83 DEGREES BH, .32 RPG REMAINS THE SAME), CHANGE OUT BATTERIES IN MWD TOOL, CHECK INTEGRITY OF MWD THREE TIMES FOR SAFETY. ALL TESTS POSITIVE. LAY DOWN BIT #7. OUTER ROWS OF CUTTERS ON BIT WAS CORED. OUT OF GAUGE 1/16". BIT UNABLE TO DRILL SHARP SANDSTONE . MAKE UP BIT #8, SECURITY INSERT ROLLER CONE, TYPE: EBSX42SR, 2 X 18, 1 X 20 JETS.
	17:00 - 00:00	7.00	06	A	PROD	TRIP IN HOLE WITH BHA AND DRILL PIPE, FILL PIPE AND BREAK CIRCULATION AT 7" CASING SHOE, CONTINUE IN TO 10,293'.
	00:00 - 01:00	1.00	03	A	PROD	PICK UP KELLY AND WASH AND REAM FROM 10,293' TO LIGHTLY TOUCH BOTTOM AT 10,401'.
	01:00 - 02:00	1.00	05	F	PROD	PUMP HIGH VIS SWEEP UNDER BIT WHILE FANNING BOTTOM IN AN ATTEMPT TO FLUSH UP ANY DEBRIS BEFORE DRILLING.
	02:00 - 06:00	4.00	02	B	PROD	ROTATE DRILL FROM 10,401' TO 10,421'. 5 FPH AROP. PENETRATION RATE VARIED FROM 4.7 FPH TO 7.4 FPH. 90 SPM = 219 GPM, 2500 PSI, 70 MOTOR RPM, 39 ROTARY RPM. THIS IS THE MINIMUM ROTARY RPM DUE TO TORQUE PROBLEM WHEN TRYING TO ROTATE SLOWER. BIT OPTIMUM RPM RANGE IS BETWEEN 65 AND 85. BIT HAS BEEN CONSISTENT SO FAR.
10/7/2007	06:00 - 06:00	24.00	02	B	PROD	MOTOR DRILL, SLIDE AND SURVEY WITH INSERT BIT #8 FROM 10,421' TO 10,10,522'. SLIDE FROM 10,447' TO 10,453' (6'); 10,475' TO 10,483' (8'). DRILL WITH 90 STROKES PER MINUTES, 5.2 BARRELS PER MINUTE, 219 GALLONS PER MINUTE, 70 REV. PER MINUTE ON MOTOR, 40 REV. PER MINUTE ON ROTARY, 2,250 PSI PUMP PRESSURE, 22,000# WEIGHT ON BIT. 2.5' - 3.0' FPH AROP WHILE SLIDING, 5.3' - 7.5' FPH AROP WHILE ROTATE DRILLING. BIT SLOW BUT CONSISTENT.
10/8/2007	06:00 - 06:00	24.00	02	B	PROD	MOTOR DRILL, AND SURVEY WITH INSERT BIT #8 FROM 10,522' TO 10,672'. 15 - 19,000# WOB, 2,250 PSI, 40 RPM ON ROTARY, 70 RPM ON MOTOR, 90 STROKES PER MINUTE. 6.25 FPH, AROP.
10/9/2007	06:00 - 11:00	5.00	02	B	PROD	MOTOR DRILL, SURVEY WITH INSERT BIT #8, FROM 10,672' TO 10,701'. 5.8 FPH AROP. 300' TOTAL FOOTAGE IN 57 HRS. INCLUDING SLIDES. 376,200 DRILLING REVOLUTIONS ON BIT. PARAMETERS = 90 STROKES PER MINUTE (219 GPM), 2250 PSI PUMP PRESSURE, 70 RPM ON MOTOR, 40 RPM ON ROTARY, 15,000# - 18,000# WEIGHT ON BIT.
	11:00 - 12:30	1.50	05	F	PROD	CIRCULATE BOTTOMS UP @ 10,701'. NO GAS ON BOTTOMS UP. SLUG PIPE FOR TRIP.
	12:30 - 17:30	5.00	06	A	PROD	PULL OUT OF HOLE WITH DRILL PIPE TO BOTTOM HOLE ASSEMBLY. HOLE FILL CORRECT, NO GAINS, NO LOSSES.
	17:30 - 18:30	1.00	06	B	PROD	PULL OUT OF HOLE WITH BHA, LAY DOWN BIT # 8. SEVERAL INSERTS MISSING FROM INNER ROWS ON CONES. SEALS EFFECTIVE, 1/16" UNDERGAUGE.
	18:30 - 20:00	1.50	06	B	PROD	CHANGE OUT MWD BATTERIES AND CHECK INTEGRITY OF TOOL.

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Start: 8/26/2007
 Rig Release: 10/17/2007
 Rig Number: 124

Spud Date: 8/26/2007
 End: 10/17/2007
 Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
10/9/2007	20:00 - 04:00	8.00	06	A	PROD	MAKE UP SECURITY 6-1/4", TYPE FM3731Z, 7 BLADE PDC BIT # 9, DRESSED WITH 3 X 16 AND 1 X 18 JETS. TIH WITH BHA AND DRILL PIPE, FILL PIPE AND BREAK CIRCULATION AT 7" CASING SHOE, CONTINUE IN HOLE TO 10,262'. PICK UP KELLY AND REAM THROUGH KICK OFF WINDOW IN AN ATTEMPT TO SMOOTH OUT DOG LEG. CONTINUE IN HOLE TO 10,578'. PICK UP KELLY AND WASH AND REAM TO 10,701'.
	04:00 - 05:30	1.50	05	F	PROD	FAN BOTTOM AT 10,701' AND PUMP HIGH VIS SWEEP. PERFORM THIS PRECAUTION TWO TIMES. MAXIMUM GAS ON BOTTOMS = 2,967 UNITS.
	05:30 - 06:00	0.50	02	B	PROD	ORIENTATE MAGNETIC TOOL FACE TO 300 DEGREES AZ AND SLIDE FROM 10,701' TO 10,702'. 2,650 PSI, 105 SPM, 255 GPM, 20 - 25,000# WOB, 82 RPM ON MOTOR.
10/10/2007	06:00 - 19:00	13.00	02	B	PROD	MOTOR DRILL, SLIDE, SURVEY WITH PDC BIT # 9 FROM 10,701' TO 10,803'. FINISH DRILLING FROM KICK OFF DEPTH TO ORIGINAL DEPTH.
	19:00 - 06:00	11.00	02	B	PROD	DRILL, SLIDE AND SURVEY FROM 10,803' TO 10,909'. 10 - 12,000# WEIGHT ON BIT, 2,200 PSI PUMP PRESSURE, 70 RPM ON MOTOR, 40 RPM ON ROTARY, 281 GPM CIRCULATING RATE. 236 MAX GAS. 8.7 FPH, AROP.
10/11/2007	06:00 - 05:30	23.50	02	B	PROD	MOTOR DRILL, SLIDE AND SURVEY 6-1/4" HOLE WITH PDC BIT # 9 FROM 10,909' TO 11,083'. 90 SPM, 219 GPM FLOW RATE, 2,200 PSI PUMP PRESSURE, 70 RPM ON MOTOR, 40 RPM ON ROTARY 12,000# WOB. 174' = 7.4 FPH, AROP.
	05:30 - 06:00	0.50	09	B	PROD	CHANGE OUT STANDPIPE PRESSURE SENSOR ON DATA LOG EQUIPMENT.
10/12/2007	06:00 - 06:30	0.50	09	B	PROD	INSTALL NEW PRESSURE SENSOR IN STANDPIPE FOR DATA LOG.
	06:30 - 20:30	14.00	02	B	PROD	MOTOR DRILL, SURVEY, 6-1/4" HOLE WITH BIT # 9 FROM 11,083' TO 11,160'. 90 SPM, 219 GPM PUMP OUTPUT, 2,350 PSI PUMP PRESSURE, 70 RPM ON MOTOR, 40 RPM ON ROTARY, 12,000 - 13,000# WOB. 62.5 HOURS ON BIT, 459' DRILLED WITH BIT # 9. PULL BIT FOR PENETRATION RATE.
	20:30 - 21:30	1.00	05	F	PROD	TAKE SURVEY, CIRCULATE BOTTOMS UP AND SLUG PIPE.
	21:30 - 06:00	8.50	06	A	PROD	PULL OUT OF HOLE WITH BIT # 9. BIT 5/8" UNDERGAUGE, INNER AND MIDDLE ROWS OF CUTTERS LIKE NEW. LAY DOWN DIRECTIONAL BOTTOM HOLE ASSEMBLY AND 1.83 DEGREE BH, .32 RPG MOTOR. REMOVE SOURCE FROM MWD. PICK UP ROTARY BOTTOM HOLE ASSEMBLY AT REPORT TIME.
10/13/2007	06:00 - 07:30	1.50	06	B	PROD	MAKE UP BIT # 10, HUGHES INSERT ROLLER CONE, STX - 40, IADC 617, S/N 5130222, 2 X 18, 1 X 20 JETS AND PICK UP ROTARY DRILLING BHA.
	07:30 - 11:30	4.00	06	A	PROD	TRIP IN HOLE TO 7" CASING SHOE @ 6,138', PICK UP KELLY. FILL PIPE AND BREAK CIRCULATION.
	11:30 - 15:00	3.50	07	B	PROD	HANG OFF TRAVELING BLOCK, CUT AND SLIP 1-1/8" DRILL LINE. SERVICE RIG..
	15:00 - 17:00	2.00	06	A	PROD	CONTINUE TRIP IN HOLE TO 10,238'.
	17:00 - 18:00	1.00	03	A	PROD	PICK UP KELLY AND WASH AND REAM THROUGH KICK OFF DOG LEG FROM 10,238' TO 10,280'. WINDOW AT 10,269'.
	18:00 - 19:00	1.00	06	A	PROD	LAY DOWN 4 JOINTS OF DRILL PIPE, CONTINUE TRIP IN HOLE TO 10,968'.
	19:00 - 00:00	5.00	03	A	PROD	PICK UP KELLY AND REAM FROM 10,968' TO TD @ 11,160'. REAM TO BOTTOM TO PREVENT PINCHING BIT IN UNDERGAUGE HOLE

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Spud Date: 8/26/2007
 Start: 8/26/2007
 Rig Release: 10/17/2007
 Rig Number: 124

End: 10/17/2007
 Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
10/13/2007	19:00 - 00:00	5.00	03	A	PROD	BEFORE STARTING TO DRILL.
	00:00 - 06:00	6.00	02	A	PROD	ROTARY DRILL 6-1/4" HOLE WITH BIT # 10 FROM 11,160' TO 11,210'. 12,000# WOB, 105 SPM, 255 GPM PUMP OUTPUT, 2,250 PSI PUMP PRESSURE, 80 RPM ON ROTARY, 4 TO 6 FPH AROP. FORMATION VERY HARD AT THE BEGINNING, TRENDING TOWARDS HIGHER PENETRATION RATE. 2,626 UNITS OF TRIP GAS.
10/14/2007	06:00 - 03:30	21.50	02	A	PROD	ROTARY DRILL 6-1/4" HOLE WITH INSERT ROLLER CONE BIT # 10 FROM 11,210' TO 11,309'. 99' DRILLED, 4.6 FPH, AROP. 12,000# WEIGHT ON BIT, 105 SPM, 255 GPM PUMP OUTPUT, 2,250 PSI PUMP PRESSURE, 80 RPM ON ROTARY. DRILLING PARAMETERS INDICATED THAT THE BIT WAS READY TO PULL.
	03:30 - 05:00	1.50	05	D	PROD	CALL ROYALE GEOLOGIST, CIRCULATE OUT CUTTINGS SAMPLE, MUD ENGINEER COLLECTED BOTTOMS UP SAMPLE, PER BAKER-ATLAS REQUEST, AND RUN CHLORIDES TEST. TEST RESULTS = 1900 CHLORIDES, 190 CALCIUM HARDNESS. E-MAIL TEST RESULTS TO BAKER-ATLAS. SWEEP HOLE AND CONDITION MUD FOR LOGS.
	05:00 - 06:00	1.00	06	A	PROD	SLUG PIPE AND PULL OUT OF HOLE TO RUN OPEN HOLE LOGS. MEASURE DRILL PIPE STANDS (SLM) ON TRIP OUT. BAKER-ATLAS LOGGING TRUCK SHOULD BE ON LOCATION ABOUT THE TIME WE FINISH TRIP.
10/15/2007	06:00 - 12:00	6.00	06	A	PROD	CONTINUE TO PULL OUT OF HOLE WITH DRILL PIPE TO BHA (SLM).
	12:00 - 13:30	1.50	06	B	PROD	POOH WITH BHA. L/D BIT # 10 AND BIT SUB. BIT 1/16" UNDERGAUGE, VERY DULL TEETH, 16 CHIPPED OR BROKEN TEETH. SEALS EFFECTIVE. 27 HRS. ON BIT.
	13:30 - 14:30	1.00	07	C	PROD	CLEAN DRILL FLOOR, SERVICE RIG, SECURE LOOSE TOOLS AND EQUIPMENT.
	14:30 - 18:00	3.50	11	A	PROD	BAKER- ATLAS LOGGING TRUCK ARRIVED. RIG UP LOGGING EQUIPMENT.
	18:00 - 04:00	10.00	11	A	PROD	RUN IN HOLE WITH TRIPLE-COMBO AND CALIPER LOG. LOGGER TOTAL DEPTH = 11,322'. POOH AND LAY DOWN TOOLS.
10/16/2007	04:00 - 06:00	2.00	11	A	PROD	MAKE UP GAS VIEW LOGGING TOOL AND RUN IN HOLE. LOGGING AT REPORT TIME.
	06:00 - 12:30	6.50	11	A	PROD	FINISH RUNNING GAS VIEW LOG FROM 11,309' UP TO 9,300'. POOH WITH TOOL. PREVIOUSLY RAN TRIPLE COMBO WITH 6 ARM CALIPER FROM 11,309' UP TO 6,138' (7" CASING SHOE). RIG DOWN BAKER-ATLAS LOGGING TOOLS AND UNIT. E-MAIL ALL LOGS TO APPROPRIATE RECEIPTS.
	12:30 - 13:30	1.00	11	A	PROD	MAKE UP BIT #6, SMITH TRICONE, XR15T, BIT SUB WITH FLOAT, (11) 4-3/4" SPIRAL DRILL COLLARS, (12) HWDP, JAR, (14) HWDP AND TRIP IN HOLE WITH 3-1/2" DRILL PIPE. FILL PIPE AND REAM DOG LEG AT 6,357'. CONTINUE IN HOLE TO 10, 269', KICK OFF WINDOW, PICK UP KELLY AND WASH AND REAM THROUGH WINDOW. CONTINUE IN HOLE TO 11,280'. WASH AND REAM TO BOTTOM AT 11,309'. HOLE APPEARS READY TO RUN PIPE.
	13:30 - 23:00	9.50	06	A	PROD	CIRCULATE TWO HIGH VIS SWEEPS, CIRCULATE AND CONDITION MUD TO RUN 4-1/2" PROD. CASING. SPOT 25 BBLs. HIGH VIS PILL ON BOTTOM. MAX GAS 5,000 UNITS ON BOTTOMS UP.
	23:00 - 01:30	2.50	05	C	PROD	PULL OUT OF HOLE LAYING DOWN 3-1/2" DRILL PIPE USING CALIBER LAY DOWN MACHINE. 106 JOINTS L/D AT REPORT TIME. CONTINUE TO LAY DOWN 3-1/2" DRILL PIPE AND BOTTOM HOLE
10/17/2007	01:30 - 06:00	4.50	06	A	PROD	
10/17/2007	06:00 - 13:00	7.00	06	C	PROD	

