2012 FEB 29 PM 2:40

Form 3160-3
(August 2007)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. COC 065864

6. If Indian, Allotee or Tribe Name: NA

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.: NA COC75382X

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.: Shavetail Federal 28-44

2. Name of Operator: Dejour Energy (USA), Corp.

9. API Well No.: None

3a. Address: 1401 17th Street, Suite 1000, Denver Colorado 80202

3b. Phone No. (include area code): 303 296 3535

10. Field and Pool, or Exploratory: Exploratory

4. Location of Well (Report location clearly and in accordance with any State requirements.*)
At surface: 380 ft FEL, 1381 ft FSL, Section 28 T1N-R103W, 6th Principle Meridian
At proposed prod. zone: 650 ft FEL, 1383 ft FSL, Section 28, T1N-R103W, 6th Principle Meridian

11. Sec., T., R., M., or Blk. and Survey or Area: ~~SWSE Section 34~~, T1N-R103W NESE Sec. 28

14. Distance in miles and direction from nearest town or post office*: Twelve miles to Rangely, Colorado

12. County or Parish: Rio Blanco

13. State: Co

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any): 650 ft to lease line (FSL)

16. No. of acres in lease: 1327.12

17. Spacing Unit dedicated to this well:

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: 2530 ft

19. Proposed Depth: 4682 feet MD

20. BLM/BIA Bond No. on file: COC000239

21. Elevations (Show whether DF, KDB, RT, GL, etc.): 5590.1 ft GL

22. Approximate date work will start*: 08/01/2112

23. Estimated duration: 2 weeks

24. Attachments

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

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

25. Signature: Neyeska G. Mut — Name (Printed/Typed): Neyeska G. Mut — Date: 02/28/2012

Title: Executive Vice President

Approved by (Signature): Kent E. Walter — Name (Printed/Typed): KENT E. WALTER — Date: MAR 25 2015

Title: FIELD MANAGER — Office: White River Field Office-Meeker, CO

Application approval 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.
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.

(Continued on page 2)

*(Instructions on page 2)

APPROVAL WILL EXPIRE IN TWO YEARS

APPROVAL TO FLARE GRANTED WHILE DRILLING AND TESTING

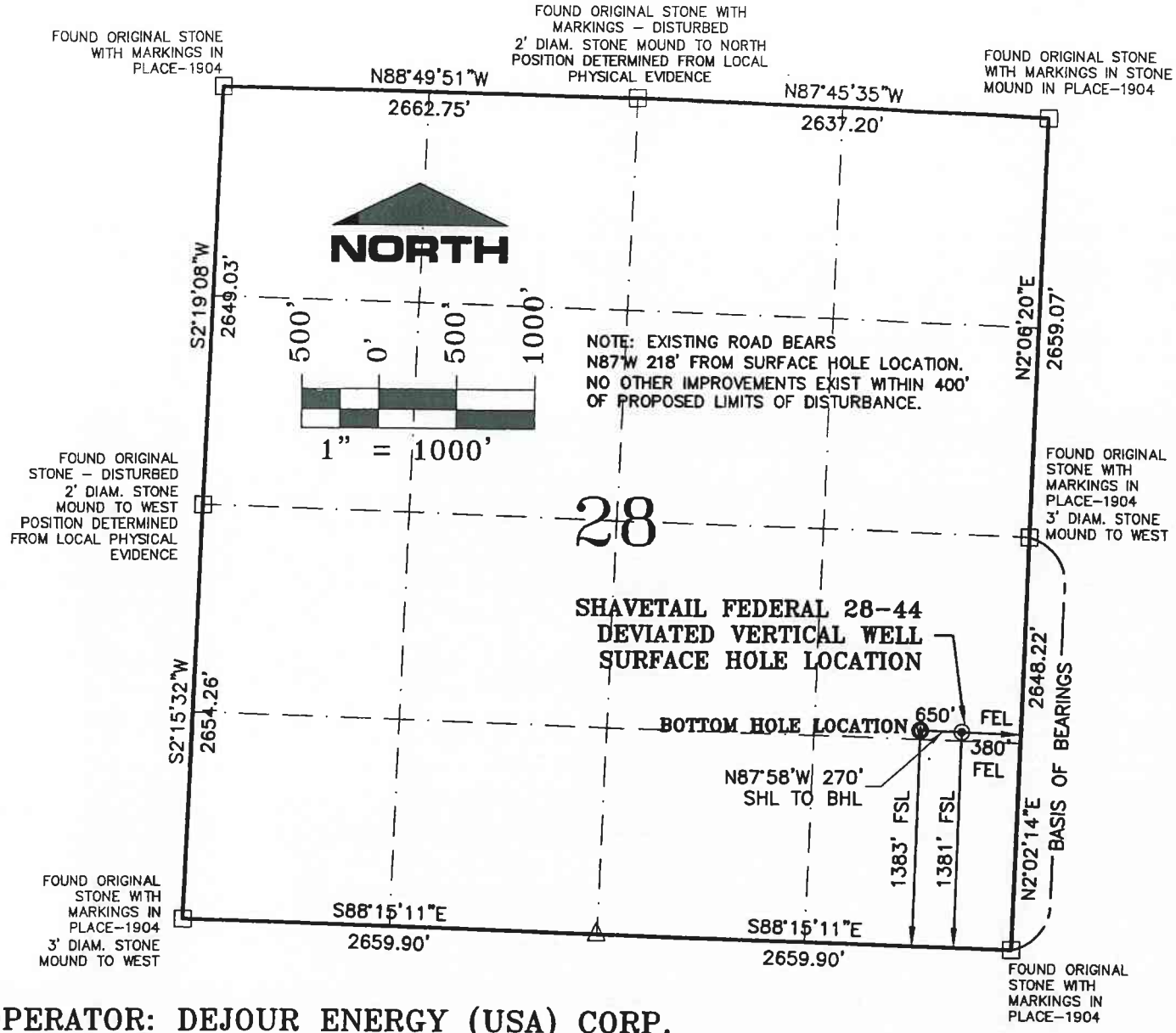
☐ REALTY
☐ PAT
☑ PE 3/4/12
☐ PET
☐ GEO
☐ NRS
AFMSS IN ☑ OI

OPERATOR COPY

"Conditions of Approval Attached"

FEB 29 2012

SECTION 28, T1N, R103W, 6th P.M.



OPERATOR: DEJOUR ENERGY (USA) CORP.

NOTES:

1. GEODETIC POSITIONS ARE SHOWN IN DECIMAL DEGREES.
2. UNITS OF LINEAR MEASUREMENT: U.S. SURVEY FOOT
3. ELEVATIONS ARE BASED ON GPS OBSERVATIONS USING GEOID 09, NAVD88.
4. ALL SURFACE (SHL) AND BOTTOM (BHL) HOLE LOCATIONS ARE MEASURED AT 90° ANGLES FROM SECTION LINES.
5. BASIS OF BEARING: N02°02'14"E BETWEEN FOUND MONUMENTS AS SHOWN HEREON.
6. EXISTING GROUND ELEVATION: 5590.1'. PROPOSED PAD ELEVATION: 5590.5'.
7. GPS OPERATOR: KYLE TESKY OBSERVED AN AVERAGE PDOP OF ≤ 3.0 FOR ALL SURVEY MEASUREMENTS DEPICTED ON THIS AND SUBSEQUENT SHEETS. ALL GPS OBSERVATIONS ARE IN COMPLIANCE WITH COGCC RULE NO. 215
8. SURFACE USE: RANGELAND
9. USGS QUAD MAP: BANTY POINT

WELL No.	SECTION LINES TIES		NAD 83 COORDINATE	
SHAVETAIL FEDERAL 28–44	FOOTAGES	FOOTAGES	LATITUDE	LONGITUDE
SURFACE HOLE LOCATION	1381' FSL	380' FEL	N40.02347°	W108.95335°
BOTTOM HOLE LOCATION	1383' FSL	650' FEL	N40.02347°	W108.95431°

SURVEYORS STATEMENT:

I, ELWOOD BARRY GILES, BEING A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THIS PLAT REPRESENTS A SURVEY PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION FEBRUARY 7, 2012 AND IS TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Elwood Barry Giles 10 FEB. 2012

ELWOOD BARRY GILES DATE
COLORADO LS 38150

COLORADO LICENSED 38150 PROFESSIONAL LAND SURVEYOR

LEGEND:

△ – CALCULATED CORNER POSITION

SGM INC.
118 W. 6th Street, Suite 200
Glenwood Springs, Colorado 81601
(970) 945-1004 (FAX 945-5948)
Meeker, Colorado (970) 878-5180

Scale: 1"=1000' | Sheet 1 of 8 | SHAVETAIL FED 28–44

WELL LOCATION PLAT FOR DEJOUR ENERGY (USA) CORP., SHAVETAIL FEDERAL 28-44
NE1/4 SE1/4 SEC.28 T.1N., R.103W., 6TH P.M., RIO BLANCO COUNTY, CO

Job# 2010–112.005 | Date: 2.10.12 | By: reb | File: ShavetailAPD_BM

FEB 2 9 2012

ADVISORY NARRATIVES AND CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Operator: Coachman Energy Operating Company

Well No. Shavetail Federal 28-44 | Lease No. **COC65854** | Legal Description SHL: 1N, R103W, NESE S28 BHL: 1N, R103W, NESE S28

GOVERNMENT ADDRESS

UNITED STATES DEPARMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT

FIELD OFFICE	White River Field Office
ADDRESS	220 East Market Street Meeker, CO 81641
OFFICE PHONE	(970) 878-3800 FAX: (970) 878-3805
OFFICE HOURS	7:45 a.m. to 4:30 p.m. (Monday - Friday)

All lease and/or unit operations are to be conducted in such a manner to ensure full compliance with the applicable laws, regulations (43 CFR Part 3160), Onshore Oil and Gas Orders No. 1, 2, 3, 4, 5, 6 and 7, Notice to Lessees, and the approved plan of operations. Approval of this application does not relieve you of your responsibility to obtain other required federal, state, or local permits. A copy of the approved Form 3160-3 and the pertinent drilling plan, along with any advisory narratives and conditions of approval, shall be available at the drillsite to authorized representatives at all times. The operator is considered fully responsible for the actions of his subcontractors. Your review and appeal rights are contained in 43 CFR 3165.3 and 3165.4.

ACTIONS REQUIRING BLM NOTIFICATION

48-Hours notification prior to Construction and/or Reclamation.

Oral Spud notices at least 24-hours after spudding, followed with a Sundry Notice within 5 working days.

For WILDCAT wells, a daily log of drilling activities shall be submitted to the BLM on a daily basis.
For other wells, this report shall be submitted at the request of the Authorizing Officer.

Well Completion Reports must be submitted within 30-days of completion of the well or after completion of operations being performed.

For running casing, cementing, BOPE tests, drill stem tests or other notices, submit 24-hours in advance of commencing operations AND call the following number and leave voice message with call back number.

(970) 878-3814
or
(970) 878-3828

AUTHORIZED OFFICER REPRESENTATIVE CONTACTS

If you seek immediate approval or emergency assistance on any action that is related to the APD **Surface Use Plan**, contact the Natural Resource Specialist listed below.

If you seek immediate approval or emergency assistance on any action that is related to the APD **Drilling Plan** or other downhole issues, you should contact the Petroleum Engineer listed below.

Natural Resource Specialist	**Jay Johnson** BLM_CO_WR_NRS@blm.gov, jmjohnso@blm.gov	**Work Phone**	**(970) 878-3854**
Petroleum Engineer	**Craig Williamson:** cwilliamson@blm.gov	**Work Phone** **Cell Phone**	**(970) 878-3814** (720) 273-3465

In the event the Petroleum Engineer named above is unavailable, please contact:

Supervisor Petroleum Engineering Technician	**Bud Thompson:** blthomps@blm.gov	**Work Phone** Cell Phone	**(970) 878-3828** (970) 942-7040
WHITE RIVER FIELD OFFICE FIELD MANAGER	**Kent Walter:** K1walter@blm.gov	**Work Phone**	**(970) 878-3800**

SITE SPECIFIC CONDITIONS

Drilling

1. All operations, unless a variance has been granted in writing by the Authorized Officer, must be conducted in accordance with 43 CFR PART 3160 - Onshore Oil and Gas Operations, Onshore Oil and Gas Order No.1; Approval of Operations on Onshore Federal and Indian Oil and Gas Leases; and Onshore Oil and Gas Order No. 2; Drilling Operations. If air or mist drilling is used, operations must be in accordance with Onshore Oil and Gas Order No. 2; Drilling Operations, Part E; Special Drilling Operations.

2. The operator is responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations.

3. Major deviations from the drilling plan require prior approval from the Authorized Officer. The operator shall verbally notify either the petroleum engineer or petroleum engineering technician 24 hours prior to the following operations to provide notice of:

a) Well spud (Breaking ground for drilling surface casing)
b) Running and cementing of all casing strings
c) Pressure testing of BOPE or any casing string
d) Commencing completion operations

A written sundry notice of the well spud must be submitted within five (5) working days.

4. All BOPE tests will be done by a tester and not by the rig pumps. The tests will include a low pressure test of 250 psi for five minutes prior to initiating the high pressure tests discussed in Onshore Order No. 2

5. No "new" hardband drill pipe abrasive to casing will be rotated inside the surface casing unless it can be shown to be casing friendly in the manufacturer's specifications. Hardband drill pipe will be considered new until it has been run at least once.

6. Drilling muds with chlorides testing in excess of 3,000 ppm or those containing hydrocarbons shall not be used in drilling operations until after the surface casing has been set. When drilling to set the surface casing, drilling fluid will be composed only of fresh water, bentonite and/or a benign lost circulation material – that is a **lost circulation material that does not pose a threat to human health or the environment**, e.g. cedar bark, shredded cane stalks, mineral fiber and hair, mica flakes, ground and sized limestone or marble, wood, nut hulls, corncobs, or cotton hulls.