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG DRILLING
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Start: 8/26/2007
 Rig Release: 10/17/2007
 Rig Number: 124

Spud Date: 8/26/2007
 End: 10/17/2007
 Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
10/17/2007	06:00 - 13:00	7.00	06	C	PROD	ASSEMBLY. 342 JOINTS TOTAL LAYED DOWN.
	13:00 - 13:30	0.50	06	B	PROD	PICK UP 3-1/2" KELLY, SOFT BREAK, RACK BACK IN SHUCK.
	13:30 - 15:30	2.00	06	B	PROD	LAY DOWN BHA. 26 HWDP, 1 JAR, 11 4-3/4" DC, BIT SUB AND BIT # 6R.
	15:30 - 16:00	0.50	06	B	PROD	RETRIEVE WEAR BUSHING.
	16:00 - 17:00	1.00	12	A	PROD	R/U TO RUN 4-1/2" PRODUCTION CASING. HELD SAFETY MEETING WITH DRILL CREW AND CALIBER CASING PERSONNEL.
	17:00 - 04:00	11.00	12	A	PROD	MAKE UP TOPCO FLOAT SHOE, 1 JT. 4-1/2", 11.6 PPF, P-110, LTC PRODUCTION CASING WITH CENTRALIZER AND TWO STOPS IN THE MIDDLE OF JT. INSTALL FLOAT COLLAR IN TOP, THREAD LOCK SHOE AND COLLAR AND RUN 45 JOINTS OF CASING (FOLLOWING CENTRALIZER PROGRAM), INSTALL AND THREAD LOCK TOPCO 210 TWO STAGE CEMENTING COLLAR. DV TOOL LOCATED AT 9,312'. CONTINUE TO PICK UP 215 JOINTS OF CASING. SLOW RIH TO 1 MINUTE PER JOINT IN OPEN HOLE. FULL RETURNS WHILE RUNNING PIPE. TOTAL OF 261 JOINTS RAN. BACK OFF COUPLING FROM JOINT #261 AND MAKE UP 4-1/2" X11" QDF MULTI-BOWL CASING HANGER. MAKE UP LANDING JOINT INTO HANGER AND LAND OUT IN WELLHEAD BOWL. BACK OUT PIN IN WELLHEAD AND VERIFY THAT HANGER IS IN CORRECT POSITION. OK. CASING SHOE AT 11,296'. NO PROBLEMS RUNNING CASING, HOLE CLEAN. MAKE UP HALLIBURTON CEMENT HEAD.
	04:00 - 06:00	2.00	05	F	PROD	PICK UP HANGER 2' AND ESTABLISH CIRCULATION WITH FULL RETURNS. RIG DOWN CALIBER CASING TOOLS. POSITION HALLIBURTON CEMENT PUMP TRUCK AND R/U TO BULK HOPPERS AND WATER TANK. CIRCULATE AND CONDITION MUD AND R/U TO CEMENT 1st. STAGE AT REPORT TIME.
10/18/2007	06:00 - 07:00	1.00	05	F	PROD	CIRCULATING AND CONDITIONING HOLE IN PREPARATION TO CEMENTING 4-1/2" PROD. CASING.
	07:00 - 07:30	0.50	17	A	PROD	HELD PREJOB SAFETY MEETING WITH HALLIBURTON CEMENTERS AND NABORS DRILLING PERSONNEL.
	07:30 - 08:00	0.50	12	C	PROD	PRESSURE TESTED LINES TO 5K, OK, PUMPED TEN BBLs OF WATER SPACER, SUPER FLUSH, AND ANOTHER WATER SPACER, AND STARTED PUMPING 14.35# SLURRY, 330 SX, AT 1.25 YIELD, AND 5.5 GPS WATER.
	08:00 - 08:30	0.50	12	C	PROD	DROPPED PLUG AND STARTED DISPLACEMENT OF 175 BBLWS. NO RETURNS OBSERVED.
	08:30 - 09:00	0.50	12	C	PROD	OBSERVED 421 PSI WITH 127 BBLs AWAY, SLOWED PUMP RATE TO 2 BPM WHILE PASSING THROUGH DVT TOOL. INCREASED RATE WITH 150 BBLs AWAY, BUMPED PLUG AT 0847 HRS WITH 690 PSI, PRESSURED UP 500 PSI OVER, BLED PRESSURE OFF TO CHECK FLOAT EQUIPMENT, OK. DROPPED. DVT TOOL BALL TO SHIFT SLEEVE, WAITED 50 MINUTES. NO RETURNS OBSERVED.
	09:00 - 10:00	1.00	12	C	PROD	PUMPED THROUGH DVT TOOL, OBSERVED EXCESS PRESSURE, 900 PSI, AT 2 BPM. PUMPED ADDITIONAL 20 BBLs, OBSERVED PRESSURE OF 850 PSI. 20 BBLs RETURNED TO TANK. PRESSURED UP SECOND TIME, SAME RESULTS OBSERVED. CONCLUDED BRIDGE BETWEEN 4-1/2" CASING AND 7" OPEN HOLE. CLOSED ANNULAR, PRESSURED UP ANNULUS TO +/- 500 PSI, PRESSURE BLED OFF, PUMPED THROUGH CIRCULATING EQUIPMENT AND OBSERVED FULL RETURNS.
	10:00 - 15:30	5.50	05	F	PROD	CIRCULATED AND CONDITIONED HOLE AT 90 SPM'S 219 GPM.

Halliburton Energy Services
Operations Summary Report

Legal Well Name:	V CANYON 20-1		
Common Well Name:	V CANYON 20-1	Spud Date:	8/26/2007
Event Name:	ORIG DRILLING	Start:	8/26/2007
Contractor Name:	NABORS DRILLING	End:	10/17/2007
Rig Name:	NABORS	Rig Release:	10/17/2007
		Group:	
		Rig Number:	124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
10/18/2007	15:30 - 16:00	0.50	17	A	PROD	HELD PREJOB SAFETY MEETING WITH HALLIBURTON CEMENTERS AND NABORS DRILLING PERSONNEL. STARTED PUMPING 14.35# SLURRY440 SX, 1.25 YEILD, 5.5 GPS OF WATER. DISPLACED WITH 145 BBLs OF WATER, LANDED PLUG WITH FINAL PUMP PRESSURE OF 750 PSI. PRESSURED UP 500 PSI OVER, BLED OFF, CHECKED FLOAT EQUIPMENT, OK. BACKED OUT LANDING JOINT, LAYED DOWN SAME, RIGGED DOWN 3-1/2" TOOLS AND KELLY, LAYED DOWN SAME. RELEASED RIG AT 1930 HOURS. CONTINUED TO RIG DOWN DOWN IN PREPARATION FOR RIG MOVE.
	16:00 - 17:00	1.00	12	C	PROD	
	17:00 - 17:30	0.50	12	C	PROD	
	17:30 - 19:30	2.00	01	E	PROD	
	19:30 - 06:00	10.50	01	E	PROD	

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

CONFIDENTIAL

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU - 78023

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME
Moon Canyon

8. WELL NAME and NUMBER:
V Canyon 20-1

9. API NUMBER:
047-38968

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NENW 20 15S 21E

12. COUNTY
Uintah

13. STATE
UTAH

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:
Royale Energy, Inc

3. ADDRESS OF OPERATOR: **7676 Hazard Cente Drive CITY San Diego STATE CA ZIP 92108** PHONE NUMBER: **(619) 881-2800**

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **2172' FWL, 507' FNL**
AT TOP PRODUCING INTERVAL REPORTED BELOW: **3412' FWL, 1290' FNL**
AT TOTAL DEPTH: **Same 1864' FEL, 1294' FNL per DKD engineer**

14. DATE SPURRED: **8/27/2007** 15. DATE T.D. REACHED: **10/12/2007** 16. DATE COMPLETED: **11/20/2007** ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
GL- 7248, KB-7266

18. TOTAL DEPTH: MD **11,309** TVD **11,105** 19. PLUG BACK T.D.: MD **11,245** TVD **11,041** 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)
Triple Combo/SBT/Digital Spectralog (to 6155')/Sonic log (longwave form to 6155' and regular to T.D.)
MAADAMP HDI CD. CN. COMPUTER OBL. GR. COL. COMPZ

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
Drive	16	-	0	60		-		surface	
12 1/4	9 5/8 J-55	36	0	2,141				surface	
8 3/4	7-N-80	23	0	6,139		295-G	76	1500'	
6 1/4	4 1/2 P110	11.6	0	11,296	9,312	770-G	171	6990	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8	10,624							

26. PRODUCING INTERVALS					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) Entrada	10,782	10,813			10,782 10,813	3 1/8	4	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
Fracture	99339 #20/40 sand and nitrogen

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: Completion reports

30. WELL STATUS: **SI**

RECEIVED

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE: 11/27/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF: 1,044	WATER - BBL: 24	PROD. METHOD: natural flow
CHOKE SIZE: 24/64	TBG. PRESS. 1,025	CSG. PRESS. 1,185	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.)

Vented

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)
				Wingate	10,950
				Entrada	10,654
				Morrison	10,018
				Buckhorn	9,950
				Cedar Mtn	9,780
				Dakota Silt	9,712

35. ADDITIONAL REMARKS (Include plugging procedure)

Well is presently shut in awaiting pipeline connection

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Glenn Donaldson TITLE Chief Engineer
 SIGNATURE *WGD* DATE 12/20/02

This report must be submitted within 30 days of

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

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

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

Phone: 801-538-5340
 Fax: 801-359-3940

Halliburton Energy Services
Operations Summary Report

Legal Well Name:	V CANYON 20-1		
Common Well Name:	V CANYON 20-1	Spud Date:	8/26/2007
Event Name:	ORIG COMPLETION	Start:	11/1/2007
Contractor Name:	NABORS DRILLING	Rig Release:	10/17/2007
Rig Name:	NABORS	Group:	
		Rig Number:	124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/1/2007	08:00 - 16:00	8.00	01	E	COMP	MOVE IN BASIC RIG 1584, EQUIPMENT AND MAN CAMP
	16:00 - 18:00	2.00	01	E	COMP	RIG UP BASIC RIG 1584 AND SET EQUIPMENT. NIPPLE DOWN TREE & N/U BOPS
11/2/2007	08:00 - 11:00	3.00			COMP	SHUT WELL IN FOR NIGHT PICK UP BHA AS FOLLOWS: 1 x CONCAVE MILL 3-7/8" O.D.; 7/8" I.D.; LENGTH 0.85 FT 1 x BIT SUB 2-7/8" PAC X 2-3/8" REG 1-5/16" I.D.; 3-1/8" O.D.; LENGTH 1.45 FT 4 x DRILL COLLARS 3-3/4" O.D.; 1-1/2" I.D. 1 x XO SUB 2-3/8" E.U.E X 2-7/8" PAC; 1.9/16" I.D.; 3-1/8" O.D. LENGTH 1.34 FT TOTAL B.H.A 126.62 FT RUN HARD LINE AND WAIT ON TBG.
	11:00 - 12:00	1.00			COMP	UNLOAD 348 JTS OF N80 TBG ON PIPE RACKS AND REMOVE PROTECTORS & TALLEY
11/5/2007	12:00 - 18:00	6.00			COMP	PICK UP & TALLEY 280 JTS OF N80 TBG. TAG FILL AT 9226 FT SHUT WELL IN FOR WEEKEND
	04:30 - 08:00	3.50			COMP	CREW TRAVEL
	08:00 - 10:00	2.00			COMP	SPOT IN AND RIG UP POWER SWIVEL ,INSTALL STRIPPER HEAD
	10:00 - 11:30	1.50			COMP	START PUMPING, BREAK CIRCULATION & DRILL UP 86 FT OF GREEN CEMENT TO D.V TOOL AT 9312 FT
	11:30 - 12:00	0.50			COMP	DRILL UP D.V TOOL AND CIRCULATE HOLE CLEAN. TEST DV TOOL TO 4,000 PSI: BRING PRESSURE UP 1,000 PSI, HOLD FOR 5 MIN. PUMP UP TO 2,000 PSI & HOLD FOR 5 MIN. PUMP UP TO 3,000 PSI, HOLD FOR 5 MIN. PUMP UP TO 4,000 PSI FOR 15 MIN. HOLD FOR 15 MIN NO BLEED OFF
	12:00 - 14:30	2.50			COMP	STAND SWIVEL BACK, PICK UP N80 2-3/8 TBG & TAG FILL AT 11,154 FT (JT # 339)
	14:30 - 16:30	2.00			COMP	DRILL FROM 11,154 FT TO 11,220 FT. START IN W/ LAST JT, STARTED DOWN & THRENAS PULL OFF CONNECTION AND PIPE FELL 25 FT TRIED TO SCREW INTO COLLAR IT WOULD JUST PULL OUT
	16:30 - 21:00	4.50			COMP	WAITING ON R&W TO BRING OVERSHOT
	21:00 - 21:30	0.50			COMP	MAKE UP FISHING TOOL TO FISH 2-3/8 TBG COLLAR. RUN IN 25 FT GOT HOLD OF FISH & PULLED IT THROUGH SLIPS. REMOVE OVERSHOT THREADS IN. COLLAR WAS STRIPED PULL UP & SHUT WELL IN FOR NIGHT
	11/6/2007	07:00 - 07:30	0.50			COMP
07:30 - 09:30		2.00			COMP	RIG UP PUMP, TANK ,SWIVEL BREAK CIRC & START DRILLING TO 11,230 FT. TBG STARDED TORGING WAY TO MUCH, COULD NOT GET ANY DEEPER. CIRCULATE HOLE CLEAN & TEST CASING TO 4,000 PSI FOR 15 MIN, NO BLEED OFF
09:30 - 18:30		9.00			COMP	RACK SWIVEL BACK. START LAYING 2- 3/8 TBG DOWN ON PIPE RACKS. LAY 342 JTS OF N80 TBG DOWN. STAND 4 D.C BACK. DRAIN PUMP AND LINES SHUT WELL IN FOR NIGHT
11/7/2007	07:00 - 07:30	0.50			COMP	REMOVE TBG FROM PIPE RACKS & PREPARE FOR NEW TUBING