7. During surface cementing operations, should cement not be circulated to surface the WRFO shall be verbally notified as soon as reasonably possible. A log acceptable to the WRFO shall be run to determine the top of cement prior to commencing remedial cementing operations. If cement is circulated to surface and subsequently falls back, top job(s) will be performed until cement remains at surface.

8. Due to the extensive lost circulation problems that are being encountered in the Piceance Basin during drilling operations from surface to total depth (TD), and given that all usable water zones, potential productive zones, and lost circulation zones shall be protected and/or isolated per Onshore Order #2, the White River Field Office requires sufficient volumes of cement be pumped to meet these requirements. Cement tops behind intermediate and production casing will be verified by an acceptable log to ensure compliance with this Order. **We require cement to be run a minimum of 200' above the shoe of the previous casing string.**

9. Chronologic drilling progress reports must be sent directly to the BLM White River Field Office on a daily basis, either electronically or by fax (970-878-3805) to the Petroleum Engineer and/or other designated petroleum engineering technicians until the well is drilled to total depth.

10. All drill cuttings shall be contained in a pit on the pad of the well being drilled, or hauled to an approved disposal site. All pits shall maintain a minimum of two feet of free board at all times.

11. For foam and ultralight cement jobs that are performed in cementing the intermediate or production strings, the operator will wait at least 36 hours for cement to harden before running a specialized log capable of reading pipe cement bond and verifying tops of cement. The White River Field Office shall be verbally notified prior to running such specialized log with enough advance notice to allow a representative from this office to witness. Logs showing pipe cement bond and tops of cement for intermediate and production cement jobs will be forwarded to the BLM.

12. One copy of all charted BOPE tests, logs, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed with the completion report, Form 3160-4. The logs should be submitted in a digital format, on a CD. This completion report shall be filed within 30 days of completion of operations and submitted prior to, or along with the first production notice.

13. The WRFO requires the measurement of individual gas, oil (condensate) and water production streams at the wellhead, unless otherwise approved in advance by the BLM. The sales point for natural gas will be at the wellhead. All meters will be calibrated in place prior to any deliveries. The White River Field Office will be provided with a date and time for the initial meter calibration and all future meter proving and calibration schedules with enough advance notice, 24 hour minimum, to allow a representative from this office to witness. A copy of the meter proving and calibration reports will be submitted to the White River Field Office. Oil (condensate) will be sold from secured tanks on location, unless otherwise approved in advance by the BLM.

The Bureau of Land Management, White River Field Office address is:

220 E. Market St.
Meeker, CO 81641
(970) 878-3800

CONTACTS:

Petroleum Engineer:	Craig Williamson	Work Phone	(970) 878-3814
		Cell Phone	(720) 273-3465
Supervisory Petroleum Engineering Technician:			
	Bud Thompson	Work Phone	(970) 878-3828
		Cell Phone	(970) 942-7040
Petroleum Engineering Technicians:			
	Erika Miller	Work Phone	(970) 878-3808
		Cell Phone	(970) 942-8279
White River Field Office	Justin Wilson	Work Phone	(970) 878-3825
		Cell Phone	(970) 942-7041
	Joe Beck	Work Phone	(970) 878-3826
		Cell Phone	(970) 942-7042
Little Snake Field Office	Roy Wallis	Work Phone	(970) 826-5093
		Cell Phone	(970) 326-8331

Surface

(DOI-BLM-CO-NO5-2014-0074-EA) CONDITIONS OF APPROVAL FOR COACHMAN ENERGY SHAVETAIL FEDERAL 28-44 APD

Important background information: Following plant survey review by BLM, discussions took place between Coachman and BLM. The joint determination was made that BLM road 1071 at this time cannot be widened due to resource concerns. Coachman has since submitted correspondence by Sundry Notice (SN) specific to the road received February 5, 2015 stating: "Coachman agrees to limit disturbance of BLM Road 1071 to spot grading of rough sections and installation of gravel in soft areas until commercial quantities of oil and/or gas

justify review and BLM permission to upgrade the roadway. *COA #22 below details additional requirements.*

- Coachman also agrees the E[illegible]I stipulation that no widening of BLM[illegible]ad 1071 is allowed."

1. The BLM WRFO requires notification to the AO's field representative concerning well development. Notification will be 24 hours prior to start for the following activities:

Activity	Method	AO's Field Representative
Construction(1)	Sundry Notice and	NRS
Reclamation(2)	either Email or Phone	NRS
Drilling Rig Moves on Location	Email and/or Phone	NRS and PET
Well Spud(3)	Sundry Notice	PET only
Drilling Rig Leaves Location	Email and/or Phone	NRS and PET
Completion Rig Moves on Location	Email and/or Phone	NRS and PET
Completion Rig Leaves Location	Email and/or Phone	NRS and PET
Work-Over Rig Moves on Location	Email and/or Phone	NRS
Work-Over Rig Leaves Location	Email and/or Phone	NRS

NOTES: NRS = Natural Resource Specialist

(1) Construction-related activities may include, but are not limited to, pad and road construction, pad expansion, clearing pipeline corridors, trenching, recontouring. The Sundry Notice will include the well pad name, location, and date of construction.

(2) Reclamation activities may include, but are not limited to, seed bed preparation that requires disturbance of surface soils, seeding, or constructing exclosures (e.g., fences) to exclude livestock from reclaimed areas.

(3) Breaking ground for drilling surface casing.

2. The operator will limit unnecessary emissions from point or nonpoint pollution sources and prevent air quality deterioration from necessary pollution sources in accordance with all applicable state, Federal and local air quality law and regulation.

3. The operator will treat all access roads with water during construction and drilling activities so that there is not a visible dust trail behind vehicles. The use of chemicals or treated produced water as a dust suppressant on BLM lands will require prior written approval from BLM.

4. In order to protect public land health standards for soils, erosion features such as rilling, gullying, piping and mass wasting on the surface disturbance or adjacent to the surface disturbance as a result of this action will be addressed immediately after observation by contacting the AO and by submitting a plan to assure successful soil stabilization with BMPs to address erosion problems.

5. To protect surface waters below the project area, the operator will keep road inlet and outlet ditches, sediment retention basins, and culverts free of obstructions, particularly before and during spring run-off and summer convective storms as defined in BLM 9113 and The Gold Book.

6. For interim reclamation the BLM recommends Seed Mix #8 outlined in Table 8. It is recommended that seeding occur between September 1 and March 31. If an alternate date of seeding is requested, contact the designated Natural Resource Specialist prior to seeding for approval. Drill seeding is the preferred method of application and drill seeding depth must be no greater than ½ inch. If drill seeding cannot be accomplished, seed should be broadcast at double the rate used for drill seeding, and harrowed into the soil. Final reclamation will be completed using the reclamation practices and seed mixes recommended at that time.

Table 6: Seed Mix #6 for Reclamation

Cultivar	Common Name	Scientific Name	Application Rate (lbs PLS/acre)
Viva Floret	Galleta Grass	*Pleuraphis jamesii*	3
Rimrock	Indian Ricegrass	*Achnatherum hymenoides*	3
Toe Jam Creek	Bottlebrush Squirreltail	*Elymus elymoides*	2.5
Rosana	Western Wheatgrass	*Pascopyum smithii*	4
	Annual Sunflower	*Helianthus annus*	2
	Shadscale	*Atriplex confertifolia*	2

7. If topsoil will be stored for more than one year and other resource values can be accommodated, topsoil should be stored in piles with a depth of two feet or less and will be seeded to help retain soil viability.

8. All seed tags will be submitted via Sundry Notice (SN) to the designated Natural Resource Specialist within 14 calendar days from the time the seeding activities have ended. The SN will include the purpose of the seeding activity (i.e., seeding well pad, cut and fill slopes, seeding pipeline corridor, etc.). In addition, the SN will include the well or well pad number associated with the seeding activity, if applicable, the name of the contractor that performed the work, his/her phone number, the method used to apply the seed (e.g., broadcast, hydro-seeded, drilled), whether the seeding activity represents interim or final reclamation, the total acres seeded, an attached map that clearly identifies all disturbed areas that were seeded, and the date the seed was applied.

9. Each year by January 1st Coachman will submit a Reclamation Status Report to the WRFO that includes the well number, API number, legal description, UTM coordinates, project description (e.g., well pad, pipeline, etc.), reclamation status (e.g., interim or final), whether the well pad and/or pipeline has been re-vegetated and/or re-contoured, date seeded, photos of the reclaimed site, acres seeded, seeding method (e.g., broadcast, drilled, hydro-seeded, etc.), and contact information for the person responsible for developing the report. The report will include maps showing each point (i.e., well pad), polygon, and/or polyline (i.e., pipeline) feature that was included in the report. The data must be submitted in UTM Zone 13N, NAD 83, in units of meters. In addition, scanned copies of seed tags that accompanied the seed bags will be included with the report. Internal and external review of the WRFO Reclamation Status Report and the process used to acquire the necessary information will be conducted annually, and new information or changes in the reporting process will be incorporated into the report.

10. The operator must meet the following reclamation success criteria, and these standards apply to both interim and final reclamation:
    a) Self-sustaining desirable vegetative groundcover consistent with the site Desired Plant Community (DPC) (as defined by the range site, WRFO AIM protocol site data (BLM TN 440), ecological site or an associated approved reference site) is adequately established as described below on disturbed surfaces to stabilize soils through the life of the project.
    b) Vegetation with eighty percent similarity of desired foliar cover, bare ground, and shrub and/or forb density in relation to the identified DPC. Vegetative cover values for woodland or shrubland sites are based on the capability of those sites in an herbaceous state.
    c) The resulting plant community must have composition of at least five desirable plant species, and no one species may exceed 70 percent relative cover to ensure that site species diversity is achieved. Desirable species may include native species from the surrounding site, species listed in the range/ecological site description, AIM data, reference site, or species from the BLM approved seed mix. If non-prescribed or unauthorized plant species (e.g., yellow sweetclover, *Melilotus officinalis*) appear in the reclamation site BLM may require their removal.
    d) Bare ground does not exceed the AIM data, range site description or if not described, bare ground will not exceed that of a representative undisturbed DPC meeting the Colorado Public Land Health Standards.

11. All equipment that may act as a vector for weeds will be cleaned before entering the project area.

12. A Pesticide Use Proposal (PUP) will be submitted for approval to the WRFO before any herbicide treatments are completed. PUPs should be submitted between November 1st and March 1st for approval.

13. Dust suppression and monitoring will occur during all construction and road improvement activities, as well as for truck traffic along BLM Road 1071. Dust suppression will be accomplished only with fresh water free of any chemicals, oils or solvents.
    a. Coachman will track and report the amount of water used in construction and dust suppression activities for the BLM to remain compliant with the Programmatic Biological Assessment (PBA) for water depletion in the Colorado River Basin.

14. Coachman will appoint a qualified, Independent Third-Party Contractor (Contractor) to provide general project oversight and to assure compliance with the terms and conditions of this approval.
    a. The contractor will randomly visit the site 2-3 times throughout construction activities to monitor dust abatement, ensure construction activities are occurring outside of the avoidance area, ensure all other mitigation measures are being implemented, and report any other unexpected potential direct or indirect impacts.
    b. If visible dust plumes are noted, the Contractor will inform appropriate project personnel to curtail activities until water can be applied and dust abatement is achieved or conditions otherwise change.
    c. The Contractor will report all visits and observations in an email to the BLM project lead and Ecologist.

15. Coachman will annually monitor the Ephedra buckwheat population along BLM Road 1071 and 100 meters from the mapped occupied polygon for invasive species. These monitoring reports should be sent to the BLM Ecologist. In the event that invasive species are encountered, Coachman will be required to promptly treat the infestations using the White River Field Office Integrated Weed Management Plan (IWMP) (DOI-BLM-CO-110-2010-0005-EA) as a compliance guideline.

16. If the project is not initiated within 3 years of the biological survey, all occupied and suitable habitat must be re-surveyed. The results of the survey must be provided to the BLM before further ground disturbing activities occur.

17. High intensity development activities, such as site preparation, pad and pipeline construction, drilling, and completion activities would be prohibited between the dates of 1 December through 30 April (i.e., big game severe winter range timeframes).

18. The cuttings pit must be constructed in such a way to slope one side enough to enable wildlife to escape.

19. The operator/holder/applicant is responsible for informing all persons who are associated with the project that they will be subject to prosecution for knowingly disturbing archaeological sites or for collecting artifacts.

20. If any archaeological materials are discovered as a result of operations under this authorization, activity in the vicinity of the discovery will cease, and the BLM WRFO Archaeologist will be notified immediately. Work may not resume at that location until approved by the AO. The operator/holder/applicant will make every effort to protect the site from further impacts including looting, erosion, or other human or natural damage until BLM determines a treatment approach, and the treatment is completed. Unless previously determined in treatment plans or agreements, BLM will evaluate the cultural resources and, in consultation with the State Historic Preservation Office (SHPO), select the appropriate mitigation option within 48 hours of the discovery. The operator/holder/applicant, under guidance of the BLM, will implement the mitigation in a timely manner. The process will be fully documented in reports, site forms, maps, drawings, and photographs. The BLM will forward documentation to the SHPO for review and concurrence.

immediately upon the discovery human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), the operator/holder must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the AO.

22. Signs noting that no off road travel of any kind will be posted at the following locations to ensure the historic property and sensitive plant species on the access route are avoided by development:
    Sign #1: 40° 3" 16.672" north, 108° 57' 7.206" west,
    Sign #2: 40° 2' 30.178" north, 108° 56' 54.742: west.

23. The operator is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for disturbing or collecting vertebrate fossils, collecting large amounts of petrified wood (over 25lbs./day, up to 250lbs./year), or collecting fossils for commercial purposes on public lands.