Halliburton Energy Services
Operations Summary Report

Legal Well Name:	V CANYON 20-1		
Common Well Name:	V CANYON 20-1	Spud Date:	8/26/2007
Event Name:	ORIG COMPLETION	Start:	11/1/2007
Contractor Name:	NABORS DRILLING	End:	
Rig Name:	NABORS	Rig Release:	10/17/2007
		Group:	
		Rig Number:	124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/7/2007	07:30 - 10:00	2.50			COMP	WAIT ON TRUCKS FOR TUBING
	10:00 - 12:00	2.00			COMP	UNLOAD TRUCKS W/ NEW TUBING AND RELOAD TRUCKS W/ USED TBG; LOAD 348 JTS, 2 JOINTS PRESENTED BAD THREADS
	12:00 - 14:00	2.00			COMP	PULL PROTECTORS & TALLEY TOP LAYER. PICK UP MILL + SCRAPPER + TALLEY
	14:00 - 20:30	6.50			COMP	TIH W/ 356 JTS OF N-80 TBG. TAG UP AT 11,245 FT. PULL BACK ABOVE DV TOOL. DID NOT TAG ANYTHING GOING IN OR OUT. EOT 9231 FT SHUT WELL IN FOR NIGHT
11/8/2007	07:00 - 09:00	2.00			COMP	TRIP OUT OF HOLE W/ REMANING N80 TBG
	09:00 - 15:00	6.00			COMP	WAIT ON BAKER ATLAS LOGGING TRUCK
	15:00 - 19:00	4.00			COMP	RIG UP BAKER ATLAS TO RUN CEMENT EVALUATION LOG- SBT / CCL / VDL LOG, STARED IN HOLE TO LOG THE GAMMA. TOOL STOP WORKING @ 1,400 FT. PULL BACK TO REPAIRE RUN BACK IN HOLE. START IN HOLE TOOL STILL NOT WORKING. THEY ARE HOTSHOTING A TOOL F/ ROCK SPRINGS IT WILL TAKE 6 TO 8 HRS. 10 HRS RIG STAND BY
11/9/2007	07:00 - 07:30	0.50			COMP	WAITING ON LOGGING TOOL
	07:30 - 11:00	3.50			COMP	PUT TOOL TOGETHER. PICK UP TOOL & RUN IN HOLE. TOOL STILL NOT WORKING RIGHT, THE V.D.L. NOT WORKING. THEY COULD NOT PASS 5,200 FT COMING OUT OF HOLE. THEY WHERE HANGING UP ABOUT 4,000 FT COME OUT OF AND LAY TOOL DOWN
	11:00 - 13:30	2.50			COMP	TRIP IN HOLE W/ SCRAPPER & 190 JTS OF N-80 TBG TO 6,071 FT. CIRC HOLE W 135 BBL OF CLEAR WTR
	13:30 - 14:30	1.00			COMP	TRIP OUT OF HOLE W/ 190 JTS OF N80 TBG & SCRAPPER; DID NOT TAG ANY RUNNING IN HOLE OR COMING OUT
	14:30 - 17:00	2.50			COMP	RIG WIRE LINE BACK UP MAKE A DUMMY RUN W/ 20 FT TOOL TO 7,000 FT; DID NOT TAG ANYTHING. PULL OUT OF HOLE AND RELEASE BAKER HUGHES AT 17:00 HRS 11/9/07
	17:00 - 21:00	4.00			COMP	WAIT ON PERF LOG
	21:00 - 21:30	0.50			COMP	RIG UP PERF LOG
11/10/2007	21:30 - 00:00	2.50			COMP	PERF LOG RUNING SECTOR CEMENT BOND GAMMA RAY/ CCL LOG
	00:00 - 03:00	3.00			COMP	PERFOLOG RUNING SECTOR CEMENT BOND LOG GAMMA RAY/ CCL LOG
	03:00 - 08:00	5.00			COMP	*****NO OPERATIONS REPORTED*****
11/12/2007	08:00 - 14:00	6.00			COMP	RELOG FROM 10,900 TO 10,200 FT HOLDING 1,000 PSI HELP LOOKS OF BOND A LITTLE. TOP OF CEMENT 6986 FT RIG DOWN LOGGERS AND SHUT WELL IN FOR WEEKEND CREW TRAVEL
	14:00 - 17:30	3.50			COMP	RIH W/ TBG COLLAR, 1 JT S.N. & 353 JTS OF 2.3/8" N-80 TBG. EOT @ 11,181 FT
	07:00 - 10:00	3.00			COMP	R/U PUMP. PUMPED 180 BBL OF 3% KCL WATER & ROLL HOLE 20 BBL OVER VOLUME
	10:00 - 11:00	1.00			COMP	R/U SWAB TOOL. SWAB WELL DOWN TO 6200 FT. RECOVERS 96 BBL OF 3% KCL WTR. RIG DOWN SWAB
	11:00 - 15:00	4.00			COMP	TRIP OUT OF THE HOLE W/ TUBING (353 JTS)
	15:00 - 17:30	2.50			COMP	RIG UP PERF-O-LOG TO SHOT THE ENTRADA INTERVALS: 10,813 - 10,800 FT & 10,793 - 10,792 FT. 2 SPF W/ 3.1/8" GUNS, 22.7 GRMS, 120 PHASED. HAD GAS SURFACE AFTER PERFORATING.
	17:30 - 19:00	1.50			COMP	

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG COMPLETION
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Start: 11/1/2007
 Rig Release: 10/17/2007
 Rig Number: 124

Spud Date: 8/26/2007
 End:
 Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/12/2007	17:30 - 19:00	1.50			COMP	SHUT IN WELL FOR 10 MIN; SIP ~300 PSI OPEN ON 20/64 CHOKE FOR 2 MIN. PRESSURE BUILD TO 350 PSI SHUT WELL IN FOR NIGHT
11/13/2007	00:00 - 07:00	7.00			COMP	SICP 1500 PSI WELL SHUT FOR 11 HRS INSTALL A 16/64 CHOKE
	07:00 - 07:30	0.50			COMP	1300 PSI PRESSURE DROP 200 PSI
	07:30 - 08:00	0.50			COMP	850 PSI PRESSURE DROP 450 PSI
	08:00 - 08:30	0.50			COMP	700 PSI PRESSURE DROP 150 PSI
	08:30 - 09:00	0.50			COMP	700 PSI PRESSURE HOLDING
	09:00 - 09:30	0.50			COMP	650 PSI PRESSURE DROP 50 PSI
	09:30 - 10:00	0.50			COMP	350 PSI PRESSURE DROP 300 PSI TRYING TO UNLOAD SOME FLUID
	10:00 - 10:30	0.50			COMP	HOOK UP TO FLOW BACK TO RECORD FLUID RECOVERED. INSTALL A 32/64 CHOKE. SICP 550 PSI
	10:30 - 11:15	0.75			COMP	550 PSI STILL AT 550 PSI. MADE 27 BBLS FLUID ON 32/64 CHOKE
	11:15 - 11:45	0.50			COMP	550 PSI STILL AT 550 PSI. MADE 22 BBLS FLUID ON 32/64 CHOKE FLUID, TOTAL 49 BBLS
	11:45 - 12:15	0.50			COMP	500 PSI DROP 50 PSI. MADE 13 BBLS FLUID ON 32/64 CHOKE FLUID, TOTAL 62 BBLS
	12:15 - 12:45	0.50			COMP	400 PSI DROP 100 PSI. MADE 9 BBLS FLUID ON 32/64 CHOKE FLUID, TOTAL 71 BBLS
	12:45 - 13:15	0.50			COMP	350 PSI PRESSURE DROP 50 PSI. MADE 9 BBLS FLUID ON 32/64 CHOKE, TOTAL FLUID 80 BBLS
	13:15 - 17:00	3.75			COMP	OPEN WELL ON FULL 2" CHOKE. BLEED WELL DOWN TO 250 PSI. PUMP 45 BBLS TO KILL WELL. TRIP IN HOLE W/ 80 JTS TBG @ 2,543 FT. WELL UNLOAD THE 45 BBLS. FLOWING PRESSURE 400 PSI. PUMP 80 BBLS OF 3% KCL WTR TO KILL WELL, INSTALL STRIPPER & CONTINUE IN HOLE W/2-3/8 N80 TBG W/ 339 JTS (10,698.33 FT)--X.N NEP (1.10 FT) --1-JT-E.OT. @ 10,741FT, 41 FT ABOVE TOP PERF AT 10,782 FT, LAY LINE F/ TBG TO MANIFOLD
	17:00 - 18:00	1.00			COMP	FLOW WELL TO FLOW BACK ON A FULL 2" CHOKE. FLOWING PRESSURE 200PSI; FLOWED BACK 40 BBLS OF FLUID SHUT WELL IN F/ NIGHT. HAVE 42 BBLS TO RECOVER F/ THE 80 BBLS PUMP.
11/14/2007	00:00 - 07:00	7.00			COMP	SITP 2,300 PSI ; SICP 2,400 PSI. WELL SHUT F/ 13 HRS
	07:00 - 07:30	0.50			COMP	OPEN WELL UP ON 16/64 CHOKE. TGB PSI 1,400 PSI; TBG PRESSURE DROP 900 PSI; SICP 2,200 PSI, PRESSURE DROP 300 PSI
	07:30 - 08:00	0.50			COMP	FTP ON 16/64 CHOKE 1,000 PSI DROP 400 PSI SICP 2,200 PSI
	08:00 - 08:30	0.50			COMP	FTP ON 32/64 CHOKE 850 PSI DROP 150 PSI SICP 1,800 PSI DROP 400 PSI GAS @ FLUID
	08:30 - 09:00	0.50			COMP	FTP ON 32/64 CHOKE 500 PSI DROP 350 PSI SICP 1,300 PSI DROP 500 PSI GAS @ FLUID, MADE 27BBLS
	09:00 - 09:30	0.50			COMP	FTP ON 32/64 CHOKE 450 PSI DROP 50 PSI SICP 1,200 PSI DROP 1,000 PSI GAS @ FLUID, MADE 2 BBLS, TOTAL 29 BBLS
	09:30 - 10:00	0.50			COMP	FTP ON 32/64 CHOKE 400 PSI DROP 50 PSI SICP 1,100 PSI DROP 100 PSI GAS @ FLUID, MADE 2 BBLS TOTAL, 31 BBLS
	10:00 - 10:30	0.50			COMP	FTP ON 32/64 CHOKE 350 PSI DROP 50 PSI SICP 1,000 PSI GAS @ FLUID MADE 2BBLS, TOTAL 33 BBLS
	10:30 - 11:00	0.50			COMP	FTP ON 32/64 CHOKE 350 PSI NO DROP SICP 1,000 PSI GAS @ FLUID MADE 2 BBLS, TOTAL 35 BBLS
	11:00 - 11:30	0.50			COMP	FTP ON 32/64 CHOKE 300 PSI DROP 50 PSI SICP 1,000 PSI GAS @

Halliburton Energy Services
Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG COMPLETION
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Spud Date: 8/26/2007
 Start: 11/1/2007
 End:
 Rig Release: 10/17/2007
 Group:
 Rig Number: 124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/14/2007	11:00 - 11:30	0.50			COMP	FLUID MADE 4BBLs, TOTAL 39 BBLs
	11:30 - 12:00	0.50			COMP	FTP ON 32/64 CHOKE 350 PSI UP 50 PSI SICP 1,000 PSI GAS @ FLUID MADE 2 BBLs, TOTAL 41 BBLs
	12:00 - 12:30	0.50			COMP	FTP ON 32/64 CHOKE 300 PSI DROP 50 PSI SICP 1,000 PSI GAS @ FLUID MADE 2BBLs, TOTAL 43 BBLs
	12:30 - 13:00	0.50			COMP	FTP ON 32/64 CHOKE 300 PSI SICP 1,000 GAS @ FLUID MADE 2 BBLs, TOTAL 45 BBLs
	13:00 - 13:30	0.50			COMP	FTP ON 32/64 CHOKE 300 PSI SICP 1,000 GAS @ FLUID MADE 2 BBLs, TOTAL 47 BBLs
	13:30 - 14:00	0.50			COMP	FTP ON 32/64 CHOKE 300 PSI SICP 1,000 PSI GAS @ FLUID MADE 2 BBLs, TOTAL 49 BBLs
	14:00 - 14:30	0.50			COMP	FTP ON 32/64 CHOKE 300 PSI SICP 1,000 PSI GAS @ FLUID MADE 2BBLs, TOTAL 51 BBLs
	14:30 - 15:00	0.50			COMP	FTP ON 32/64 CHOKE 300 PSI SICP 1,000 PSI GAS @ FLUID MADE 2BBLs, TOTAL 53 BBLs
	15:00 - 15:30	0.50			COMP	FTP ON 32/64 CHOKE 300 PSI SICP 1,000 PSI GAS @ FLUID MADE 2 BBLs, TOTAL 55 BBLs
	15:30 - 16:00	0.50			COMP	FTP INSTALL 12/64 CHOKE 750 PSI SICP 1,000 PSI, MADE NO FLUID
	16:00 - 16:30	0.50			COMP	FTP ON 12/64 CHOKE 950 PSI SICP 1,400 PSI, NO FLUID
	16:30 - 17:00	0.50			COMP	FTP ON 12/64 CHOKE 1,000 PSI SICP 1,500 PSI, NO FLUID
	17:00 - 17:30	0.50			COMP	FTP ON 12/64 CHOKE 1,050 PSI SICP 1,500 PSI, NO FLUID
	17:30 - 18:00	0.50			COMP	FTP ON 12/64 CHOKE 1,100 PSI SICP 1,500 PSI, NO FLUID. TOTAL FLUID RECOVERED 55 BBLs SHUT WELL IN FOR NIGHT.
	11/15/2007	00:00 - 07:00	7.00			COMP
07:00 - 07:30		0.50			COMP	FTP ON 16/64 CHOKE 2200 PSI; SICP 2300 PSI GAS, NO FLUID
07:30 - 08:00		0.50			COMP	FTP ON 16/64 CHOKE 1950 PSI; SICP 2200 PSI GAS, NO FLUID
08:00 - 08:30		0.50			COMP	FTP ON 16/64 CHOKE 1800 PSI; SICP 2050 PSI GAS, NO FLUID
08:30 - 09:00		0.50			COMP	FTP ON 16/64 CHOKE 1500 PSI; SICP 2000 PSI GAS, NO FLUID
09:00 - 09:30		0.50			COMP	FTP ON 12/64 CHOKE 1600 PSI; SICP 2000 PSI GAS, NO FLUID
09:30 - 10:00		0.50			COMP	FTP ON 12/64 CHOKE 1600 PSI; SICP 2000 PSI GAS, NO FLUID
10:00 - 10:30		0.50			COMP	FTP ON 12/64 CHOKE 1650 PSI; SICP 2000 PSI GAS, NO FLUID
10:30 - 11:00		0.50			COMP	FTP ON 12/64 CHOKE 1650 PSI; SICP 2000 PSI GAS, NO FLUID
11:00 - 11:30		0.50			COMP	FTP ON 12/64 CHOKE 1700 PSI; SICP 2000 PSI GAS, NO FLUID
11:30 - 12:00		0.50			COMP	FTP ON 12/64 CHOKE 1700 PSI; SICP 2000 PSI GAS, NO FLUID
12:00 - 12:30		0.50			COMP	FTP ON 12/64 CHOKE 1700 PSI; SICP 2100 PSI GAS, NO FLUID
12:30 - 13:00		0.50			COMP	FTP ON 12/64 CHOKE 1700 PSI; SICP 2200 PSI GAS, NO FLUID SHUT WELL IN AT 13:00 HRS
13:00 - 14:00		1.00			COMP	SITP 1850 PSI; SICP 2200 PSI
14:00 - 15:00		1.00			COMP	SITP 1550 PSI; SICP 2250 PSI
15:00 - 16:00	1.00			COMP	SITP 2000 PSI; SICP 2250 PSI	
16:00 - 16:30	0.50			COMP	SITP 2050 PSI; SICP 2250 PSI. TIE IN TO CSG START FLOWING. CSG PRESSURE DOWN OFF CSG FOR NIGHT.	
11/16/2007	07:00 - 09:00	2.00			COMP	BLEED REMAINING 200 PSI OFF CSG. PUMP 230 BBLs OF 3% KCL WTR TO KILL WELL
	09:00 - 11:30	2.50			COMP	TRIP OUT OF HOLE W/ 2-3/8 N 80 TBG 339 JTS. TRIP OUT OF HOLE LEAVING PUMP STROKE AT 0.5 BBL/MIN, PUMP 60 BBLs
	11:30 - 15:00	3.50			COMP	NEP DOWN BOPS & NEP UP FRAC VALVE & TEST TO 9300 PSI; TEST OK.

Halliburton Energy Services

Operations Summary Report

Legal Well Name: V CANYON 20-1
 Common Well Name: V CANYON 20-1
 Event Name: ORIG COMPLETION
 Contractor Name: NABORS DRILLING
 Rig Name: NABORS

Spud Date: 8/26/2007
 Start: 11/1/2007
 End:
 Rig Release: 10/17/2007
 Group:
 Rig Number: 124

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/16/2007	11:30 - 15:00	3.50			COMP	SHUT WELL IN F/ WEEK END
	15:00 - 18:30	3.50			COMP	CREW TRAVEL
11/19/2007	00:00 - 04:30	4.50			COMP	SICP=100 PSI. WELL SHUT FOR 62 HRS PRESSURE BLOWED RIGHT OFF
	04:30 - 08:00	3.50			COMP	CREW TRAVEL
	08:00 - 16:30	8.50			COMP	RACK OUT PUMP & TANK. SPOT IN GAS UNIT & SAND TRAP AND HELP RIG UP, WELL NEVER DID UN LOAD SHUT WELL IN FOR NIGHT.
11/20/2007	00:00 - 07:00	7.00			COMP	SICP 150# WELL SHUT IN 13 HRS.
	07:00 - 09:00	2.00			COMP	PREPARE F/ FRAC.
	09:00 - 15:00	6.00			COMP	RIG UP HALLIBURTON TO FRAC. FRAC WELL AS POST TREATMENT SUMMARY.
	15:00 - 15:30	0.50			COMP	OPEN WELL TEST UNIT ON 12/64 CHOKE. SICP 3300 PSI.
11/21/2007	15:30 - 17:30	2.00			COMP	TURN WELL OVER TO FLOWTESTERS.
	05:00 - 05:00	24.00			COMP	FLOW TEST WELL F/ 24 HRS.
11/23/2007	07:00 - 07:30	0.50			COMP	3-1/2 HRS CREW TRAVEL.
	07:00 - 07:30	0.50			COMP	RIG UP PERF-LOG TO SET KILL PLUG, INSTALL LANDING SPOOL & STRIPPER HEAD ON BOP.
	07:30 - 09:30	2.00			COMP	RUN HOLE SET KILL PLUG AT 9974 FT. POOH W/ WIRE LINE.
	09:30 - 10:30	1.00			COMP	BLOW WELL DOWN & RIG DOWN WIRE LINE, NEP DOWN FRAC VALVE, NEP UP BOP's.
	10:30 - 12:30	2.00			COMP	RIG UP FLOOR TONGS, RUN 4 DC IN & LAY DOWN ON FLOAT.
11/24/2007	12:30 - 16:00	3.50			COMP	RUN MILL PUMP OFF BIT SUB 1 JT X.N NEP TRIP IN HOLE TAG KILL PLUG AT 9974 FT.
	16:00 - 18:00	2.00			COMP	RIG UP POWER SWIVEL & RIG UP R&W FOAM UNIT. PUMP 38 BBLs OF 3% KCL WTR DOWN TBG AND START DRILLING ON PLUG. PUMP 12 BBLs TO DRILL UP PLUG RUN SWIVEL TO FLOOR. SHUT PIPE RAMS & KELLY SAFETY VALVE. WELL UNLOADED THE 50 BBLs TO FLOWBACK TANK. PUT WELL ON 24/64 CHOKE TRUN WELL OVER TO FLOW BACK CREW.
	07:00 - 08:00	1.00			COMP	BLEED PRESSURE OFF TBG & RIG DOWN SWIVEL. TRIP IN HOLE 1,059 FT.
	08:00 - 09:00	1.00			COMP	TAG SAND AT 11,033 FT, 212 FT OF SAND TO CLEAN OUT P.B.T.D. 11,245 FT.
	09:00 - 10:00	1.00			COMP	LAY DOWN 4 JTS OF N80 TBG, RIG UP POWER SWIVEL & R&W FOAM UNIT START CLEANING OUT TO P.B.T.D. 11,245 FT. CIR HOLE CLEAN.
	10:00 - 12:00	2.00			COMP	RIG DOWN SWIVEL & LAY DOWN 20 JTS OF N80 TBG ON FLOAT LAND TBG HOT. PUMP OFF BIT E.O.T. 10,264.40 (1) JT X.N. NEP 10,590.86 (335 JTS N80 TBG) 10,589.46 FT.
	12:00 - 16:00	4.00			COMP	NEP DOWN BOP's, NEP UP WELL HEAD. DROP BALL, RIG UP FOAM TO PUMP BIT SUB OFF PUMP BIT SUB OFF AT 1,450 PSI RIG DOWN FOAM UNIT DOWN RIG LINE TO MANIFOLD WELL STARTES UP TBG HAD 650 PSI. TURN WELL OVER TO FLOW BACK CREW.
	16:00 - 19:30	3.50			COMP	CREW TRAVEL.

Royale Energy, Inc.

Uintah County

V Canyon 20-1

V Canyon 20-1

Original Hole

Survey: As Drilled

Standard Survey Report

10 October, 2007

Nevis

Survey Report

Company: Royale Energy, Inc.
Project: Uintah County
Site: V Canyon 20-1
Well: V Canyon 20-1
Wellbore: Original Hole
Design: Original Hole

Local Co-ordinate Reference: Well V Canyon 20-1
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.14 Single User Db

Project	Uintah County, Sec. 20, T15S, R21E		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Northern Zone		

Site	V Canyon 20-1				
Site Position:		Northing:	2,984,692.85 ft	Latitude:	39° 30' 15.670 N
From:	Lat/Long	Easting:	2,178,931.82 ft	Longitude:	109° 35' 31.980 W
Position Uncertainty:	0.0 ft	Slot Radius:	"	Grid Convergence:	1.26 °

Well	V Canyon 20-1					
Well Position	+N/-S	0.0 ft	Northing:	2,984,692.85 ft	Latitude:	39° 30' 15.670 N
	+E/-W	0.0 ft	Easting:	2,178,931.82 ft	Longitude:	109° 35' 31.980 W
Position Uncertainty	0.0 ft	Wellhead Elevation:	ft	Ground Level:	0.0 ft	

Wellbore	Original Hole				
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
	IGRF200510	8/21/2007	(°)	(°)	(nT)
			11.51	65.54	52,485

Design	Original Hole				
Audit Notes:					
Version:	1.0	Phase:	ACTUAL	Tie On Depth:	
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction	
	(ft)	(ft)	(ft)	(°)	
	0.0	0.0	0.0	122.09	

Survey Program	Date 10/10/2007				
From	To	Survey (Wellbore)	Tool Name	Description	
(ft)	(ft)				
2,199.0	10,069.0	As Drilled (Original Hole)			
10,069.0	10,897.0	Sidetrack #1 (Original Hole)			

Measured Depth	Inclination	Azimuth	Vertical Depth	+N/-S	+E/-W	Vertical Section	Dogleg Rate	Build Rate	Turn Rate
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(°/100ft)	(°/100ft)	(°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
2,199.0	2.00	322.70	2,198.6	30.5	-23.3	-35.9	0.09	0.09	0.00
2,614.0	2.20	286.10	2,613.3	38.5	-35.3	-50.4	0.32	0.05	-8.82
2,710.0	2.10	282.20	2,709.2	39.4	-38.8	-53.8	0.18	-0.10	-4.06
2,742.0	2.10	285.90	2,741.2	39.7	-39.9	-54.9	0.42	0.00	11.56
2,838.0	1.90	280.10	2,837.1	40.4	-43.2	-58.1	0.30	-0.21	-6.04
2,870.0	1.80	276.20	2,869.1	40.6	-44.2	-59.0	0.50	-0.31	-12.19
2,902.0	1.10	273.80	2,901.1	40.6	-45.0	-59.7	2.20	-2.19	-7.50
2,934.0	0.50	261.40	2,933.1	40.6	-45.5	-60.1	1.94	-1.87	-38.75
3,025.0	0.70	155.70	3,024.1	40.1	-45.6	-59.9	1.06	0.22	-116.15
3,057.0	0.90	142.80	3,056.1	39.7	-45.4	-59.5	0.84	0.62	-40.31
3,088.0	2.30	152.90	3,087.1	39.0	-45.0	-58.8	4.59	4.52	32.58

Nevis

Survey Report

Company:	Royale Energy, Inc.	Local Co-ordinate Reference:	Well V Canyon 20-1
Project:	Uintah County	TVD Reference:	WELL @ 0.0ft (Original Well Elev)
Site:	V Canyon 20-1	MD Reference:	WELL @ 0.0ft (Original Well Elev)
Well:	V Canyon 20-1	North Reference:	True
Wellbore:	Original Hole	Survey Calculation Method:	Minimum Curvature
Design:	Original Hole	Database:	EDM 2003.14 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
3,120.0	4.10	153.60	3,119.0	37.4	-44.2	-57.3	5.63	5.62	2.19
3,151.0	5.10	153.00	3,149.9	35.1	-43.0	-55.1	3.23	3.23	-1.94
3,182.0	5.60	153.80	3,180.8	32.6	-41.7	-52.7	1.63	1.61	2.58
3,214.0	6.20	156.10	3,212.6	29.6	-40.4	-49.9	2.01	1.87	7.19
3,246.0	6.50	158.00	3,244.4	26.3	-39.0	-47.0	1.14	0.94	5.94
3,278.0	6.70	157.70	3,276.2	22.9	-37.6	-44.0	0.63	0.62	-0.94
3,310.0	7.30	155.90	3,308.0	19.3	-36.0	-40.8	2.00	1.87	-5.62
3,341.0	7.50	156.60	3,338.7	15.7	-34.4	-37.5	0.71	0.65	2.26
3,373.0	7.50	156.60	3,370.5	11.8	-32.8	-34.1	0.00	0.00	0.00
3,404.0	8.00	156.30	3,401.2	8.0	-31.1	-30.6	1.62	1.61	-0.97
3,436.0	8.20	157.10	3,432.9	3.9	-29.3	-26.9	0.72	0.62	2.50
3,467.0	8.20	156.60	3,463.5	-0.2	-27.6	-23.3	0.23	0.00	-1.61
3,499.0	8.40	154.40	3,495.2	-4.4	-25.7	-19.4	1.17	0.62	-6.87
3,531.0	8.60	152.50	3,526.9	-8.6	-23.6	-15.4	1.08	0.62	-5.94
3,564.0	9.10	151.20	3,559.5	-13.1	-21.2	-11.0	1.63	1.52	-3.94
3,596.0	9.50	151.00	3,591.0	-17.6	-18.7	-6.4	1.25	1.25	-0.62
3,628.0	10.40	149.60	3,622.6	-22.4	-15.9	-1.6	2.91	2.81	-4.37
3,660.0	11.20	149.00	3,654.0	-27.6	-12.9	3.8	2.52	2.50	-1.87
3,692.0	12.30	148.60	3,685.3	-33.2	-9.5	9.6	3.45	3.44	-1.25
3,723.0	12.90	147.80	3,715.6	-38.9	-5.9	15.7	2.02	1.94	-2.58
3,755.0	13.50	146.10	3,746.7	-45.0	-1.9	22.3	2.23	1.87	-5.31
3,787.0	14.30	145.70	3,777.8	-51.4	2.4	29.3	2.52	2.50	-1.25
3,818.0	14.90	143.50	3,807.8	-57.8	6.9	36.5	2.64	1.94	-7.10
3,850.0	15.70	141.70	3,838.7	-64.5	12.0	44.4	2.91	2.50	-5.62
3,882.0	16.00	140.90	3,869.4	-71.3	17.5	52.7	1.16	0.94	-2.50
3,914.0	16.60	140.60	3,900.2	-78.2	23.2	61.2	1.89	1.87	-0.94
3,946.0	17.30	142.50	3,930.8	-85.6	29.0	70.0	2.79	2.19	5.94
3,978.0	17.50	138.80	3,961.3	-93.0	35.0	79.1	3.51	0.62	-11.56
4,010.0	17.60	135.70	3,991.8	-100.0	41.6	88.4	2.94	0.31	-9.69
4,041.0	18.20	132.40	4,021.3	-106.7	48.4	97.7	3.80	1.94	-10.65
4,073.0	18.80	130.20	4,051.7	-113.4	56.1	107.7	2.88	1.87	-6.87
4,105.0	19.30	128.30	4,081.9	-120.0	64.2	118.1	2.49	1.56	-5.94
4,137.0	19.20	124.30	4,112.1	-126.2	72.7	128.6	4.13	-0.31	-12.50
4,168.0	19.10	121.40	4,141.4	-131.7	81.2	138.8	3.09	-0.32	-9.35
4,200.0	19.90	118.80	4,171.6	-137.1	90.4	149.4	3.69	2.50	-8.12
4,232.0	20.90	117.00	4,201.6	-142.3	100.3	160.6	3.69	3.12	-5.62
4,264.0	21.70	115.40	4,231.4	-147.4	110.7	172.1	3.09	2.50	-5.00
4,296.0	22.00	113.80	4,261.1	-152.4	121.6	183.9	2.08	0.94	-5.00
4,328.0	22.10	111.70	4,290.7	-157.0	132.6	195.8	2.48	0.31	-6.56
4,360.0	21.90	110.50	4,320.4	-161.3	143.8	207.5	1.54	-0.62	-3.75
4,392.0	21.60	110.20	4,350.1	-165.5	154.9	219.2	1.00	-0.94	-0.94
4,424.0	21.40	109.90	4,379.9	-169.5	166.0	230.6	0.71	-0.62	-0.94
4,456.0	21.20	109.80	4,409.7	-173.4	176.9	242.0	0.64	-0.62	-0.31
4,519.0	20.90	109.10	4,468.5	-181.0	198.2	264.1	0.62	-0.48	-1.11
4,583.0	20.70	108.30	4,528.3	-188.2	219.7	286.2	0.54	-0.31	-1.25
4,647.0	20.60	110.60	4,588.2	-195.8	241.0	308.2	1.28	-0.16	3.59
4,679.0	20.70	111.10	4,618.2	-199.8	251.6	319.3	0.63	0.31	1.56
4,711.0	20.60	110.60	4,648.1	-203.8	262.1	330.3	0.63	-0.31	-1.56
4,775.0	19.80	109.60	4,708.2	-211.4	282.9	352.0	1.36	-1.25	-1.56
4,839.0	19.00	111.30	4,768.5	-218.8	302.8	372.8	1.53	-1.25	2.66
4,871.0	18.40	111.60	4,798.9	-222.6	312.3	382.9	1.90	-1.87	0.94
4,903.0	18.30	111.60	4,829.2	-226.3	321.7	392.8	0.31	-0.31	0.00
4,935.0	17.80	113.20	4,859.7	-230.0	330.9	402.5	2.20	-1.56	5.00
4,998.0	17.70	115.70	4,919.7	-238.0	348.4	421.6	1.22	-0.16	3.97