24. If any paleontological resources are discovered as a result of operations under this authorization, the operator or any of his agents must stop work immediately at that site, immediately contact the BLM Paleontology Coordinator, and make every effort to protect the site from further impacts, including looting, erosion, or other human or natural damage. Work may not resume at that location until approved by the AO. The BLM or designated paleontologist will evaluate the discovery and take action to protect or remove the resource within 10 working days. Within 10 days, the operator will be allowed to continue construction through the site, or will be given the choice of either (a) following the Paleontology Coordinator's instructions for stabilizing the fossil resource in place and avoiding further disturbance to the fossil resource, or (b) following the Paleontology Coordinator's instructions for mitigating impacts to the fossil resource prior to continuing construction through the project area.

25. Any excavations into the underlying native sedimentary stone must be monitored by a permitted paleontologist. The monitoring paleontologist must be present before the start of excavations that may impact bedrock.

26. Paint and maintain the paint on all permanent above ground structures (on-site for six months or longer) including tanks, associated production equipment, and any piping and valves. Paint color is to be Juniper Green for well pad 34-34 and Covert Green for well pad 28-44 according to the BLM Standard Environmental Chart CC-001: June 2008.

27. Comply with all Federal, State and/or local laws, rules and regulations, including but not limited to onshore orders and notices to lessees, addressing the emission of and/or the handling, use, and release of any substance that poses a risk of harm to human health or the environment. All spills or leakages of oil, gas, produced water, toxic liquids or waste materials, blowouts, fires, will be reported by the operator in accordance with the regulations and as prescribed in applicable orders or notices.

28. Where required by law or regulation to develop a plan for the prevention of releases or the recovery of a release of any substance that poses a risk of harm to human health or the environment, provide a current copy of said plan to the BLM WRFO.

29. When drilling to set the surface casing, drilling fluid will be composed only of fresh water, bentonite, and/or a benign lost circulation material that does not pose a risk of harm to human health or the environment (e.g., cedar bark, shredded cane stalks, mineral fiber and hair, mica flakes, ground and sized limestone or marble, wood, nut hulls, corncobs, or cotton hulls).

30. All substances that pose a risk of harm to human health or the environment must be stored in appropriate containers. Fluids that pose a risk of harm to human health or the environment, including but not limited to produced water must be stored in appropriate containers and in secondary containment systems at 110

percent of the largest vessel's capacity. Secondary fluid containment systems, including but not limited to tank batteries must be lined with a minimum 24 mil impermeable liner.

31. Construction sites and all facilities must be maintained in a sanitary condition at all times; waste materials must be disposed of promptly at an appropriate waste disposal site. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, oil drums, petroleum products, ashes, and equipment.

32. As a reasonable and prudent lessee/operator in the oil and gas industry, acting in good faith, all lessees/operators and right-of-way holders will report all emissions or releases that may pose a risk of harm to human health or the environment, regardless of a substance's status as exempt or nonexempt and regardless of fault, to the BLM WRFO (970) 878-3800.

33. As a reasonable and prudent lessee/operator and/or right-of-way holder in the oil and gas industry, acting in good faith, all lessees/operators and right-of-way holders will provide for the immediate clean-up and testing of air, water (surface and/or ground) and soils contaminated by the emission or release of any substance that may pose a risk of harm to human health or the environment, regardless of that substance's status as exempt or non-exempt. Where the lessee/operator or right-of-way holder fails, refuses or neglects to provide for the immediate clean-up and testing of air, water (surface and/or ground) and soils contaminated by the emission or release of any quantity of a substance that poses a risk of harm to human health or the environment, the BLM WRFO may take measures to clean-up and test air, water (surface and/or ground) and soils at the lessee/operator's expense. Such action will not relieve the lessee/operator of any liability or responsibility.

34. Final abandonment of pipelines and flowlines will involve flushing and properly disposing of any fluids in the lines. Lines that are buried close to the surface that may become exposed due to water or wind erosion, soil movement, or anticipated subsequent use, must be removed. Deeply buried lines may remain in place unless otherwise directed by the Authorized Officer.

35. When working on lands administered by the BLM WRFO, notify Craig Interagency Dispatch (970-826-5037) in the event of any fire.
    a) The reporting party will inform the dispatch center of fire location, size, status, smoke color, aspect, fuel type, and provide their contact information.
    b) The reporting party, or a representative of, should remain nearby, in a safe location, in order to make contact with incoming fire resources to expedite actions taken towards an appropriate management response.
    c) The applicant and contractors will not engage in any fire suppression activities outside the approved project area. Accidental ignitions caused by welding, cutting, grinding, etc. will be suppressed by the applicant only if employee safety is not endangered and if the fire can be safely contained using hand tools and portable hand pumps. If chemical fire extinguishers are used the applicant must notify incoming fire resources on extinguisher type and the location of use.
    d) Natural ignitions caused by lightning will be managed by Federal fire personnel. The use of heavy equipment for fire suppression is prohibited, unless authorized by the Field Office Manager.
    e) Piled vegetation retained for reclamation as part of forest management mitigations shall be located at least twenty five feet from other receptive fuels.

36. In accordance with the 1997 White River RMP/ROD, all trees removed in the process of construction shall be purchased from the BLM. Trees should first be used in reclamation efforts and then any excess material made available for firewood or other uses.
    a) First, woody material will be chipped and stockpiled for later use in reclamation. Woods chips can be incorporated into the topsoil layer to add an organic component to the soil to aid in reclamation success.
    b) Trees that must be removed for construction and are not required for reclamation shall be cut down to a stump height of six inches or less prior to other heavy equipment operation. These trees shall be cut in

four foot lengths (down to [illegible] inches diameter) and placed in manageable stacks immediately adjacent to a public road to facilitate removal for company use or removal by the public.

c) During pad, road, and pipeline layout, consideration will be given to maintaining old-growth stands in their entirety. Old-growth stands will be those with trees containing individuals of age greater than 300 years and having old-growth stature and development.

37. To improve reclamation success, at the interim and final reclamation stages; the BLM recommends fencing and maintaining a fence appropriate to keep grazing livestock out of the well pad and all reclaimed areas. Fences must be constructed and maintained to the following standard:
    - Following interim and final reclamation the reclamation areas must be fenced with one of two specifications – 4 foot net wire or 3 foot net wire with 1 strand of barb wire 12 inches above the top of the net wire.
    - Fencing must remain and be maintained until the approval of final reclamation.

38. All activities would be required to comply with all applicable local, state, and Federal laws, statutes, regulations, standards, and implementation plans. This would include acquiring all required State and Rio Blanco County permits, implementing all applicable mitigation measures required by each permit, and effectively coordinating with existing facility ROW holders.

39. The holder must provide the BLM AO with data in a format compatible with the WRFO's ESRI ArcGIS Geographic Information System (GIS) to accurately locate and identify the ROW and all constructed infrastructure, (as-built maps) within 60 days of construction completion. Acceptable data formats are: (1) corrected global positioning system (GPS) files with sub-meter accuracy or better; (2) ESRI shapefiles or geodatabases; or at last resort, (3) AutoCAD .dwg or .dxf files. Option 2 is highly preferred. In ALL cases the data must be submitted in Universal Transverse Mercator (UTM) Zone 13N, NAD 83, in units of meters. Data may be submitted as: (1) an email attachment; or (2) on a standard compact disk (CD) in compressed (WinZip only) or uncompressed format.
    All data shall include metadata, for each submitted layer, that conforms to the Content Standards for Digital Geospatial Metadata from the Federal Geographic Data Committee standards. Questions should be directed to WRFO BLM GIS staff at (970) 878-3800.

40. If gas is encountered and Coachman needs to construct a gas line, a sundry must be submitted.

41. Construction activity should take place entirely within the areas authorized in the ROW grants and temporary use permits.

42. At least 90 days prior to termination of the ROW, the holder shall contact the AO to arrange a joint inspection of the ROW. The inspection will result in the development of an acceptable termination and rehabilitation plan submitted by the holder. This plan shall include, but is not limited to, removal of facilities, drainage structures, and surface material (e.g., gravel or concrete), as well as final recontouring, spreading of topsoil, and seeding. The Authorized Officer must approve the plan in writing prior to the holder's commencement of any termination activities.

43. All construction activity must cease when soils or roads surfaces become saturated to a depth of three inches unless approved by the Authorized Officer.

44. Coachman will provide access to the BLM through all security gates at all times and provide notification within seven days by Sundry Notice to the WRFO of any changes to access the well. This will be accomplished by the BLM placing their own lock on the security gates interlocking with the operator's lock in a manner that allows both Coachman and the BLM unrestricted access to the well pads.

45. The operator must limit all permanent (i.e., onsite greater than 8 months) equipment to a 60 dbh or less as measured at the edge of the original well pad disturbance area.

DRILLING PLAN (CONFIDENTIAL)

Shavetail Federal 28-44

SESE Sec 28, T1N-R103W,

BLM Lease # COC-065854)

Dejour Energy (USA) Corporation (Dejour) presents the following Drilling Plan for the Shavetail Federal 28-44 well located 380' FEL and 1,381' FSL in the southeast quarter of Section 28, T1N, R103W. This well will be located on BLM managed lands and is authorized under lease COC-065854. The proposed well will be drilled to a TD of 4,582 feet (TVD).

In accordance with the requirements of Onshore Oil and Gas Order Number 1 (43 CFR 3162.3), the following detailed drilling plan is provided.

Geologic Prognosis

Estimated Formation Tops	Graded GL: 5590 ft	KB: 15 ft
Tops	**MD (ft)**	**TVD (ft)**
Mesaverde	300	300
Mancos Shale	2941	2924
Castlegate	3192	3175
Mancos B ss	4470	4453
Base Mancos B	4582	4565

Estimated Depths and Names of Anticipated Oil and Gas Bearing Formations

Substance	Formation	Depth
Oil and/or gas	Castlegate	3175' TVD
Oil and/or gas	Mancos B	4453' TVD

There are no other mineral bearing zones or fresh water zones expected. However, should there be any encountered, unexpectedly, they will be protected as the surface and production casing will both be cemented back to the surface.

Well Control Equipment

1. Dejour minimum specifications for pressure control are as follows:

Depth Range	Well Control Equipment
0-500' (surface interval)	None anticipated
500' – TD	11", 3000 psi ram type preventers with one set of blind rams, one set of pipe rams and a 3000 psi annular type preventer with choke manifold and rotating head
No abnormal temperatures or H_2S gas are anticipated. No over-pressured intervals are expected.	

2. Dejour will comply with all requirements pertaining to well control as listed in Onshore Oil and Gas Order No. 2 as well as Colorado Oil and Gas Conservation Commission (COGCC) Rules and Regulations.
3. Dejour will comply with Onshore Oil and Gas Order No. 2 as well as COGCC regulations concerning the testing of blow out prevention (BOP) equipment to include the following:
    a. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing if BOP stack is not isolated from casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off of pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.
    b. All BOP tests will be done by a tester and not by the rig pumps using clear water or an appropriate clear liquid for subfreezing temperatures. Annular type preventers shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.
    c. As a minimum, the above test shall be performed:
        i. A. when initially installed;
        ii. Whenever any seal subject to test pressure is broken;
        iii. Following related repairs;
        iv. At 30-day intervals; and
        v. Valves shall be tested from working pressure side during BOP tests with all down-stream valves open.
    d. When testing the kill line valve(s), the check valve shall be held open or the ball removed.
    e. Annular preventers shall be functionally operated at least weekly.

f. Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.
g. A BOPE pit level drill shall be conducted weekly for each drilling crew.
h. Pressure tests shall apply to all related well control equipment.
i. All of the above described tests and/or drills shall be recorded in the drilling log.
j. See Figure 3 for a typical BOP diagram.

Casing Program

Hole Size (in)	Casing/Tubing Size (in)	Wt. (#)	Grade	Connection	Length (ft)	Setting Depth (ft)	Formation
12 ¼"	8 5/8	24	J55	STC	500	500	Mesaverde
7 7/8"	4 ½"	11.6	K-55	LTC	4582	4582	Mancos

8 5/8", 24#, J55, STC	Collapse	Burst	Tensile	ID
100%	1370 psi	2950 psi	244,000 lbs	8.0335"
80%	1096 psi	2360 psi	195,200 lbs	

The surface casing string (8 5/8") will be centralized using bow spring centralizers. The bottom (3) joints of casing will be centralized, from that point up, one centralizer will be run on every third joint to surface.

4 1/2", 11.6#, K-55, LTC	Collapse	Burst	Tensile	ID
100%	4960 psi	4350 psi	180,000 lbs	4.00"
80%	39686 psi	3424 psi	144,000 lbs	

The productions casing (4 ½"') will be centralized using bow spring centralizers. Every joint from the shoe to the top of cement will be centralized with bow spring centralizers, one centralizer on every third joint.

Deviation Program

This well will be directionally drilled as follows:

Drill vertical to 950'

POOH for Directional tools pick up a 1.5 degree bent sub and motor, GIH orient and drill to 9 degrees.

Build 3 degrees/100ft in the 270 Azimuth direction to 9 degrees. Hold 9 degrees to TD. This will give a 270 ft departure at the top of the Castlegate. The BHL at the Castlegate will 650' FEL and 1383' FSL.

The added hole length due to deviation is 17', TD will 4,582' md.

Cementing Program

12 ¼" hole 8 5/8" Casing 0- 500 ft. Cement to surface 100% excess

Lead Slurry: 102 Sacks Control Set "C" + 1 % CaCl2 + 1.0 % SMS + 1% OGC-60 + .25 pps Poly Flake yield 2.85 ft³/sack 11.5 ppg (700-surface)

Tail Slurry: 143 sacks Class G Cement, 1% bwoc CaCL2, 0.25 pps Polyflake, 1.15 ft³/sx 15.6 ppg (900'- 700')

7 7/8" hole 4 ½" Production casing surface - TD (4582') 35% excess

Lead Slurry: 325 Sacks Class G + 35% poz+0.4%CFL-4+0.7% LTR+0.4% DF-7011+0.25 pps Polyflake 2.85 ft³/sack 11.5 ppg (3000 – surface).

Tail Slurry: 370 sacks Class G Cement + .5% CFR + 0.25 pps Polyflake, 1.15 ft³/sx 15.6 ppg (TD 4582' -3000')

A water quality analysis will be performed on the mix water used in cementing to ensure adequate cement properties. This analysis will be submitted to the BLM.

Mud Program

Interval	Mud Description	Weight	Viscosity	Wtr Loss
Surface to 500'	Freshwater, Gel / PHPA sweeps	8.34	NC	NC
500' to 4582'	Low Solid's Non- Dispersed PHPA	8.4-8.6	6-10	10cc

The minimum quantity of mud to be kept on location will be 400 bbls plus the volume of mud in the hole. If the selected rig mud tanks will provide for storage of 500 bbls we will increase the number accordingly. 200 sacks of barite will be stored on location should the weight of the mud need to be increased during drilling. Both electrical and mechanical fluid monitoring will be used to monitor the drilling fluid in the well bore. Each tank volume, flow rate, as well as total hole and surface volumes will be monitored on a continuous basis using a Mud Monitoring system. A closed loop system shall consist of steel tanks and solids control equipment to hold the drilling fluid while the cuttings are routed to the cuttings trench.

Logging Program

Type Log Suite	Interval Top	Interval Bottom
Resistivity	Base of surface casing	TD
Density-Neutron	500	TD
Gamma Ray	Surface	TD
Sonic (Dipole)	Base of surface casing	TD
Formation Micro Imager	2500	TD

Coring Program

Core No.	Formation	Est. Depth	Core Length (ft)
1	Mancos B	4453 TVD	115

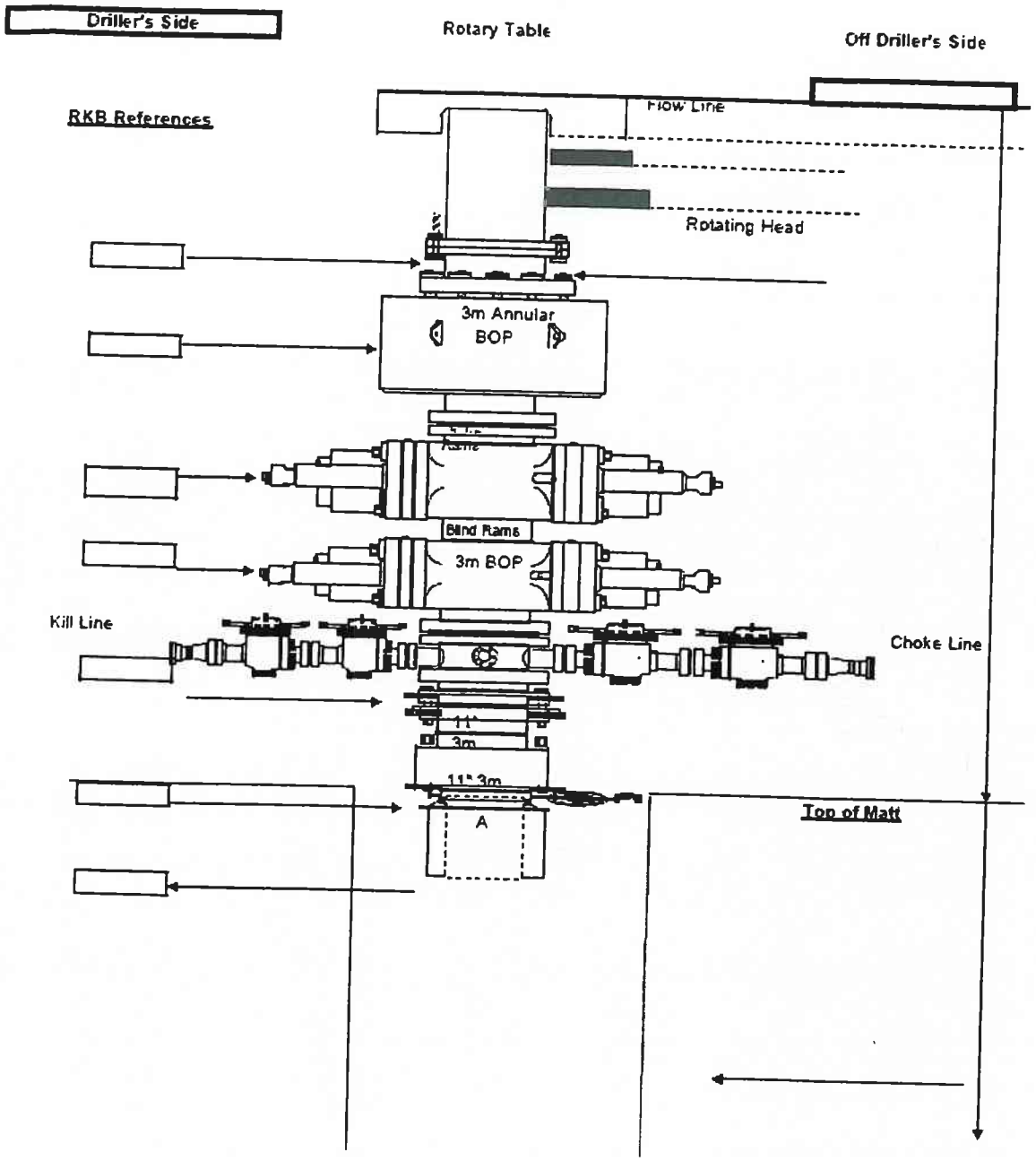
Water Source

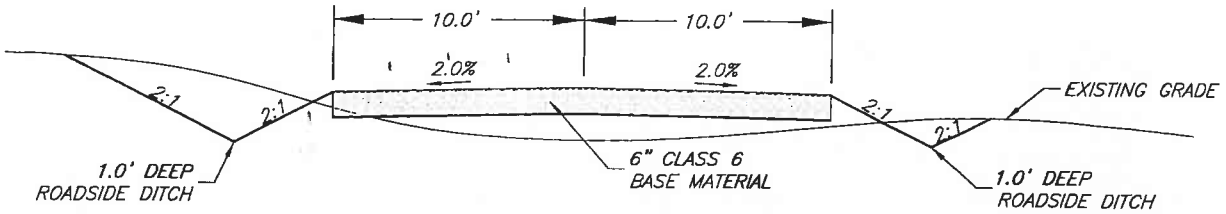
The freshwater required for the drilling operation will be trucked in from the nearest local water source.

Additional Information

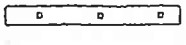
1) Normal pressures are expected
2) Maximum expected bottom hole pressure: 1200 psi
3) Maximum expected bottom hole temperature: 120 deg F
4) H2S is not expected.

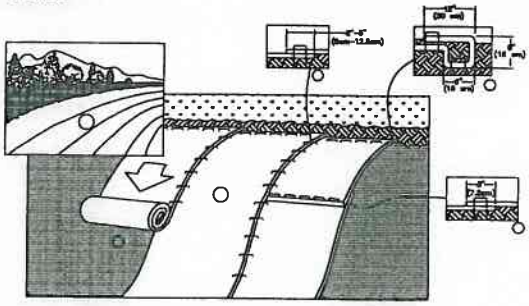
Figure 3: Typical Blowout Preventer Diagram





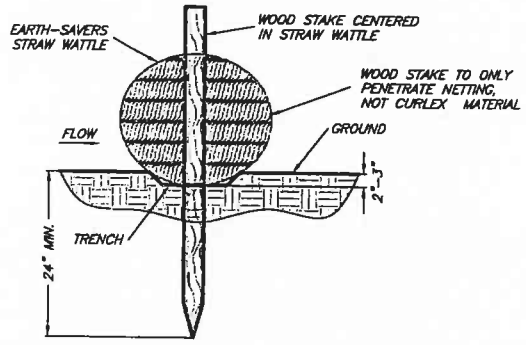
TYPICAL ROAD SECTION

SW		STRAW WATTLE	A temporary sediment barrier composed of netted straw rolls placed parallel with grade of slope to intercept and detain flow to allow sediment to settle; for low flow velocities where sheet and rill erosion potential is low. Install to manufacturer specs.
SEB		SOIL EROSION BLANKET	Apply to all new fill slopes steeper than. 4:1 . See slope installation detail



1. PREPARE SOIL BEFORE INSTALLING ROLLED EROSION CONTROL PRODUCTS (RECP's), INCLUDING ANY NECESSARY APPLICATION OF LIME, FERTILIZER, AND SEED.
   NOTE: WHEN USING CELL-O-SEED DO NOT SEED PREPARED AREA. CELL-O-SEED MUST BE INSTALLED WITH PAPER SIDE DOWN.
2. BEGIN AT THE TOP OF THE SLOPE BY ANCHORING THE RECP's IN A 6" (15 CM) DEEP X 6" (15 CM) WIDE TRENCH WITH APPROXIMATELY 12" (30cm) OF RECP's EXTENDED BEYOND THE UP-SLOPE PORTION OF THE TRENCH. ANCHOR THE RECP's WITH A ROW OF STAPLES/STAKES APPROXIMATELY 12" (30 CM) APART IN THE BOTTOM OF THE TRENCH. BACKFILL AND COMPACT THE TRENCH AFTER STAPLING. APPLY SEED TO COMPACTED SOIL AND FOLD REMAINING 12" (30 CM) PORTION OF RECP's BACK OVER SEED AND COMPACTED SOIL. SECURE RECP's OVER COMPACTED SOIL WITH A ROW OF STAPLES/STAKES SPACED APPROXIMATELY 12" (30 CM) APART ACROSS THE WIDTH OF THE RECP's.
3. ROLL THE RECP's (A) DOWN OR (B) HORIZONTALLY ACROSS THE SLOPE. RECP's WILL UNROLL WITH APPROPRIATE SIDE AGAINST THE SOIL SURFACE. ALL RECP's MUST BE SECURELY FASTENED TO SOIL SURFACE BY PLACING STAPLES/STAKES IN APPROPRIATE LOCATIONS AS SHOWN IN THE STAPLE PATTERN GUIDE. WHEN USING THE DOT SYSTEM™ , STAPLES/STAKES SHOULD BE PLACED THROUGH EACH OF THE COLORED DOTS CORRESPONDING TO THE APPROPRIATE STAPLE PATTERN.
4. THE EDGES OF PARALLEL RECP's MUST BE STAPLED WITH APPROXIMATELY 2" - 5" (5 CM - 12.5 CM) OVERLAP DEPENDING ON RECP's TYPE.
5. CONSECUTIVE RECP's SPLICED DOWN THE SLOPE MUST BE PLACED END OVER END (SHINGLE STYLE) WITH AN APPROXIMATE 3" (7.5 CM) OVERLAP. STAPLE THROUGH OVERLAPPED AREA, APPROXIMATELY 12" (30 CM) APART ACROSS ENTIRE RECP's WIDTH.
   NOTE:
   *IN LOOSE SOIL CONDITIONS, THE USE OF STAPLE OR STAKE LENGTHS GREATER THAN 6" (15 CM) MAY BE NECESSARY TO PROPERLY SECURE THE RECP's.

SLOPE INSTALLATION



STRAW WATTLE INSTALLATION DETAIL

N.T.S

SEEDING (RIGHT-OF-WAY) — SEEDING PLAN

SOIL PREPARATION, FERTILIZER, SEEDING, MULCHING (WEED FREE) AND MULCH TACKIFIER WILL BE REQUIRED FOR AN ESTIMATED 0.9 ACRES OF DISTURBED AREA WITHIN THE RIGHT-OF-WAY LIMITS WHICH ARE NOT SURFACED. THE FOLLOWING TYPES AND RATES SHALL BE USED:

COMMON NAME	SCIENTIFIC NAME	LBS PLS/ACRE
"ARRIBA" WESTERN WHEATGRASS	PASCOPYRUM SMITHII	5.0
SAND DROPSEED	SPOROBOLUS CRYPTANDRUS	1.0
"SALADO" ALKALI SACATON	SPOROBOLUS AIROIDES	2.0
"PALOMA" INDIAN RICEGRASS	ORYZOPSIS HYMENOIDES	3.0
"CHEYENNE" INDIANGRASS	SORGHASTRUM NUTANS	4.0
"CIMARRON" LITTLE BLUESTEM	SCHIZACHYRIUM SCOPARIUM	4.0
"BROMAR" MOUNTAIN BROME	BROMUS MARGINATUS	6.0
TOTAL		25.0 LBS