Nevis

Survey Report

Company: Royale Energy, Inc.
Project: Uintah County
Site: V Canyon 20-1
Well: V Canyon 20-1
Wellbore: Original Hole
Design: Original Hole

Local Co-ordinate Reference: Well V Canyon 20-1
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.14 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,030.0	17.50	116.30	4,950.2	-242.2	357.0	431.2	0.84	-0.62	1.87
5,126.0	17.50	116.70	5,041.7	-255.1	382.9	459.9	0.13	0.00	0.42
5,189.0	16.70	117.10	5,101.9	-263.5	399.4	478.4	1.28	-1.27	0.63
5,253.0	16.40	117.70	5,163.3	-271.9	415.6	496.5	0.54	-0.47	0.94
5,285.0	16.10	117.50	5,194.0	-276.0	423.5	505.5	0.95	-0.94	-0.62
5,317.0	15.60	117.40	5,224.8	-280.1	431.3	514.2	1.56	-1.56	-0.31
5,381.0	15.60	117.60	5,286.4	-288.0	446.5	531.3	0.08	0.00	0.31
5,413.0	15.70	117.30	5,317.2	-292.0	454.2	539.9	0.40	0.31	-0.94
5,445.0	16.20	116.30	5,348.0	-295.9	462.1	548.7	1.78	1.56	-3.12
5,509.0	16.40	116.20	5,409.4	-303.9	478.2	566.6	0.32	0.31	-0.16
5,541.0	16.60	116.30	5,440.1	-307.9	486.3	575.6	0.63	0.62	0.31
5,604.0	16.30	117.00	5,500.5	-315.9	502.3	593.4	0.57	-0.48	1.11
5,668.0	15.70	117.00	5,562.1	-323.9	518.0	610.9	0.94	-0.94	0.00
5,733.0	15.60	116.90	5,624.7	-331.9	533.6	628.4	0.16	-0.15	-0.15
5,765.0	15.50	116.70	5,655.5	-335.7	541.3	636.9	0.35	-0.31	-0.62
5,798.0	15.50	116.50	5,687.3	-339.7	549.2	645.7	0.16	0.00	-0.61
5,829.0	15.70	116.40	5,717.1	-343.4	556.6	654.0	0.65	0.65	-0.32
5,861.0	15.70	115.50	5,747.9	-347.2	564.4	662.6	0.76	0.00	-2.81
5,893.0	15.60	114.60	5,778.8	-350.8	572.2	671.2	0.82	-0.31	-2.81
5,924.0	15.60	113.80	5,808.6	-354.3	579.8	679.4	0.69	0.00	-2.58
5,954.0	15.60	112.70	5,837.5	-357.4	587.2	687.4	0.99	0.00	-3.67
5,986.0	15.50	111.90	5,868.3	-360.7	595.2	695.9	0.74	-0.31	-2.50
6,017.0	15.50	112.30	5,898.2	-363.8	602.9	704.0	0.34	0.00	1.29
6,081.0	15.50	115.00	5,959.9	-370.7	618.5	720.9	1.13	0.00	4.22
6,106.0	15.30	115.20	5,984.0	-373.5	624.5	727.5	0.83	-0.80	0.80
6,165.0	15.00	114.30	6,040.9	-379.9	638.5	742.8	0.65	-0.51	-1.53
6,197.0	14.60	114.20	6,071.9	-383.3	646.0	750.9	1.25	-1.25	-0.31
6,229.0	15.30	115.00	6,102.8	-386.7	653.5	759.1	2.28	2.19	2.50
6,261.0	15.20	119.80	6,133.7	-390.6	661.0	767.5	3.96	-0.31	15.00
6,293.0	15.50	123.90	6,164.5	-395.1	668.1	775.9	3.52	0.94	12.81
6,325.0	14.90	123.80	6,195.4	-399.8	675.1	784.3	1.88	-1.87	-0.31
6,357.0	16.10	121.20	6,226.2	-404.3	682.3	792.9	4.33	3.75	-8.12
6,389.0	17.20	120.40	6,256.9	-409.0	690.2	802.1	3.51	3.44	-2.50
6,421.0	16.80	119.90	6,287.5	-413.7	698.3	811.4	1.33	-1.25	-1.56
6,453.0	16.10	119.40	6,318.2	-418.2	706.2	820.5	2.23	-2.19	-1.56
6,484.0	16.70	120.60	6,347.9	-422.6	713.7	829.2	2.22	1.94	3.87
6,516.0	17.70	120.00	6,378.5	-427.4	721.9	838.7	3.17	3.12	-1.87
6,548.0	17.90	121.00	6,409.0	-432.3	730.3	848.4	1.14	0.62	3.12
6,580.0	17.80	125.30	6,439.4	-437.7	738.6	858.2	4.13	-0.31	13.44
6,612.0	17.50	129.50	6,469.9	-443.6	746.3	867.9	4.09	-0.94	13.12
6,643.0	17.50	132.60	6,499.5	-449.7	753.3	877.1	3.01	0.00	10.00
6,674.0	17.30	133.00	6,529.1	-456.0	760.1	886.2	0.75	-0.65	1.29
6,706.0	16.70	132.20	6,559.7	-462.3	767.0	895.4	2.01	-1.87	-2.50
6,738.0	15.80	131.30	6,590.4	-468.3	773.7	904.2	2.92	-2.81	-2.81
6,770.0	15.00	127.90	6,621.2	-473.7	780.2	912.7	3.77	-2.50	-10.62
6,802.0	15.40	126.20	6,652.1	-478.8	786.9	921.0	1.87	1.25	-5.31
6,834.0	15.90	124.40	6,682.9	-483.8	793.9	929.6	2.18	1.56	-5.62
6,866.0	16.00	121.80	6,713.7	-488.6	801.3	938.4	2.25	0.31	-8.12
6,929.0	14.80	118.70	6,774.4	-497.0	815.7	955.1	2.31	-1.90	-4.92
6,961.0	14.20	124.20	6,805.4	-501.2	822.6	963.1	4.69	-1.87	17.19
6,992.0	14.30	127.40	6,835.5	-505.6	828.8	970.7	2.56	0.32	10.32
7,023.0	15.30	127.50	6,865.4	-510.4	835.0	978.6	3.23	3.23	0.32
7,054.0	16.20	131.20	6,895.3	-515.8	841.5	987.0	4.35	2.90	11.94
7,086.0	15.80	129.00	6,926.0	-521.5	848.3	995.7	2.27	-1.25	-6.87

Nevis Survey Report

Company:	Royale Energy, Inc.	Local Co-ordinate Reference:	Well V Canyon 20-1
Project:	Uintah County	TVD Reference:	WELL @ 0.0ft (Original Well Elev)
Site:	V Canyon 20-1	MD Reference:	WELL @ 0.0ft (Original Well Elev)
Well:	V Canyon 20-1	North Reference:	True
Wellbore:	Original Hole	Survey Calculation Method:	Minimum Curvature
Design:	Original Hole	Database:	EDM 2003.14 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
7,118.0	15.20	126.50	6,956.9	-526.7	855.0	1,004.2	2.81	-1.87	-7.81
7,150.0	15.70	126.90	6,987.7	-531.8	861.9	1,012.7	1.60	1.56	1.25
7,182.0	16.10	129.00	7,018.5	-537.2	868.8	1,021.4	2.19	1.25	6.56
7,214.0	16.40	131.50	7,049.2	-543.0	875.6	1,030.3	2.38	0.94	7.81
7,245.0	16.00	131.10	7,079.0	-548.7	882.1	1,038.8	1.34	-1.29	-1.29
7,277.0	15.90	130.20	7,109.8	-554.4	888.8	1,047.5	0.83	-0.31	-2.81
7,308.0	16.00	129.70	7,139.6	-559.9	895.3	1,056.0	0.55	0.32	-1.61
7,340.0	15.40	127.60	7,170.4	-565.3	902.1	1,064.6	2.58	-1.87	-6.56
7,372.0	14.40	125.20	7,201.3	-570.2	908.7	1,072.8	3.67	-3.12	-7.50
7,404.0	14.10	124.80	7,232.3	-574.7	915.1	1,080.6	0.99	-0.94	-1.25
7,435.0	14.10	129.40	7,262.4	-579.2	921.2	1,088.2	3.61	0.00	14.84
7,498.0	13.30	132.60	7,323.6	-589.0	932.4	1,102.9	1.75	-1.27	5.08
7,529.0	12.50	131.70	7,353.8	-593.7	937.6	1,109.7	2.66	-2.58	-2.90
7,560.0	11.90	130.60	7,384.1	-598.0	942.5	1,116.2	2.08	-1.94	-3.55
7,592.0	11.30	130.30	7,415.4	-602.2	947.4	1,122.5	1.88	-1.87	-0.94
7,623.0	10.30	125.00	7,445.9	-605.7	952.0	1,128.3	4.54	-3.23	-17.10
7,654.0	9.20	120.30	7,476.5	-608.5	956.4	1,133.6	4.38	-3.55	-15.16
7,684.0	8.20	125.30	7,506.1	-611.0	960.2	1,138.1	4.18	-3.33	16.67
7,717.0	7.70	127.80	7,538.8	-613.7	963.9	1,142.6	1.84	-1.52	7.58
7,748.0	7.30	124.40	7,569.5	-616.1	967.1	1,146.7	1.93	-1.29	-10.97
7,780.0	6.80	121.40	7,601.3	-618.2	970.4	1,150.6	1.94	-1.56	-9.37
7,811.0	6.40	121.50	7,632.1	-620.1	973.5	1,154.2	1.29	-1.29	0.32
7,843.0	6.20	123.50	7,663.9	-622.0	976.4	1,157.7	0.93	-0.62	6.25
7,874.0	6.30	120.00	7,694.7	-623.7	979.3	1,161.0	1.27	0.32	-11.29
7,906.0	6.80	117.20	7,726.5	-625.5	982.5	1,164.7	1.85	1.56	-8.75
7,938.0	7.10	123.70	7,758.3	-627.5	985.8	1,168.6	2.63	0.94	20.31
7,970.0	7.30	129.10	7,790.0	-629.8	989.1	1,172.5	2.20	0.62	16.87
8,000.0	8.10	133.90	7,819.7	-632.5	992.1	1,176.5	3.42	2.67	16.00
8,032.0	9.20	138.20	7,851.4	-636.0	995.4	1,181.2	3.99	3.44	13.44
8,064.0	9.70	138.90	7,882.9	-639.9	998.9	1,186.2	1.60	1.56	2.19
8,096.0	10.30	138.60	7,914.4	-644.1	1,002.5	1,191.5	1.88	1.87	-0.94
8,128.0	10.20	138.20	7,945.9	-648.3	1,006.3	1,197.0	0.38	-0.31	-1.25
8,159.0	10.40	136.20	7,976.4	-652.4	1,010.1	1,202.3	1.32	0.65	-6.45
8,190.0	10.10	134.50	8,006.9	-656.3	1,014.0	1,207.7	1.37	-0.97	-5.48
8,222.0	10.50	131.30	8,038.4	-660.2	1,018.1	1,213.3	2.18	1.25	-10.00
8,254.0	10.50	128.30	8,069.9	-664.0	1,022.6	1,219.1	1.71	0.00	-9.37
8,286.0	10.70	128.30	8,101.3	-667.6	1,027.2	1,225.0	0.62	0.62	0.00
8,317.0	10.90	131.20	8,131.8	-671.3	1,031.7	1,230.7	1.87	0.65	9.35
8,348.0	11.10	134.90	8,162.2	-675.4	1,036.0	1,236.5	2.37	0.65	11.94
8,380.0	10.80	138.30	8,193.6	-679.8	1,040.2	1,242.4	2.22	-0.94	10.62
8,443.0	10.20	143.40	8,255.6	-688.7	1,047.5	1,253.3	1.76	-0.95	8.10
8,475.0	10.60	141.60	8,287.1	-693.2	1,051.0	1,258.7	1.61	1.25	-5.62
8,507.0	10.70	139.70	8,318.5	-697.8	1,054.7	1,264.3	1.14	0.31	-5.94
8,539.0	10.80	139.40	8,350.0	-702.4	1,058.6	1,270.0	0.36	0.31	-0.94
8,602.0	10.60	134.30	8,411.9	-710.9	1,066.6	1,281.3	1.54	-0.32	-8.10
8,634.0	10.30	132.30	8,443.3	-714.9	1,070.8	1,287.0	1.47	-0.94	-6.25
8,666.0	10.90	133.40	8,474.8	-718.9	1,075.1	1,292.8	1.98	1.87	3.44
8,698.0	11.40	136.60	8,506.2	-723.2	1,079.5	1,298.8	2.49	1.56	10.00
8,730.0	11.40	134.50	8,537.5	-727.8	1,083.9	1,304.9	1.30	0.00	-6.56
8,761.0	11.20	131.10	8,567.9	-731.9	1,088.4	1,310.9	2.24	-0.65	-10.97
8,793.0	10.40	126.90	8,599.4	-735.7	1,093.0	1,316.8	3.51	-2.50	-13.12
8,824.0	10.00	123.10	8,629.9	-738.8	1,097.5	1,322.3	2.52	-1.29	-12.26
8,856.0	10.30	120.00	8,661.4	-741.8	1,102.3	1,328.0	1.95	0.94	-9.69
8,888.0	10.50	117.20	8,692.9	-744.5	1,107.4	1,333.7	1.70	0.62	-8.75
8,920.0	10.40	114.70	8,724.3	-747.1	1,112.6	1,339.5	1.45	-0.31	-7.81

Nevis

Survey Report

Company: Royale Energy, Inc.
Project: Uintah County
Site: V Canyon 20-1
Well: V Canyon 20-1
Wellbore: Original Hole
Design: Original Hole

Local Co-ordinate Reference: Well V Canyon 20-1
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.14 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,952.0	9.50	111.80	8,755.9	-749.3	1,117.7	1,345.0	3.22	-2.81	-9.06
8,984.0	8.90	108.50	8,787.4	-751.0	1,122.5	1,350.0	2.50	-1.87	-10.31
9,016.0	8.30	105.00	8,819.1	-752.4	1,127.1	1,354.6	2.49	-1.87	-10.94
9,048.0	8.40	104.80	8,850.7	-753.6	1,131.6	1,359.0	0.33	0.31	-0.62
9,080.0	9.00	105.20	8,882.4	-754.8	1,136.2	1,363.6	1.88	1.87	1.25
9,113.0	9.00	103.50	8,915.0	-756.1	1,141.2	1,368.6	0.81	0.00	-5.15
9,145.0	8.90	102.00	8,946.6	-757.2	1,146.1	1,373.3	0.79	-0.31	-4.69
9,176.0	9.10	100.80	8,977.2	-758.2	1,150.8	1,377.8	0.88	0.65	-3.87
9,208.0	8.70	99.20	9,008.8	-759.0	1,155.7	1,382.4	1.47	-1.25	-5.00
9,240.0	8.30	97.50	9,040.5	-759.7	1,160.4	1,386.7	1.48	-1.25	-5.31
9,272.0	8.00	95.00	9,072.1	-760.2	1,164.9	1,390.8	1.45	-0.94	-7.81
9,304.0	7.10	94.00	9,103.9	-760.6	1,169.1	1,394.5	2.84	-2.81	-3.12
9,336.0	6.60	93.20	9,135.6	-760.8	1,172.9	1,397.9	1.59	-1.56	-2.50
9,368.0	6.10	91.80	9,167.4	-761.0	1,176.4	1,401.0	1.64	-1.56	-4.37
9,400.0	5.00	93.60	9,199.3	-761.1	1,179.5	1,403.7	3.48	-3.44	5.62
9,432.0	4.10	104.00	9,231.2	-761.5	1,182.0	1,406.0	3.80	-2.81	32.50
9,462.0	4.00	110.70	9,261.1	-762.1	1,184.1	1,408.0	1.61	-0.33	22.33
9,494.0	4.00	103.00	9,293.0	-762.7	1,186.2	1,410.2	1.68	0.00	-24.06
9,526.0	3.80	97.80	9,325.0	-763.1	1,188.3	1,412.2	1.27	-0.62	-16.25
9,558.0	4.00	98.00	9,356.9	-763.4	1,190.5	1,414.2	0.63	0.62	0.62
9,590.0	4.20	93.80	9,388.8	-763.7	1,192.8	1,416.2	1.13	0.62	-13.12
9,622.0	4.00	88.80	9,420.7	-763.7	1,195.0	1,418.2	1.28	-0.62	-15.62
9,654.0	3.20	88.50	9,452.7	-763.7	1,197.0	1,419.9	2.50	-2.50	-0.94
9,686.0	2.50	88.50	9,484.6	-763.6	1,198.6	1,421.2	2.19	-2.19	0.00
9,718.0	2.50	85.90	9,516.6	-763.6	1,200.0	1,422.3	0.35	0.00	-8.12
9,750.0	2.70	86.50	9,548.6	-763.5	1,201.5	1,423.5	0.63	0.62	1.87
9,781.0	3.00	87.60	9,579.5	-763.4	1,203.0	1,424.8	0.98	0.97	3.55
9,813.0	2.60	80.40	9,611.5	-763.2	1,204.6	1,426.0	1.66	-1.25	-22.50
9,845.0	2.20	73.30	9,643.4	-762.9	1,205.9	1,426.9	1.56	-1.25	-22.19
9,909.0	2.50	74.50	9,707.4	-762.2	1,208.4	1,428.7	0.47	0.47	1.87
9,941.0	2.40	74.90	9,739.4	-761.8	1,209.7	1,429.6	0.32	-0.31	1.25
9,973.0	2.20	77.10	9,771.3	-761.5	1,211.0	1,430.5	0.68	-0.62	6.87
10,005.0	2.10	82.00	9,803.3	-761.3	1,212.1	1,431.4	0.65	-0.31	15.31
10,037.0	2.60	86.60	9,835.3	-761.2	1,213.4	1,432.4	1.67	1.56	14.37
10,069.0	3.10	87.10	9,867.2	-761.1	1,215.0	1,433.7	1.56	1.56	1.56
10,141.0	3.90	83.30	9,939.1	-760.7	1,219.4	1,437.2	1.16	1.11	-5.28
10,173.0	4.40	82.20	9,971.0	-760.4	1,221.7	1,439.0	1.58	1.56	-3.44
10,205.0	4.80	81.00	10,002.9	-760.1	1,224.2	1,441.0	1.29	1.25	-3.75
10,237.0	5.60	80.60	10,034.8	-759.6	1,227.1	1,443.2	2.50	2.50	-1.25
10,269.0	6.10	77.70	10,066.6	-759.0	1,230.3	1,445.5	1.81	1.56	-9.06
10,301.0	7.10	77.10	10,098.4	-758.2	1,233.9	1,448.2	3.13	3.12	-1.87
10,332.0	7.60	76.90	10,129.2	-757.3	1,237.8	1,451.0	1.62	1.61	-0.65
10,364.0	7.80	75.70	10,160.9	-756.3	1,241.9	1,453.9	0.80	0.62	-3.75
10,396.0	8.20	75.30	10,192.6	-755.1	1,246.2	1,457.0	1.26	1.25	-1.25
10,419.0	8.10	74.80	10,215.3	-754.3	1,249.4	1,459.2	0.53	-0.43	-2.17
10,451.0	7.10	65.50	10,247.0	-752.9	1,253.4	1,461.8	4.94	-3.12	-29.06
10,483.0	5.50	51.60	10,278.9	-751.1	1,256.4	1,463.4	6.87	-5.00	-43.44
10,515.0	5.90	45.00	10,310.7	-749.0	1,258.7	1,464.3	2.40	1.25	-20.62
10,547.0	5.40	45.60	10,342.5	-746.8	1,261.0	1,465.0	1.57	-1.56	1.87
10,578.0	4.00	43.80	10,373.4	-745.0	1,262.8	1,465.6	4.54	-4.52	-5.81
10,610.0	2.90	26.90	10,405.4	-743.5	1,263.9	1,465.8	4.65	-3.44	-52.81
10,641.0	2.30	13.70	10,436.3	-742.2	1,264.4	1,465.5	2.72	-1.94	-42.58

Nevis
Survey Report

Company: Royale Energy, Inc.
Project: Uintah County
Site: V Canyon 20-1
Well: V Canyon 20-1
Wellbore: Original Hole
Design: Original Hole

Local Co-ordinate Reference: Well V Canyon 20-1
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.14 Single User Db

Targets

Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(ft)		
- Shape									
PBHL	0.00	0.00	11,033.0	-770.0	1,228.0	2,983,950.00	2,180,176.43	39° 30' 8.063 N	109° 35' 16.320 W
- survey misses by 598.4ft at 10641.0ft MD (10436.3 TVD, -742.2 N, 1264.4 E)									
- Circle (radius 100.0)									

Checked By: _____ Approved By: _____ Date: _____

Royale Energy, Inc.

Uintah County

V Canyon 20-1

V Canyon 20-1

Sidetrack #1

Survey: Sidetrack #1

Standard Survey Report

15 October, 2007

Nevis Survey Report

Company:	Royale Energy, Inc.	Local Co-ordinate Reference:	Site V Canyon 20-1
Project:	Uintah County	TVD Reference:	WELL @ 0.0ft (Original Well Elev)
Site:	V Canyon 20-1	MD Reference:	WELL @ 0.0ft (Original Well Elev)
Well:	V Canyon 20-1	North Reference:	True
Wellbore:	Sidetrack #1	Survey Calculation Method:	Minimum Curvature
Design:	Original Hole	Database:	EDM 2003.14 Single User Db

Project	Uintah County, Sec. 20, T15S, R21E		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Northern Zone		

Site	V Canyon 20-1				
Site Position:		Northing:	2,984,692.85 ft	Latitude:	39° 30' 15.670 N
From:	Lat/Long	Easting:	2,178,931.82 ft	Longitude:	109° 35' 31.980 W
Position Uncertainty:	0.0 ft	Slot Radius:	"	Grid Convergence:	1.26 °

Well	V Canyon 20-1					
Well Position	+N/-S	0.0 ft	Northing:	2,984,692.85 ft	Latitude:	39° 30' 15.670 N
	+E/-W	0.0 ft	Easting:	2,178,931.82 ft	Longitude:	109° 35' 31.980 W
Position Uncertainty		0.0 ft	Wellhead Elevation:	ft	Ground Level:	0.0 ft

Wellbore	Sidetrack #1				
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
	IGRF200510	8/21/2007	(°) 11.51	(°) 65.54	(nT) 52,485

Design	Original Hole				
Audit Notes:					
Version:	1.0	Phase:	ACTUAL	Tie On Depth:	
Vertical Section:		Depth From (TVD)	+N/-S	+E/-W	Direction
		(ft)	(ft)	(ft)	(°)
		0.0	0.0	0.0	122.09

Survey Program	Date 10/15/2007				
From	To	Survey (Wellbore)	Tool Name	Description	
(ft)	(ft)				
2,199.0	10,069.0	As Drilled (Sidetrack #1)			
10,069.0	11,309.0	Sidetrack #1 (Sidetrack #1)			

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
10,069.0	3.60	87.40	9,867.1	-761.2	1,215.9	1,434.5	0.00	0.00	0.00
10,134.0	4.00	81.70	9,932.0	-760.8	1,220.1	1,437.9	0.85	0.62	-8.77
10,177.0	4.10	80.80	9,974.9	-760.4	1,223.1	1,440.2	0.28	0.23	-2.09
10,234.0	4.50	83.20	10,031.7	-759.8	1,227.4	1,443.5	0.77	0.70	4.21
10,263.0	4.50	77.00	10,060.6	-759.4	1,229.6	1,445.2	1.68	0.00	-21.38
10,294.0	2.60	119.40	10,091.6	-759.5	1,231.4	1,446.7	10.06	-6.13	136.77
10,327.0	3.30	183.00	10,124.5	-760.8	1,232.0	1,447.9	9.59	2.12	192.73
10,358.0	4.50	190.10	10,155.5	-762.9	1,231.8	1,448.8	4.17	3.87	22.90
10,388.0	4.50	171.90	10,185.4	-765.2	1,231.7	1,450.0	4.74	0.00	-60.67
10,420.0	4.60	166.50	10,217.3	-767.7	1,232.2	1,451.8	1.37	0.31	-16.87
10,452.0	3.60	159.10	10,249.2	-769.9	1,232.8	1,453.5	3.53	-3.12	-23.12
10,484.0	3.70	154.60	10,281.1	-771.7	1,233.6	1,455.2	0.95	0.31	-14.06

Nevis

Survey Report

Company: Royale Energy, Inc.
Project: Uintah County
Site: V Canyon 20-1
Well: V Canyon 20-1
Wellbore: Sidetrack #1
Design: Original Hole

Local Co-ordinate Reference: Site V Canyon 20-1
TVD Reference: WELL @ 0.0ft (Original Well Elev)
MD Reference: WELL @ 0.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.14 Single User Db

Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
10,516.0	2.30	160.30	10,313.1	-773.3	1,234.3	1,456.5	4.47	-4.37	17.81	
10,548.0	2.30	136.80	10,345.1	-774.3	1,235.0	1,457.7	2.93	0.00	-73.44	
10,579.0	2.20	165.00	10,376.0	-775.4	1,235.5	1,458.7	3.55	-0.32	90.97	
10,611.0	1.70	154.20	10,408.0	-776.4	1,235.9	1,459.5	1.93	-1.56	-33.75	
10,642.0	2.30	126.00	10,439.0	-777.2	1,236.6	1,460.6	3.66	1.94	-90.97	
10,674.0	2.40	129.70	10,471.0	-778.0	1,237.6	1,461.9	0.57	0.31	11.56	
10,706.0	1.00	172.80	10,503.0	-778.7	1,238.2	1,462.7	5.64	-4.37	134.69	
10,737.0	0.70	137.80	10,534.0	-779.1	1,238.4	1,463.1	1.89	-0.97	-112.90	
10,769.0	1.10	134.70	10,566.0	-779.5	1,238.7	1,463.5	1.26	1.25	-9.69	
10,800.0	0.60	151.79	10,597.0	-779.8	1,239.0	1,464.0	1.79	-1.61	55.13	
10,833.0	0.40	159.80	10,630.0	-780.1	1,239.1	1,464.2	0.64	-0.61	24.27	
10,864.0	0.50	204.90	10,661.0	-780.3	1,239.1	1,464.3	1.15	0.32	145.48	
10,897.0	0.70	199.70	10,694.0	-780.6	1,239.0	1,464.4	0.63	0.61	-15.76	
10,929.0	0.60	140.10	10,726.0	-780.9	1,239.0	1,464.6	2.04	-0.31	-186.25	
10,960.0	0.50	166.10	10,756.9	-781.2	1,239.1	1,464.8	0.86	-0.32	83.87	
10,993.0	0.90	165.00	10,789.9	-781.6	1,239.3	1,465.1	1.21	1.21	-3.33	
11,025.0	0.70	158.30	10,821.9	-782.0	1,239.4	1,465.5	0.69	-0.62	-20.94	
11,057.0	0.70	129.40	10,853.9	-782.3	1,239.6	1,465.8	1.09	0.00	-90.31	
11,089.0	0.70	132.70	10,885.9	-782.6	1,239.9	1,466.2	0.13	0.00	10.31	
11,121.0	1.30	149.30	10,917.9	-783.0	1,240.2	1,466.7	2.06	1.87	51.87	
11,236.1	1.30	149.30	11,033.0	-785.2	1,241.6	1,469.0	0.00	0.00	0.00	
PBHL										
11,309.0	1.30	149.30	11,105.9	-786.7	1,242.4	1,470.5	0.00	0.00	0.00	
TD - Projection @ 11309'										

Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude	
PBHL	0.00	0.00	11,033.0	-770.0	1,228.0	2,983,950.00	2,180,176.43	39° 30' 8.063 N	109° 35' 16.320 W	
- hit/miss target										
- Shape										
- survey misses by 20.4ft at 11235.6ft MD (11032.5 TVD, -785.2 N, 1241.6 E)										
- Circle (radius 100.0)										

Survey Annotations					
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment	
		+N/-S (ft)	+E/-W (ft)		
11,309.0	11,105.9	-786.7	1,242.4	TD - Projection @ 11309'	

Checked By: _____ Approved By: _____ Date: _____

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: UTU - 78023
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: Moon Canyon
2. NAME OF OPERATOR: Royale Energy, Inc		8. WELL NAME and NUMBER: V Canyon 20-1
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		9. API NUMBER: 047-38968
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2172' FWL, 507' FNL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 20 15S 21E		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Uintah 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 (Submit in Duplicate) Approximate date work will start: <u>1/11/2008</u>	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> PRODUCTION (START/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"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
V Canyon 20-1 was put online January 11, 2008 at a rate of 1 mmcf/d.