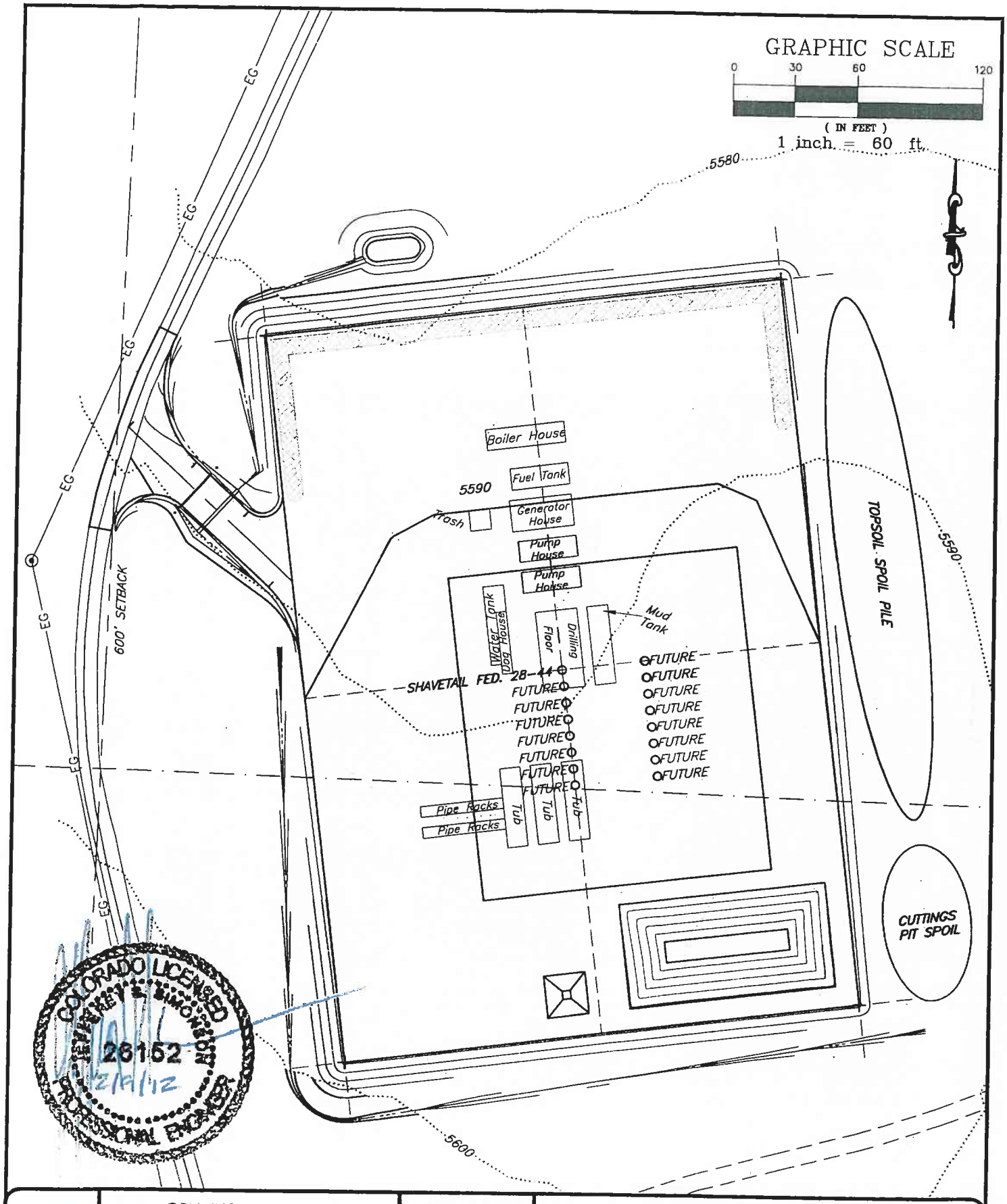
*APPLY SEED MIX TO ALL TOPSOIL AREAS AND SOIL EROSION BLANKET AREAS BEFORE BLANKET IS INSTALLED.

SGM INC.
118 W. 6th Street, Suite 200
Glenwood Springs, Colorado 81601
(970) 945-1004 (FAX 945-5948)
Aspen, Colorado (970) 925-6727

Scale: NA
Sheet 2E of 8
Pad 28-44

Shavetail 28 Details
NE1/4SE1/4, Section 28, T.1N, R.103W., 6TH P.M.

Job# 2010-112.005 | Date: 2.7.2012 | By: DCS | File: 28-44BM



DEJ / SGM INC. 118 W. 6th Street, Suite 200 Glenwood Springs, Colorado 81601 (970) 945-1004 (FAX 945-5948) Aspen, Colorado (970) 925-6727	Scale: 1" = 60 Sheet 2AA of 8 Pad 28-44	Shavetail 28 Rig Layout NE1/4SE1/4, Section 28, T.1N, R.103W., 6TH P.M.	
		Job# 2010-112.005	Date: 2.7.2012 | By: DCS | File: 28-44BM

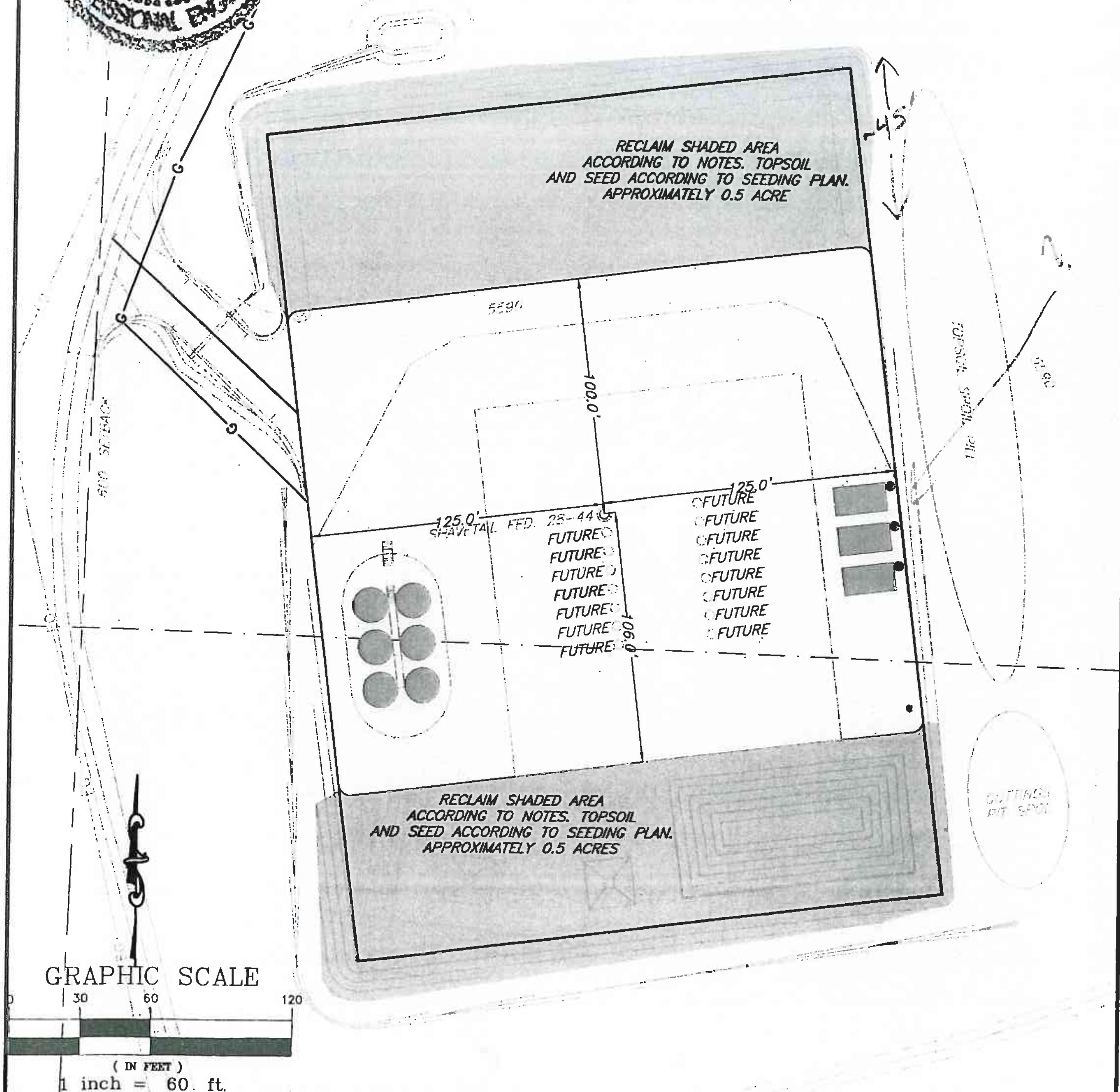
FEB 0 8 2012

Notes:

1. Topsoil and seed new cut and fill slopes and new disturbed areas for reclaimed pad according to specs on sheet 2F.

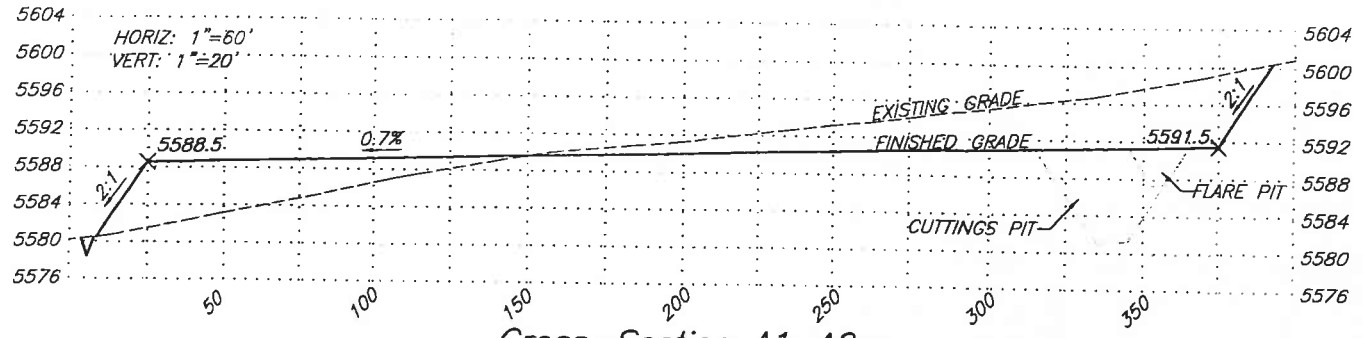
2. Cut slopes to be no steeper than 3:1 and fill slopes to be no steeper than 4:1, minimize disturbance on previously undisturbed ground.

3. Use original pad material to fill in cut slopes and layback fill slopes for the reclaimed surface.

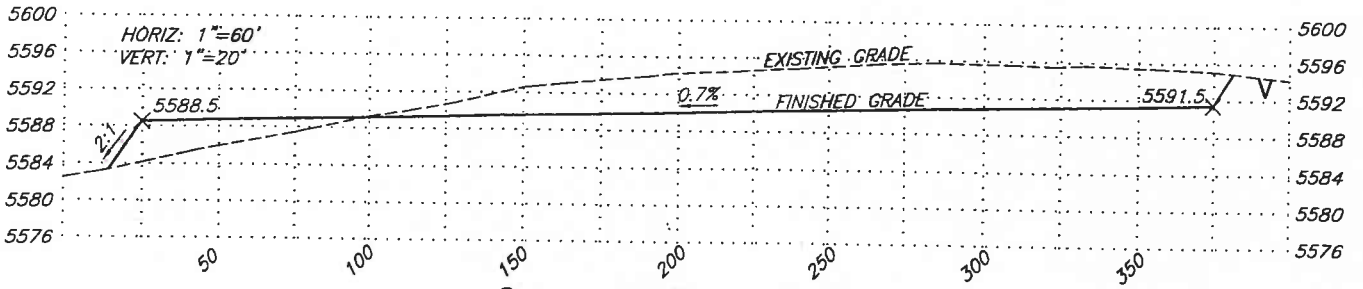


SGM INC. 118 W. 6th Street, Suite 200 Glenwood Springs, Colorado 81601 (970) 945-1004 (FAX 945-5948) Aspen, Colorado (970) 925-6727	Scale: 1" = 60' Sheet 2F of 8 Pad 28-44	Shavetail 28 Interim Reclamation Plan NE1/4SE1/4, Section 28, T.1N, R.103W., 6TH P.M. Job# 2010-112.005 · Date: 2.7.2012 · By: DCS · File: 28-44BM

FEB 29 2012



Cross-Section A1-A2



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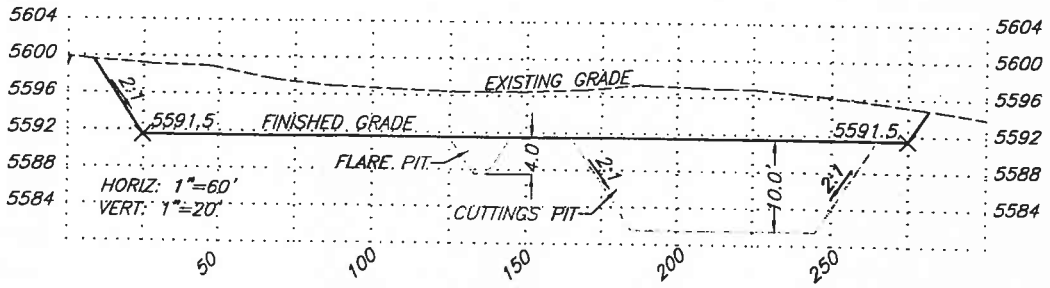
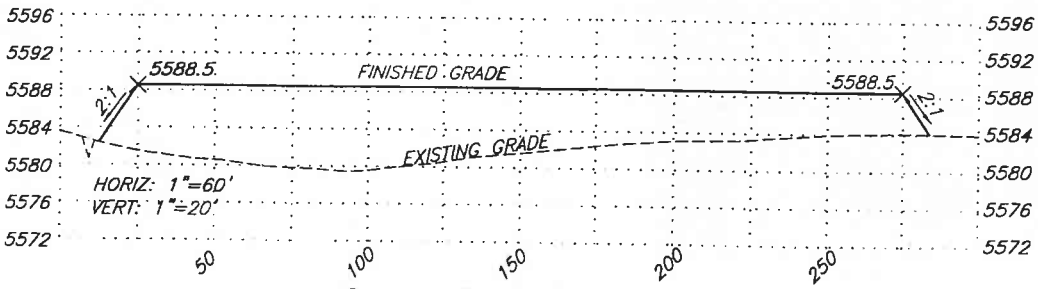


Cross-Section C1-C2



Cross-Section D1-D2

SGM INC.
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Scale: 1" = 60'

Sheet 2B of 8

Pad 28-44

Shavetail 28 Pad Cross-Sections
NE1/4SE1/4, Section 28, T.1N, R.103W., 6TH P.M.

Job# 2010-112.005 | Date: 2.7.2012 | By: DCS | File: 28-44BM

FEB 2 9 2012

SCHMUESER | GORDON | MEYER
ENGINEERS | SURVEYORS

GLENWOOD SPRINGS
118 WEST SIXTH STREET, SUITE 200
GLENWOOD SPRINGS, CO 81601
970.945.1004
970.945.5948 FAX

Dejour Energy Pad 28 & Pad 34 Access Road Improvements

Dejour energy has proposed the construction of two well pad locations Southwest of Rangely Colorado. Access to these pad locations would impact BLM Road 1071 and an existing two track road that branches off of BLM Road 1071. The proposed improvements to each road are as follows:

BLM Road 1071

BLM Road 1071 is a local, existing earth surface road approximately 14 feet in width with intermittent road side ditches and natural drainage appurtenances. The road currently serves as public access and access to energy industry related locations. Road grades do not exceed 8 percent throughout the approximate 5 mile extent of use proposed by Dejour Energy (see attached BLM Road 1071 Exhibit map).

Proposed Improvements to BLM Road 1071 are to widen the existing road from 14 feet to 20 feet, to allow for 2-way public/industry traffic. The improved road will be crowned at the road centerline at 2 percent. Road side ditches will be cut along the entire length with lead off ditches periodically where possible. Road and surface drainage will be diverted through minimum 18 inch diameter culverts or waterdips at natural drainages and low spots (see BLM Road 1071 exhibit map). The road will be capped with 6 inches of class 6 aggregate base coarse material to provide for an all weather surface. The horizontal and vertical geometry of the existing road will be maintained. See the Proposed BLM Road 1071 Improvements typical section below.

Existing 2 Track Road

Improvements to an existing 2 track road are proposed for access to Dejour Pad 34 (see attached Pad 34 Access Road Exhibit for location). The existing 2 track is a 4 wheel drive road with no drainage or surface improvements. The distance from BLM Road 1071 to Dejour Pad 34 is approximately 1 mile. The 2 track is proposed to be improved to a functional classification of a resource road in mountainous terrain. The proposed road will follow the existing road path with slight variations to avoid sensitive vegetation. The proposed road will be 14 feet wide and insloped at 3 percent. A roadside ditch, with periodic lead of ditches, will also be on the cut side to mitigate drainage to culvert and waterdip locations (see Pad 34 Access Road exhibit map). The new road will be capped with 6 inches of class 6 aggregate base coarse material to provide for an all weather surface. Turnouts will be provided every 1000 feet. Turnouts will be 100 feet long and 10 feet wide on the right side of the "empty" direction of the road. See the Proposed Pad 34 Access Rd. Typical Section below.

NOTE: Descriptions for road improvements, typical sections and exact routes are proposed. Final design and structural sections may vary slightly due to localized conditions.

GUNNISON
103 WEST TOMICHI AVE, SUITE A
GUNNISON, CO 81230
970.641.5355
970.641.5358 FAX

ASPEN
101 FOUNDERS PLACE, UNIT 102
PO BOX 2155
ASPEN, CO 81611
970.925.6727
970.925.4157 FAX

GRAND JUNCTION
2768 COMPASS DRIVE, SUITE 102
GRAND JUNCTION, CO 81505
970.245.2571
970.245.2871 FAX

MEEKER
320 THIRD STREET
MEEKER, CO 81641
970.878.5180
970.878.4181 FAX

DISTURBED AREA = 3.09 ACRES
CUT SLOPES: 2:1
FILL SLOPES: 2:1
PAD QUANTITIES:
TOTAL CUT = 6431 CUBIC YARDS
TOTAL FILL = 5828 CUBIC YARDS
SPOIL = 603 (CUT) CUBIC YARDS
SPOIL DOES NOT INCLUDE TOP SOIL

COMPACTION SHRINKAGE NOT ACCOUNTED FOR IN VOL. CALCS. ESTIMATED AT 10%

ROAD QUANTITIES:
TOTAL CUT: 80 CUBIC YARDS
TOTAL FILL: 33 CUBIC YARDS
SPOIL = 47 (CUT) CUBIC YARDS

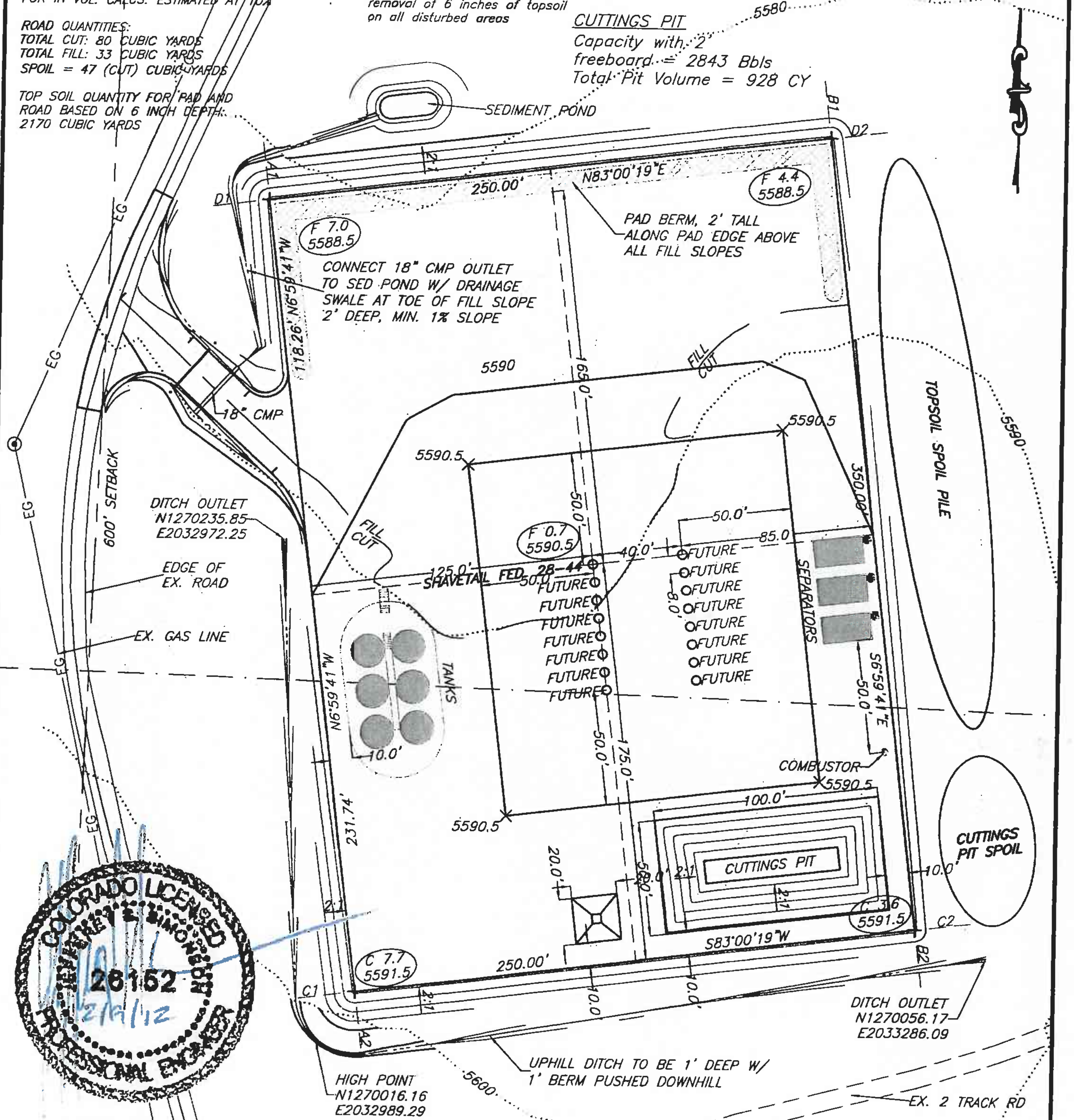
TOP SOIL QUANTITY FOR PAD AND ROAD BASED ON 6 INCH DEPTH:
2170 CUBIC YARDS

Notes:

1. Contact utility line locators before digging. CALL 811
2. Earth work quantities are estimated and should be used at contractors own discretion.
3. Earth work is based on the removal of 6 inches of topsoil on all disturbed areas
4. ROAD SURFACES TO BE FINISHED WITH 6 INCHES OF CLASS 6 ROAD BASE AFTER INSTALLATION OF PIPELINE
5. Extra material is to be added to the fill slope of the pad.

CUTTINGS PIT
Capacity with 2' freeboard = 2843 Bbls
Total Pit Volume = 928 CY

GRAPHIC SCALE
0 30 60 120
(IN FEET)
1 inch = 60 ft.



DEJ	SGM INC. 118 W. 6th Street, Suite 200 Glenwood Springs, Colorado 81601 (970) 945-1004 (FAX 945-5948) Aspen, Colorado (970) 925-6727	Scale: 1" = 60	Shavetail 28 Construction Layout	
		Sheet 2A of 8	NE1/4SE1/4, Section 28, T.1N, R.103W., 6TH P.M.	
		Pad 28-44	Job# 2010-112.005 Date: 2.7.2012	By: DCS File: 28-44BM

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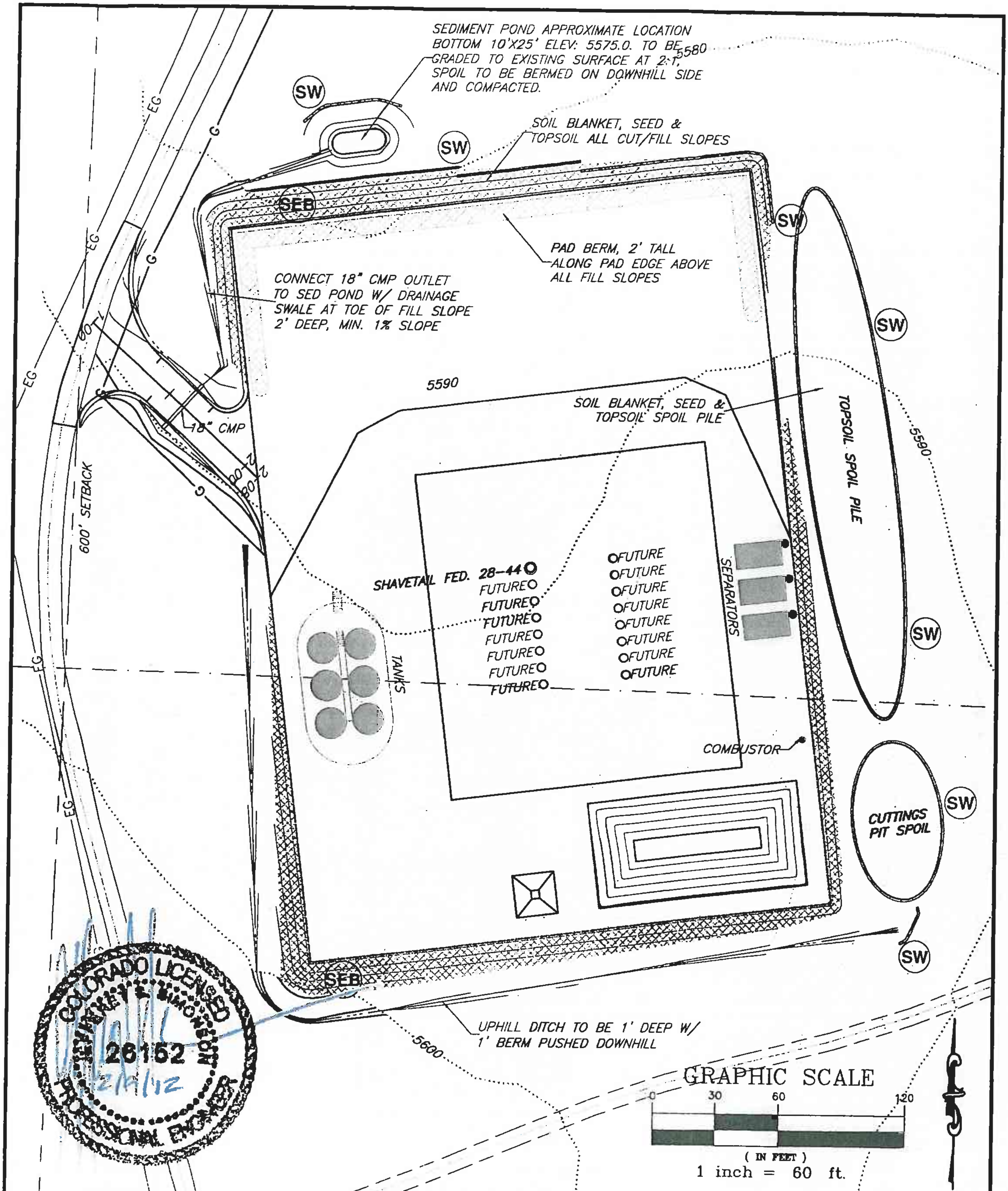

SGM INC. 118 W. 6th Street, Suite 200 Glenwood Springs, Colorado 81601 (970) 945-1004 (FAX 945-5948) Aspen, Colorado (970) 925-6727	Scale: 1" = 60'	Shavetail 28 SWMP
	Sheet 2D of 8	NE1/4SE1/4, Section 28, T.1N, R.103W., 6TH P.M.
	Pad 28-44	Job# 2010-112.005 Date: 2.7.2012 By: DCS File: 28-44BM