NAME (PLEASE PRINT) <u>Glenn Donaldson</u>	TITLE <u>Chief Engineer</u>
SIGNATURE	DATE <u>24/01/08</u>

(This space for State use only)

RECEIVED
JAN 28 2008

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: UTU-78023
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME: Moon Canyon
		8. WELL NAME and NUMBER: V Canyon 20-1
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	9. API NUMBER: 047-38968	
2. NAME OF OPERATOR: Royale Energy, Inc	10. FIELD AND POOL, OR WILDCAT: Wildcat	
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: 2172' FWL, 507' FNL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 20 15S 21E		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 (Submit in Duplicate) Approximate date work will start: 6/10/2008	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input 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.

Proposed perforations to be added:

Wingate

- 11,116-11,120 MD
- 11,132-11,140
- 11,142-11,145
- 11,161-11,164
- 11,168-11,172
- 11,174-11,178

Entrada

- 10,698-10,702MD
- 10,743-10,747
- 10,765-10,768
- 10,846-10,848
- 10,854-10,856
- 10,867-10,870

COPY SENT TO OPERATOR

Date: 6.10.2008

Initials: KS

NAME (PLEASE PRINT) <u>Glenn Donaldson</u>	TITLE <u>Chief Engineer</u>
SIGNATURE <u><i>WB Donaldson</i></u>	DATE <u>5/15/2008</u>

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

RECEIVED

MAY 21 2008

DIV. OF OIL, GAS & MINING

Date: 6/2/08
By: *[Signature]*

* Operator should comply with R649-3-22 prior to commencing

(See Instructions on Reverse Side)

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

COPY

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78023
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: Moon Canyon
2. NAME OF OPERATOR: Royale Energy, Inc		8. WELL NAME and NUMBER: V Canyon 20-1
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		9. API NUMBER: 047-38968
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2172' FWL, 507' FNL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 20 15S 21E		COUNTY: Uintah
		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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/18/2008	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input 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.

Completed additional perforations in Wingate and Entrada for commingling flow. Open well to initial flow rate of 800 MCF/D and declined to 150 MDF/D.
 New perforations: (4 SPF 1 9/16")
 Wingate: 11,116-11,120
 11,132-11,140
 11,142-11,145
 11,161-11,164
 11,168-11,172
 11,174-11,178

 Entrada: 10,698-10,702
 10,743-10,747
 10,765-10,768
 10,846-10,848
 10,854-10,856
 10,867-10,870

NAME (PLEASE PRINT) <u>Glenn Donaldson</u>	TITLE <u>Chief Engineer</u>
SIGNATURE <u><i>W.D. Donaldson</i></u>	DATE <u>1/07/08</u>

(This space for State use only)

RECEIVED
OCT 08 2008

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

CONFIDENTIAL
COPY FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78023
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: Moon Canyon
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: V Canyon 20-1	
2. NAME OF OPERATOR: Royale Energy, Inc	9. API NUMBER: 43-047-38968	
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108	PHONE NUMBER: (619) 881-2800	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2172' FWL, 507' FNL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 20 15S 21E		COUNTY: Uintah 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 (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Royale Energy, Inc is requesting permission to commingle the Entrada and Windgate formations.

NAME (PLEASE PRINT) <u>Glenn Donaldson</u>	TITLE <u>Chief Engineer</u>
SIGNATURE	DATE <u>6/5/2008</u>

(This space for State use only)

REQUEST DENIED
Utah Division of
Oil, Gas and Mining
Date: 11/4/08
By: [Signature]
* See 2649-3-22

RECEIVED
OCT 08 2008
(See Instructions on Reverse Side)
DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR
Date: 11.6.2008
Initials: KS

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: UTU-78023
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: Moon Canyon
2. NAME OF OPERATOR: Royale Energy, Inc		8. WELL NAME and NUMBER: V Canyon 20-1
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		9. API NUMBER: 047-38968
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2172' FWL, 507' FNL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 20 15S 21E		10. FIELD AND POOL, OR WILDCAT: Wildcat COUNTY: Uintah 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 9/22/2008	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/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"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: Temp. Suspension WHILE DRILL VC 20-2

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

9/20/08
Prep to rig up.

9/21/08
Blow well down. Load tbg with 30 bbl 3% KCL. Well died. ND tree NU BOP. RU tbg tools. POOH with tbg. SN & top half of bit sub. Make up miller pkr RBP. RIH to 10250'. Start up hole trying to set RBP. Set RBP @ 9421'. SDFN.

9/22/08
Well dead. Pump 75 bw 3% KCL on plug. Lay tbg on float. RD tbg tools ND BOP. RD rig & MO location. ND wellhead. Install cap. Put culvert over wellhead. Move tbg off location. Move rig and equipment off location.

NAME (PLEASE PRINT) <u>Glenn Donaldson</u>	TITLE <u>Chief Engineer</u>
SIGNATURE <u><i>W.D. Donaldson</i></u>	DATE <u>10/1/2008</u>

(This space for State use only)

RECEIVED
OCT 08 2008

RECEIVED
OCT 06 2008

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

FORM 9

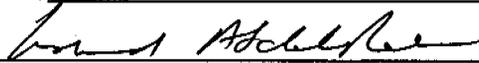
SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78023
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL 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: Moon Canyon
2. NAME OF OPERATOR: Royale Energy, Inc			8. WELL NAME and NUMBER: V Canyon 20-1
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		PHONE NUMBER: (619) 881-2800	9. API NUMBER: 047-38968
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2172' FWL, 507' FNL			10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 20 15S 21E			COUNTY: Uintah
			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
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" 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.

V Canyon 20-1 Resumed production on 1/15/09

NAME (PLEASE PRINT) <u>Mohamed Abdel-Rahman</u>	TITLE <u>VP of Exploration & Production</u>
SIGNATURE <u></u>	DATE <u>1/26/09</u>

(This space for State use only)

RECEIVED
JAN 29 2009

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		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78023
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME: Moon Canyon
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: V Canyon 20-1	
2. NAME OF OPERATOR: Royale Energy, Inc	9. API NUMBER: 43 047-38968	
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108	PHONE NUMBER: (619) 881-2800	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2172' FWL, 507' FNL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 20 15S 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
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" 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.

Well is currently uneconomic to produce. As of April 17, 2009 this well has been temporarily shut in due to the current gas prices.

NAME (PLEASE PRINT) Mohamed Abdel-Rahman TITLE VP of Exploration & Production

SIGNATURE *Mohamed A. Abdel-Rahman* DATE 5/18/09

(This space for State use only)

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

**RECEIVED
MAY 21 2009
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		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78023
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: Moon Canyon
2. NAME OF OPERATOR: Royale Energy, Inc		8. WELL NAME and NUMBER: V Canyon 20-1
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		9. API NUMBER: 43-047-38968
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2172' FWL, 507' FNL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 20 15S 21E		COUNTY: Uintah
		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 (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input checked="" 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.

Royale Energy, Inc is requesting permission to commingle production from the Entrada and Wingate.

An affidavit stating that Royale Energy, Inc has notified the offsetting owners is attached.

A Map showing contiguous oil and gas leases is attached.

COPY SENT TO OPERATOR

Date: 6.9.2009
Initials: KS

NAME (PLEASE PRINT) <u>Mohamed Abdel-Rahman</u>	TITLE <u>VP of Exploration & Production</u>
SIGNATURE <u>Mohamed A. Abdel-Rahman</u>	DATE <u>5/11/09</u>

(This space for State use only)

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

Date: 6/9/09
By: [Signature] (See Instructions on Reverse Side)

Federal Approval Of This
Action Is Necessary

RECEIVED
MAY 13 2009
DIV. OF OIL, GAS & MINING

AFFIDAVIT

State of California }
County of San Diego }

BEFORE ME, the undersigned Notary, Somchay Sisoukraj on this 8th day of May, 2009 personally appeared Lauren L. Hartwell known to me to be a credible person and of lawful age, deposes and says:

On or before, the 8th day of May, affiant sent notice in writing to the owners of all contiguous oil and gas leases to the Royale Energy, Inc. lease upon which the V Canyon #20-1 well is located. Additionally, all contiguous oil and gas lease owners were provided with a copy of the Form 9 submitted to the Utah Department of Natural Resource, Division of Oil, Gas and Mineral requesting permission to commingle the Entrada & Windgate production from the V Canyon #20-1 well located in Section 20, T15S-R21E, Uintah County, Utah.

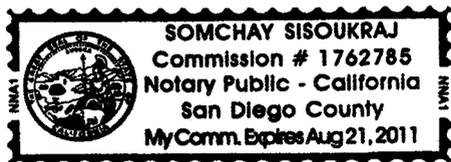


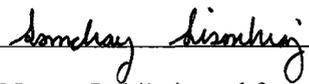
Lauren L. Hartwell
Land Manager, Royale Energy, Inc.

State of California
County of San Diego

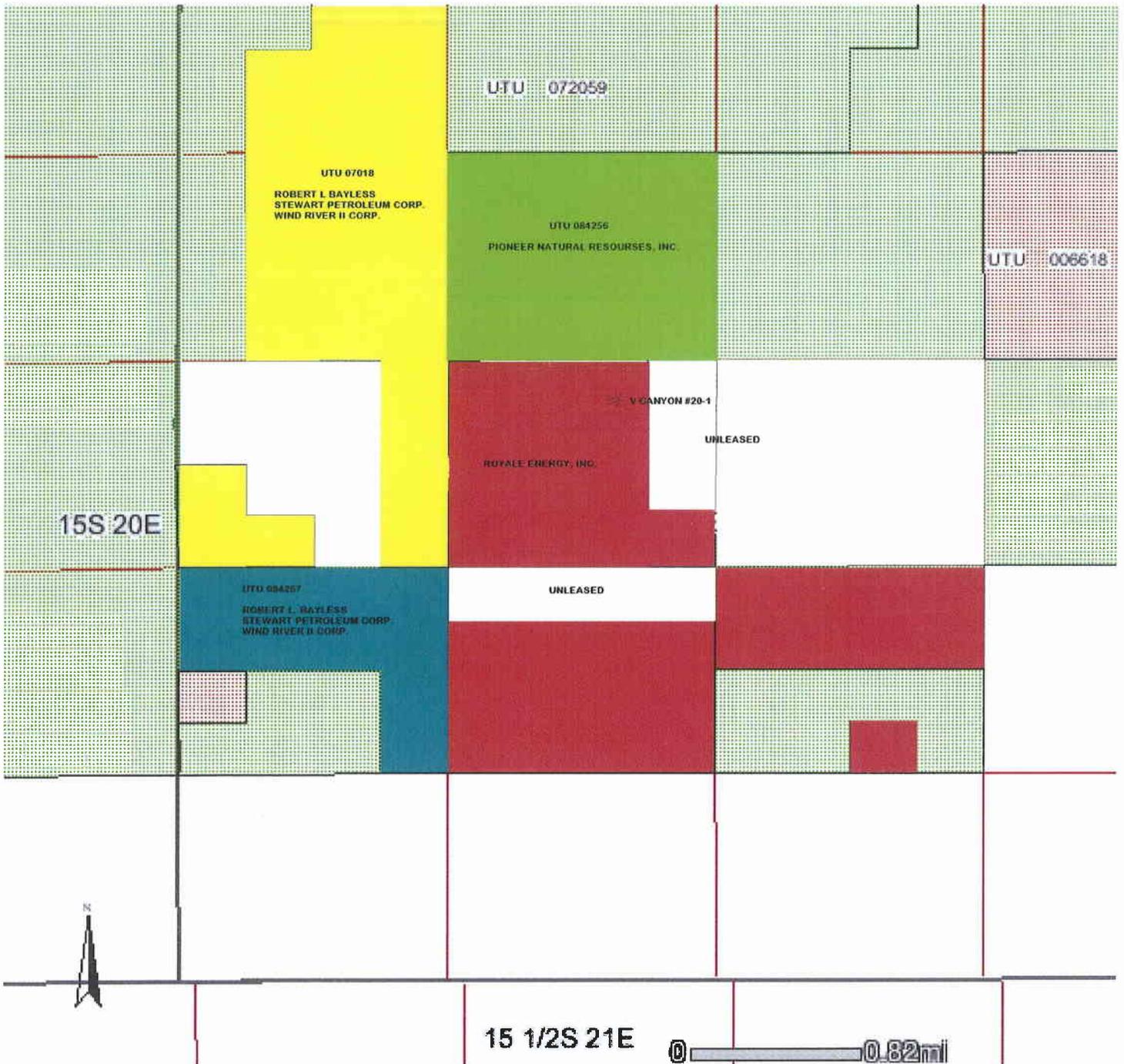
Subscribed and sworn to (or affirmed) before me on this 8 day of May, 2009 by Somchay Sisoukraj proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.



By  _____
Notary Public in and for said State

V Canyon #20-1 Offset Leases



V Canyon #20-1 Offset Leases

5/8/2009

No warranty is made by the BLM for the use of the data for purposes not intended by the BLM.