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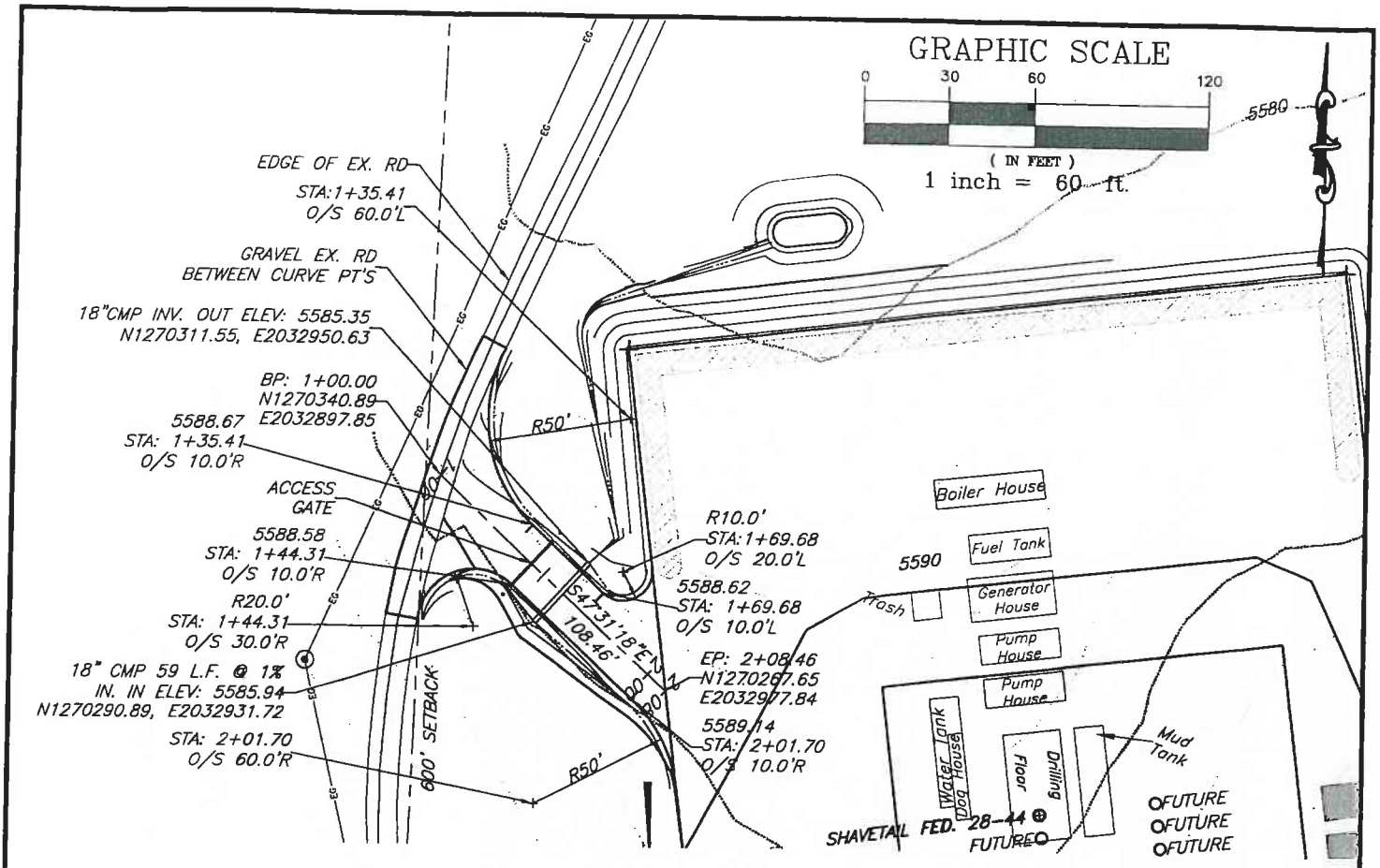

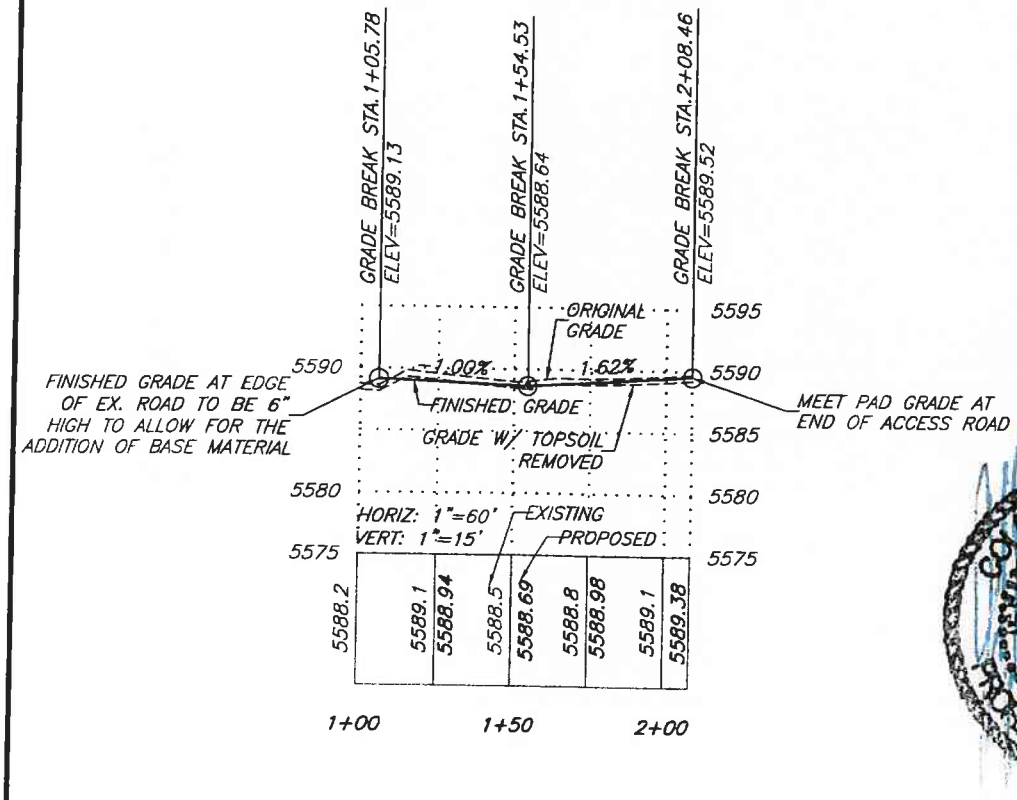

SGM INC. 118 W. 6th Street, Suite 200 Glenwood Springs, Colorado 81601 (970) 945-1004 (FAX 945-5948) Aspen, Colorado (970) 925-6727	Scale: 1" = 60'	Shavetail 28 Road Plan & Profile	
	Sheet 2C of 8	NE1/4SE1/4, Section 28, T.1N, R.103W., 6TH P.M.	
	Pad 28-44	Job# 2010-112.005	Date: 2.7.2012 By: DCS File: 28-44BM

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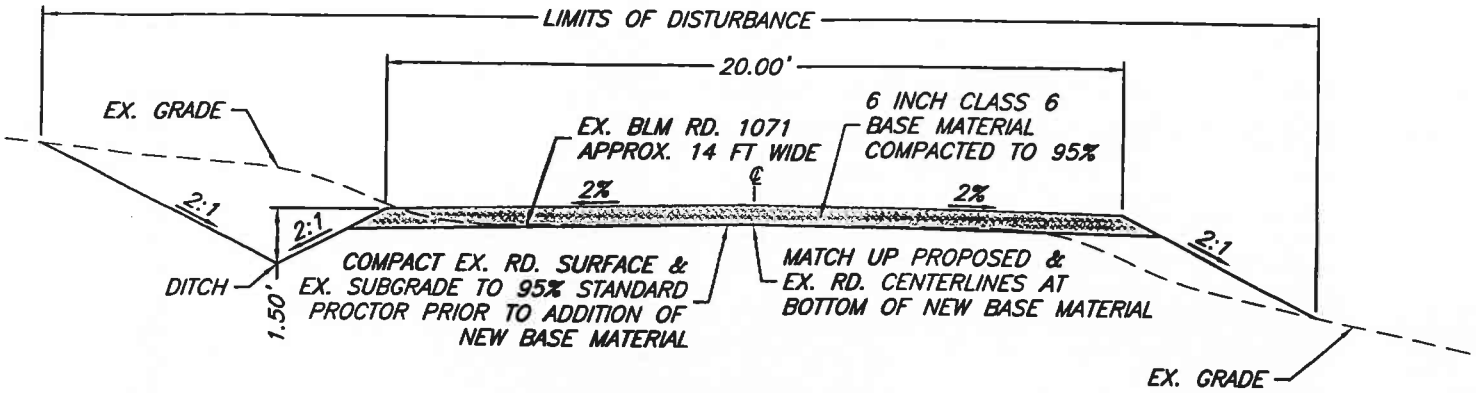
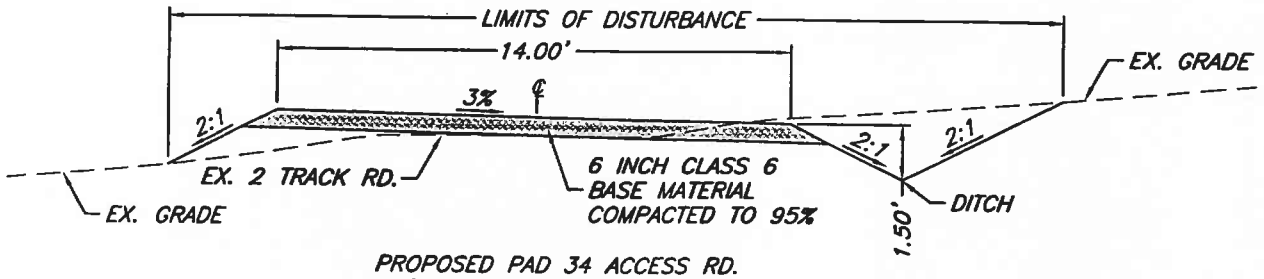


PROPOSED BLM RD. 1071
IMPROVEMENTS TYPICAL SECTION
SCALE: 1"=5'



PROPOSED PAD 34 ACCESS RD.
TYPICAL INSLOPE SECTION
SCALE: 1"=5'

NOTES:

1. DITCHES WILL VARY IN DEPTH & WIDTH TO ACCOMMODATE CULVERTS.
2. TOP SOIL STORAGE/REVEGETATION; ALL CUT/FILL SLOPES TO HAVE 4 INCHES OF TOPSOIL & SEEDED.
3. CUT/FILL SLOPES ARE ANTICIPATED TO BE LESS THAN 5 FEET IN HEIGHT
4. STORM WATER MANAGEMENT PLAN TO BE DETERMINED BASED ON LOCAL FIELD CONDITIONS AT TIME OF FINAL ROAD DESIGN.

Surface Use Plan of Operations

Dejour Shavetail Federal 28-44

1. Existing Roads

   a) Access to the proposed Shavetail Federal 28-44 is provided by travelling 9 miles west of Rangely, Colorado. Commencing on the west side of Rangely at the intersection of Highway 64 and River Road (aka Rio Blanco County Road 2) travel in a southerly and westerly direction on County Road 2 for 9 miles to BLM Road 1071. Turn left (south) on an unmarked dirt road and travel 2.7 miles to the proposed Shavetail Federal 28-44 well pad located on a flat area immediately to the east of the access road (see topographic map on sheet 8 of 8).

   b) The 2.7 miles of dirt road (BLM Road 1071) runs north-south and provides access to the proposed Shavetail well pad. This segment of road was improved as part of the past well development and pipeline installation, although it has received limited to no maintenance recently.

   c) Dejour will negotiate an agreement with the current ROW grantees to share in the responsibilities and costs of road maintenance for BLM Road 1071.

2. Reconstructed and Planned Access Roads

   a) Road construction and upgrades will follow the BLM Roads Manual 9113 (BLM 1985), with guidance provided by the Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development (The Gold Book) Fourth Edition—Revised 2007 (BLM 2007).

   b) BLM Road 1071 is an existing earth surface road approximately 14 feet in width with intermittent road side ditches and natural drainage appurtenances. The road currently serves as public access and as access to energy industry related locations. Road grades do not exceed eight percent (8%) throughout the approximate 2.7 mile extent of use proposed by Dejour (see attached BLM Road 1071 exhibit map, sheet 8 of 8).

   c) Proposed improvements to BLM Road 1071 include widening the existing travel way from 14 feet to 20 feet to allow for two-way public and industry traffic. The improved road will be crowned at the road centerline at two percent (2%). Road side ditches will be cut along the entire length with the road and surface drainage diverted through minimum eighteen (18) inch culverts at natural drainages and low spots. The road will be capped with six (6) inches of class 6 aggregate base coarse material to provide for an all-weather surface. The road horizontal and vertical geometry will not change from the existing conditions. The proposed BLM Road 1071 improvements typical section is included in the APD plats (please see Sheet 2E of 8).

      If the well moves into a production phase the road would be maintained at a BLM Resource Road standard required by the BLM Road Manual 9113 (BLM 1985) and described in the Gold Book (BLM 2007). Additional road upgrades will follow a Sundry Notice process and be carried out under the direction of the BLM Authorized Officer (AO).

d) **Construction road width:** 50-foot right of way (ROW), which includes the bladed surface and any ditching as required. The road will have a 20-foot travel surface. Until the all-weather surface is installed the road will not be used while wet to avoid severe rutting.

e) **Road width, travel way:** The road will have a 20-foot travel surface.

f) **Maximum Grade:** Road grades do not exceed eight percent (8%) throughout the approximate 2.7 mile extent of use proposed by Dejour.

g) **Crowning and Ditching:** The construction of crown and ditch will be re-established along BLM Road 1071 to the proposed well pad. A typical crown and ditch road cross section is included on Sheet 2E of 8.

h) **Drainage and Ditch Design:** Well site drainage will be controlled through Stormwater Management Best Practices (BMPs). Rock armoring will be used to prevent erosion of well pad ditching and stormwater catchment features. Sheet 2D of 8 shows the placement of stormwater controls (berms, straw waddles, and culvert) and the sediment catchment pond.

i) **Revegetation of Disturbed Areas**: Revegetation of road ditches and cut and fill slopes will be completed during the interim reclamation activities to stabilize exposed soil and reduce sediment loss, reduce the growth of noxious weeds, reduce maintenance costs, maintain scenic quality and forage, and protect habitat. To ensure successful growth of plants and forbs, topsoil will be stripped and windrowed during road construction and re-spread to the greatest degree practical on cut slopes, fill slopes, and borrow ditches prior to seeding.

After well completion activities, Dejour will reduce the size of the well pad to the minimum surface area needed for production facilities and future workovers while providing for reshaping and stabilizing the cut and fill slopes. Interim reclamation will be accomplished by grading, leveling, and seeding as recommended by the BLM. The top soil will be redistributed evenly over the reclaimed surface and left with a rough surface to facilitate seed growth and improve precipitation retention.