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: UTU-78023
			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			7. UNIT or CA AGREEMENT NAME: Moon Canyon
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			8. WELL NAME and NUMBER: V Canyon 20-1
2. NAME OF OPERATOR: Royale Energy, Inc			9. API NUMBER: 047-38968
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive, S CITY San Diego STATE CA ZIP 92108		PHONE NUMBER: (619) 881-2800	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2172' FWL, 507' FNL			COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 20 15S 21E			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 (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Application for a wildcat status</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.

- When this well was spud on 8/29/07 to test the Entrada and Wingate formations there were no wells within one mile radius that produced from these formations.
- The closest well to this well that produced gas from the Entrada formation before this well was spud lies 1.7 miles to NNW. It is the North Hill Creek well (API: 43-047-34954) located in Section 13 - T15S - R20E in the Flat Rock Field
- A completion report was previously submitted to DOGM on form 8 signed and dated 12/20/07.
- This well is not in a known geological structure

NAME (PLEASE PRINT) <u>Mohamed Abdel-Rahman</u>	TITLE <u>VP of Exploration & Production</u>
SIGNATURE <u><i>Mohamed A. Abdel-Rahman</i></u>	DATE <u>5/11/09</u>

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 7/2/09
BY: *[Signature]*
** See attached Statement of Basis CC Tax Commission (emailed)*

RECEIVED
MAY 14 2009
DIV. OF OIL, GAS & MINING

(5/2000)

T15S, R21E, S.L.B.&M.

1920 Brass Cap,
1.0' High, Pile of
Stones

S89°53'31"W - 2637.09' (Meas.)

S89°57'52"W - 2640.96' (Meas.)

90°12'
(G.L.O.)

507'

1920 Brass Cap,
1.6' High, Pile of
Stones

1920 Brass Cap,
3.0' High, Pile
of Stones

2172'
(Comp.)

V CANYON #20-1
Elev. Ungraded Ground = 7248'

NOTE:
THE PROPOSED WELL HEAD BEARS S42°31'41"W
688.92' FROM THE NORTH 1/4 CORNER OF SEC.
20, T15S, R21E, S.L.B.&M.

20

5280.00' (G.L.O.)

N00°03'W - 5280.00' (G.L.O.)

S89°52'W - 5266.80' (G.L.O.)

BASIS OF BEARINGS

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

LEGEND:

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

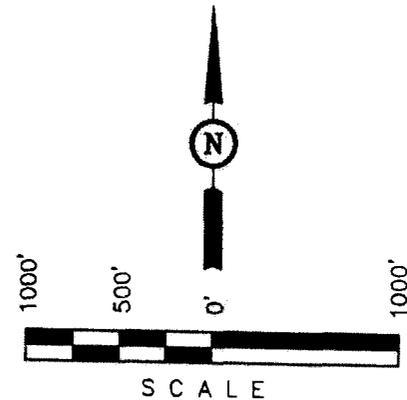
(AUTONOMOUS NAD 83)
LATITUDE = 39°30'15.67" (39.504353)
LONGITUDE = 109°35'31.98" (109.592217)
(AUTONOMOUS NAD 27)
LATITUDE = 39°30'15.80" (39.504389)
LONGITUDE = 109°35'29.51" (109.591531)

ROYALE ENERGY, INC

Well location, V CANYON #20-1, located as shown in the NE 1/4 NW 1/4 of Section 20, T15S, R21E, S.L.B.&M., Uintah County, Utah.

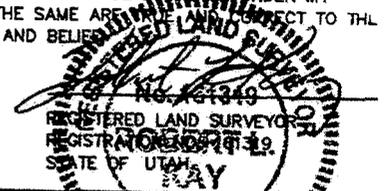
BASIS OF ELEVATION

TRIANGULATION STATION WINTER LOCATED IN THE NW 1/4 OF SECTION 25, T15S, R21E, S.L.B.&M. TAKEN FROM THE WOLF POINT QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7462 FEET.



CERTIFICATE

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



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

SCALE 1" = 1000'	DATE SURVEYED: 11-22-06	DATE DRAWN: 12-12-06
PARTY D.R. Q.B. C.H.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ROYALE ENERGY, INC.	

DIVISION OF OIL, GAS AND MINING
Wildcat Well Determination
STATEMENT OF BASIS

Applicant: Royale Energy, Inc.

Location: NENW Sec 20 T15S R21E Uintah County, Utah

WELL NAME: V Canyon 20-1 **API #:** 43-047-38968

FINDINGS

1. The subject well produces from the Entrada formation according to Division records.
2. The subject well was > 1 mile from known production in the Entrada formation at the time of first commercial production in January 2008. See Attachment A for summary of historical wells within the one (1) mile area of review.
3. The subject well is approximately 3586' from the TUMBLEWEED 18-9 well (API # 43-047-39299), which produces out of the Entrada formation in commercial quantities. This well came on production approximately 4 days after the subject well (Attachment A).
4. The current status of the subject well is Temporarily Abandoned due to economic conditions.
5. The Wildcat Tax Credit application was received 1+ years after completion of the V Canyon 20-1 well and submittal of the Well Completion Report (see submittal requirements in R649-3-35-1).

CONCLUSIONS

Based off of the findings above the Division has determined the V Canyon 20-1 well was drilled into an unknown area for the Entrada formation. The application was received after the Well Completion Report was submitted (R649-3-35-1). Future requests for wildcat well determination should be submitted in accordance with R649-3-35-1.1. The Division finds that this well qualifies for the severance tax exemption under Section 59-5-102(2)(d) for wildcat wells. Any re-completion work done within the 12-month wildcat tax exemption period outside of the approved formation(s) will require re-evaluation. The new production may not qualify.

This determination was made in accordance with Oil and Gas General Conservation Rule R649-3-35. If the operator disagrees with this determination, the decision may be appealed to the Board of Oil Gas and Mining.

Reviewer(s): Dustin K. Doucet *DKD*

Date: 7/2/09

Joshua Payne

Date: June 15, 2009

ATTACHMENT A

1 Mile Area of Review

API	WELL NAME	Well Status	QTR_QTR	Sect	Town	Range	Cum Oil	Cum Gas	Field Type	Dx from Well(ft)	Rotary Spud	Date TD Reached	Date first Produced	Producing Formation
4304740349	V CANYON 20-2	DRL	NENW	20	150S	210E	0	0	W	17				
4304740315	TUMBLEWEED 19-1	APD	NESE	18	150S	210E	0	0	E	3572				
4304740314	TUMBLEWEED 18-8	APD	NESE	18	150S	210E	0	0	E	3596				
4304740208	V CYN 20-2	RET	NWNW	20	150S	210E	0	0	E	1501				
4304739299	TUMBLEWEED 18-9	PGW	NESE	18	150S	210E	2851	1021740	E	3586		11/22/2007	1/15/2008	ENTRADA - WINGATE
4304738968	V CYN 20-1	TA	NENW	20	150S	210E	0	43957	W	0		10/12/2007	1/11/2008	ENTRADA
4304736247	TUMBLEWEED U FED 14-17-15-21	LA	SESW	17	150S	210E	0	0	W	1181				

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: UTU-78023
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: V CYN 20-1
2. NAME OF OPERATOR: ROYALE ENERGY, INC.		9. API NUMBER: 43047389680000
3. ADDRESS OF OPERATOR: 7676 Hazard Center Dr Ste 1500 , San Diego, CA, 92108	PHONE NUMBER: 619 881-2800 Ext	9. FIELD and POOL or WILDCAT: FLAT ROCK
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0507 FNL 2172 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 20 Township: 15.0S Range: 21.0E Meridian: S		COUNTY: UINTAH
		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"/> SUBSEQUENT REPORT Date of Work Completion: 10/1/2012 <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 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 checked="" 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.		
V Canyon 20-1 went on production September 26, 2012 - stopped production October 1, 2012		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY October 09, 2012		
NAME (PLEASE PRINT) Rachele Wolchko	PHONE NUMBER 619 881-2874	TITLE Executive Assistant
SIGNATURE N/A		DATE 10/3/2012

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 Drive San Diego, CA 92108 Phone: 1 (619) 881-2800	TO: (New Operator): N8060- National Fuel Corporation 8400 East Prentice Ave, Suite 735 Denver, CO.80111 Phone: 1 (303) 996-6774
---	---

CA No.			Unit:		N/A			
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
MOON CYN # 2	9	160S	210E	4301931405	14434	Federal	GW	P
TEN MILE CYN 22-1	22	160S	210E	4301931526	16245	State	GW	P
V CYN 20-1	20	150S	210E	4304738968	16331	Federal	GW	P
V CANYON 20-2	20	150S	210E	4304740349	17117	Federal	GW	S

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: 3/29/2013
- 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: 3/29/2013
- 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 Not Yet BIA N/A
- Federal and Indian Units:**
 The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
- Federal and Indian Communization Agreements ("CA"):**
 The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 3/29/2013
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 3/29/2013
- Bond information entered in RBDMS on: 3/29/2013
- Fee/State wells attached to bond in RBDMS on: 3/29/2013
- 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: UTB000186
- 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 LPM8756586
- The **FORMER** operator has requested a release of liability from their bond on: N/A

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:

National Fuel Corporation-Did not accept
 Moon Cyn 1 4301931398
 Trial Cyn 1-2 and 1-3 will be moved when
 bonds are received

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: See Attached
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: Royale Energy, Inc. N2465		8. WELL NAME and NUMBER: See Attached
3. ADDRESS OF OPERATOR: 7676 Hazard Center Drive S CITY San Diego STATE CA ZIP 92108		9. API NUMBER:
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		10. FIELD AND POOL, OR WILDCAT:
5. 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 2/1/2013	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Effective February 1, 2013, National Fuel Corporation (DOGM entity N8060) succeeded Royale Energy, Inc. as operator of all wells on the attached list and is responsible under the terms and conditions of the lease for the operations conducted upon the leased land. National Fuel Corporation is principal to the Statewide Utah Bond # ~~LPM4021517~~ **LPM8756586**
BLM: UTB000186

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

Diane Thompson
National Fuel Corporation
NATIONAL FUEL CORPORATION
Diane Thompson
President
N8060

NAME (PLEASE PRINT) Stephen Hosmer TITLE CFO/Co-President/Co-CEO
SIGNATURE *[Signature]* DATE 2/21/2013

(This space for State use only) **APPROVED**
MAR 29 2013
DIV. OIL GAS & MINING
Rachael Medina

(See Instructions on Reverse Side)

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

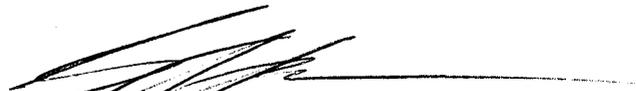
RE: Operator Change – Royale Energy, Inc. to National Fuel Corporation

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.



STATE OF UTAH

Fwd: NFC PLAN FOR ML-49381-A (MOON CYN. #1); ROYALE ENERGY, INC. RESIGNATION/DESIGNATION OF NFC AS OPERATOR

1 870148

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

Thu, Mar 14, 2013 at 3:08 PM

Got your message on National Fuel. Based on the following email from NFC, I didn't think they were transferring the Moon Cyn #1 well. Probably need to check into this as NFC states Royalite is responsible for plugging. Wouldn't think we would change operator on it and would keep bond attached to well at a minimum. Take a look and let me know what you think.

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

From: **Diane Thompson** <dthompson@national-fuel.com>
Date: Fri, Mar 8, 2013 at 2:54 PM
Subject: RE: NFC PLAN FOR ML-49381-A (MOON CYN. #1); ROYALE ENERGY, INC. RESIGNATION/DESIGNATION OF NFC AS OPERATOR
To: lavonnegarrison@utah.gov, Dustin Doucet <DUSTINDOUCET@utah.gov>

Dear LaVonne and Dustin,

This is to inform you that based on our review of the well log described in my message to you dated 8 February (below), NFC has decided **not** to pursue an OBA on the subject lease.

On a related matter, this is to inform DOGM and SITLA that pursuant to a Settlement Agreement reached on NFC's operator removal lawsuit against Royale Energy, Inc., NFC received various documents in which effective February 1, 2013, Royale Energy resigned as Operator of wells in the now-terminated Moon Canyon Unit and designated NFC as Successor Operator. Early next week, NFC will submit these documents to DOGM and BLM for review and approval. We are aware that Royale recently filed a Sundry Notice with DOGM for plugging and abandoning the Moon Canyon #1 ("P&A"). Since Moon Canyon #1 was an Earning Well in which NFC has no interest as described in my e-mail dated 22 January (below), despite Royale's Resignation and Designation of NFC as Successor Operator, **Royale will continue to bear responsibility for P&A and all related activities for this well.**

Please let me know if you have further questions or concerns.

Thank you,

Diane Thompson

From: Diane Thompson
Sent: Friday, February 08, 2013 10:03 AM
To: 'lavonnegarrison@utah.gov'; 'Dustin Doucet'
Subject: RE: NFC PLAN FOR ML-49381-A (MOON CYN. #1)

Dear LaVonne and Dustin,

This is to follow up with you on NFC's January 22 e-mail plan, below, and subsequent discussions with SITLA

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.)

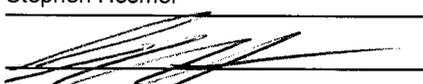
API: 43-019-31405 / Well Name: Moon Canyon 2
API: 43-019-31526 / Well Name: Tenmile Canyon 22-1
API: 43-019-31532 / Well Name: Trail Canyon 1-2
API: 43-019-31603 / Well Name: Trail Canyon 1-3
API: 43-047-38968 / Well Name: V Canyon 20-1
API: 43-047-40349 / Well Name: V Canyon 20-2

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

RECEIVED
MAR 13 2013
BLM Vernal Utah

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU - 78023
2. Name of Operator Royale Energy, Inc		6. If Indian, Allottee or Tribe Name
3a. Address 7676 Hazard Center Drive, Suite 1500 San Diego, CA 92108	3b. Phone No. (include area code) 619-881-2800	7. If Unit of CA/Agreement, Name and/or No. Moon Canyon
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2172' FWL, 507' FNL NENW Sec. 20 T15S R21E		8. Well Name and No. V Canyon 20-1
		9. API Well No. 4304738968
		10. Field and Pool or Exploratory Area Wildcat
		11. Country or Parish, State Utah, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Operator Change</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Effective February 1, 2013, National Fuel Corporatoin succeeded Royale Energy, Inc. as operator of the well listed above and is responsible under the terms and conditions of the lease of the operations conduction upon the leased lands. National Fuel Corporation is principal to Statewide Utah Surety Bond #LPM4021517/#UTB000186.

Stephen Hosmer
National Fuel Corporation

RECEIVED
JUN 25 2013
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Stephen Hosmer	Title CFO/Co-President/Co-CEO
Signature <i>Stephen Hosmer</i>	Date 02/21/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Stephen Hosmer</i>	Assistant Field Manager Lands & Mineral Resources	Date JUN 19 2013
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office VERNAL FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