The following is a summary of interim reclamation activities that Dejour will implement after all wells have been completed on the locations:

- The well location and surrounding area will be cleared of all debris, materials, and trash, as well as trash receptacles, not required for production operations. Solid waste and spoil materials will be disposed at an authorized local landfill.
- All surface disturbances (i.e. cuttings pit) at drilling locations unnecessary for further lease operations will be back-filled to conform to the surrounding terrain after the drilling rig is released.
- Areas not necessary for production and future workovers will be reshaped to resemble the original landscape contour. Stockpiled topsoil will be redistributed and disked on the area to be reclaimed and re-seeded according to BLM recommendations.

Interim reclamation of that portion of the well pad and access road not needed for production facilities and operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting. Dry or non-producing wells will be plugged and abandoned.

Some areas may require the use of special reclamation practices. These practices could include hydro-mulching, straw mat application on steeper slopes, fertilizing, seed-bed preparation, contour furrowing, watering, terracing, water barring, and the replacement of topsoil. All reclamation efforts will employ seed mixes as approved by the BLM. To prevent wildlife grazing pressure, the pad will be fenced for the first two growing seasons or until the seeded species are established.

j) **Location and Size of Road Structures:** Proposed improvements to BLM Road 1071 include widening the existing travel way from 14 feet to 20 feet to allow for two-way public and industry traffic. Road side ditches will be cut along the entire length with the road and surface drainage diverted through minimum eighteen (18) inch culverts at natural drainages and low spots. The existing access road will be utilized with (1) the re-establishment of the existing crown and ditch features and (2) the addition of an all-weather surface. In areas where resource damage could result (e.g., erosion), additional upgrades are proposed to those segments that would be improved and BMPs added.

k) **Fence Cuts and Cattleguards:** No fence cuts or cattle guards are proposed. A security gate is proposed at the entrance to the well pad.

l) **Turnouts:** No turnouts are planned for BLM Road 1071.

m) **Major Cuts and Fills (>5 feet):** No major cuts or fills are anticipated for the access road. Cuts of less than 10 feet are proposed for the well pad. See Sheet 2A of 8 for details.

n) **Storage of Topsoil:** All topsoil will be removed from the well pad and access road construction areas. It will be stockpiled nearby by placing it in windrows and shallow berms to minimize the stockpile height to maintain soil vitality. The topsoil windrows and berms will be located off of the well pad and access road but within close proximity to allow for respreading of the topsoil during reclamation. The topsoil will not be used for stormwater control and it will be seeded for stability and vitality purposed. A seed mixture recommended by BLM will be utilized.

o) **Surface Material:** Road surfacing is planned for BLM Road 1071. Approximately six inches of class 6 aggregate will be installed in the travel surface. Road maintenance will be performed as needed to ensure safe travel.

3. Location of Existing Wells:

    i. There are three old well pads located within one mile of the proposed well pad (see Sheet 3 of 8). None of the wells are listed as active in the COGCC database.

        1. Federal #10-28-1N-103 (API #05-103-09005); located in SWNE, Section 28, T1N, R103W; is listed in the COGCC data base as AL (abandoned location). The permit expired 01/21/1983. It is the nearest well location to the proposed well pad.

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2. Sharon Federal #28-1 (API #05-103-09399); located in SWNE, Section 28, T1N, R103W; is listed in the COGCC data base as DA (drilled and abandoned) effective 10/01/1989.

3. Southwest Rangely Federal #12-34-1N-3 (API #05-103-09394); located in SW, Section 34, T1N, R103W; is listed in the COGCC data base as DA (drilled and abandoned) effective 11/12/1989.

ii. There are no producing wells within one mile of the proposed well pad.

4. Location of Existing and/or Proposed Production Equipment

a) Sheet 2D of 8 in the plat package provides a production schematic of the Shavetail Federal 28-44 well pad dimensions and facilities. Any changes in dimensions or facilities would be subject to the Sundry Notice process. Equipment includes two 600-barrel production tanks, four 600-barrel produced water tanks, and three separators; along with a well head, a gas flare/combustor, a temporary cuttings pit (lined). Stormwater control measures will be installed to control and contain potential spills and runoff. Berms with impermeable barriers will be installed and maintained around all equipment containing liquids. Surface water runoff will be directed to a sediment pond; the ditches and pond will be armored with rock.

b) A schematic facilities diagram as required by CFR 43, Part 3162.7-5 (b.9.d.) shall be submitted to the BLM – White River Field Office within 30 days of installation or first production, whichever occurs first.

c) Any venting or flaring of gas will be done in accordance with Notice of Lessees (NTL) 4A and may need prior approval from the Field Office Petroleum Engineer.

d) All tanks, separators, treaters, dehydrators, or other production facilities installed on location designed to contain any produced water, oil, condensate, or other fluid which may constitute a hazard to the public health or safety must be situated on and surrounded by a berm made of an impervious material with an impermeable synthetic liner designed to contain the volume of the largest tank, plus at least one foot of freeboard to contain precipitation. All excavations within the bermed area must be sealed to prevent the migration of fluid into the excavated area.

e) A sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well will be maintained at the entrance to the well pad.

f) All above-ground, permanent structures (permanent means on site for longer than 90 days) not subject to safety requirements shall be painted by the operator to blend with the natural color of the landscape. The paint used shall be a color which simulates the "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee.

g) A closed-loop system will be used during the drilling process to recycle drilling fluids and handle drill cuttings. Cuttings will be held in a lined cuttings pit on the well pad. Once drilling operations are complete and the cuttings are dry, the liner will be removed and the cuttings will be buried in the unlined pit according to COGCC regulations and approval. The cuttings pit spoil will be stockpiled near the cuttings pit. The stockpile will be encircled with

straw waddles to avoid soil erosion. The stockpile will be returned to the cuttings pit during the cuttings burial and pit abandonment procedure. Water produced from this well will be collected in water tanks on-site and the water will be disposed at a licensed disposal facility.

h) The cuttings pit will be fenced to prevent wildlife entry.

i) Dejour would be responsible for noxious weed control on disturbed areas. Dejour would coordinate with BLM to determine noxious weed management goals for well abandonment and final reclamation. A preliminary weed inventory would be conducted to determine baseline weed conditions in areas proposed for disturbance. This inventory will help in setting realistic goals in determining success in meeting weed cover goals. Noxious weed species that require treatment include those listed by the State of Colorado Department of Agriculture. The reclamation seed mix will include native shrubs (e.g., greasewood, sagebrush) as well as grasses and forbs. Dejour's noxious weed strategy may include weed treatment prior to the start of construction. Weed treatment will consist of annual noxious weed treatment, by a qualified pesticide applicator, annually following construction and prior to seed setting for the life of the project. Dejour is responsible for coordinating with the BLM AO and the Rio Blanco County weed supervisor regarding acceptable weed control methods.

5. Location and Types of Water Supply

a) **Water Source:** The drilling and fracking water will be obtained and trucked from the city of Rangely, Colorado. If another water source is used, the BLM will be notified via Sundry Notice. Dejour would follow the requirements of the Upper Colorado River Endangered Fish Recovery Program regarding depletion of water in the White River Basin

b) **Access Route and Transportation Method:** Water will be hauled to the location by truck using the access roads shown on Sheet 8A of 8.

c) **Estimated Water Amounts:** Construction – 200 barrels; Drilling – 5000 barrels; Completion 500 barrels; Fracking – 20,000 barrels; and Dust Abatement – 500 barrels.

d) **Access Roads:** Dejour will utilize existing county roads and BLM Road 1071 for water hauling.

e) **Water Supply Well:** Dejour does not intend to drill a water supply well on the lease.

6. Construction Materials

a) The road will be surfaced with approximately six inches of class 6 road aggregate after the existing crown and ditch features are re-established. The road contractor will provide construction material through a permitted commercial source.

b) Aggregate will be obtained from a local commercial facility (Urie Gravel Pit) located at 1847 County Road 46, Rangely, Colorado 81648. See Sheet 8A of 8.

c) The majority of construction materials for the well pad will be from cut and fill material from within the pad disturbance boundary.

d) No topsoil will be used in construction activities.

e) No construction materials will be removed from Federal lands.

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f) Any materials under BLM jurisdiction to be used which are shall be approved in advance as per CFR 3610.2-3.

7. Methods and Location of Waste Disposal

a) Trash is to be contained in a trash cage or trash containers. All trash will be hauled as needed to an approved disposal site in Rio Blanco County (county landfill). Trash containers will be wildlife resistant in accordance with BLM standards. The county landfill is located south of Meeker, Colorado (contact: Rio Blanco County Road and Bridge Department, 570 Second Street, Meeker, Colorado 81641)

b) Use of a closed-loop drilling system will minimize waste. All drilling fluids will be contained in tanks during the drilling operation. All drilling fluids and produced water will be trucked to and disposed at a permitted facility located in Rangely, Colorado (Onsite Disposal, 1818 North River Road, Rangely, Colorado 81648). The drill cuttings will be dried and buried in a cuttings pit on the well pad in accordance with COGCC regulations and approvals. Prior to burial the cuttings will be tested to assure they meet COGCC burial standards as part of the COGCC approval process.

c) Chemical portable toilets will be furnished during the construction and drilling phases and their contents hauled to an approved disposal site by a licensed contractor. Sewage will be disposed in accordance with State of Colorado Department of Health and Environment (CDPHE) regulations. No sewage boreholes will be allowed. High Country Portables is a licensed sewage hauler (P.O. Box 2408, Meeker, Colorado 81641) and they will haul the sewage to the City of Craig sewage treatment facility (West Fourth Street, Craig, Colorado 81625).

d) Any spills of oil, gas, salt water, or other produced fluids will be cleaned up and removed according to COGCC guidelines.

e) No reserve pit is proposed for the operation.

8. Ancillary Facilities

a) No camps, airstrips, or other facilities will be necessary.

b) Water for construction, drilling, fracking, and completion activities will be purchased from the city of Rangely, Colorado and hauled by truck to the site. Estimated water volumes are: construction, 200 barrels; drilling, 5000 barrels; completion, 500 barrels; fracking, 20,000 barrels; and dust-abatement, 500 barrels. See Sheet 8A of 8 for access route.

c) Gravel for installation of the road travel surface and well pad surface will be purchased from a private source and hauled by truck to the site. Estimated gravel usage is 2050 tons per mile of access road and 1000 tons per well pad. Gravel will be obtained from a commercial gravel pit (Urie Gravel Pit) in Rangely, Colorado. See Sheet 8A of 8 for access route.

d) Crude oil will be hauled by truck to a sale point located at Chevron N.A., 100 Chevron Road, Rangely, Colorado 81648.

e) All drilling fluids and produced water will be trucked to and disposed at a permitted facility located in Rangely, Colorado (Onsite Disposal, 1818 North River Road, Rangely, Colorado 81648).

f) Produced water and fracking flow-back water will be collected in onsite storage tanks and hauled by truck to a permitted water disposal facility located in Vernal, Utah.

9. Well Site Layout

a) The proposed well pad dimensions are 250 feet by 350 feet at the center (see Sheet 2A of 8). The pad location occupies a relatively flat area that slopes down toward an unnamed wash. Pad construction will use a balanced cut and fill approach, and no cut material is expected to be left over (see Sheet 2B of 8).

b) A flat pad design will keep stormwater runoff from draining off the pad. A series of erosion control features, including a diversion berm to move stormwater to sediment traps along the edges of the pad, will be installed. Additional controls include installation of runoff protection along the north and east sides of the pad. The boundary of proposed surface disturbance covers 3.09 acres.

c) The topsoil stockpile will be located along the east side of the pad. The stockpile will contain approximately 2170 cubic yards of topsoil (see Sheet 2A of 8). The topsoil stockpile will be stabilized with gentle slopes planted with a quick-growing native grass seed mixture approved by the BLM AO. The topsoil will be redistributed evenly over the reclaimed surface and left with a rough surface to facilitate seed growth and improve precipitation retention. The reclaimed area will be reshaped to resemble the original landscape contour. Stockpiled topsoil will be redistributed and disked on the area to be reclaimed and re-seeded according to BLM recommendations.

d) See Figures on Sheets 6 and 7 of 8 for photographs of the proposed well pad location and center stake.

10. Plans for Surface Reclamation

a) Construction of the well pad is expected to result in approximately 3.09 acres of short-term disturbance. If the well produces in economic quantities, approximately 1.00 acres of the well pad will be reclaimed resulting in an estimated 2.09 acres of long-term disturbance. The short-term goal of reclamation will be to stabilize disturbed areas as rapidly as possible, while the long-term goal will be to return any land not needed for operations to conditions equal to those that existed prior to disturbance. The reclaimed area will be reshaped to resemble the original landscape contour. The topsoil will be redistributed evenly over the reclaimed surface and left with a rough surface to facilitate seed growth and improve precipitation retention. Stockpiled topsoil will be redistributed and disked on the area to be reclaimed and re-seeded according to BLM recommendations. All reclamation will be in accordance with BLM requirements, including approved reclamation seed mixtures and rates, soil salvage and protection measures, and noxious weed control.

b) All available vegetation and top soil would be salvaged and stockpiled for reclamation operations. Approximately 6 inches of topsoil are expected to be available for salvage. Topsoil and separate subsoil piles would be located to minimize erosion to local drainage channels (see Sheet 2A of 8). Interim reclamation will be performed within 30 days of operations curtailment as described above in paragraph 10.a, weather permitting.

c) Seeding will occur in the first seasonal opportunity when adequate water is available (generally after October 15 until the soil is frozen, and after thaw but before May 15). Spring seeding will be conducted only if fall seeding is not feasible. Seed mixes used for reclamation will be in accordance with the BLM reclamation requirements. Seed mixes and soil amendments would be free of noxious weeds. Noxious weeds will be treated in accordance with the BLM AO.

d) Prior to final abandonment of the well, an abandonment plan will be submitted to the BLM through a Sundry Notice process and, if acceptable, the BLM would approve and authorize activities. The well will be plugged in accordance with regulations contained in 43 CFR 3160. Site abandonment will include the removal and salvage of all aboveground facilities in accordance with the Sundry Notice, including production facilities and equipment.

e) Upon completion of production activities final reclamation will be initiated. Reclamation operations will include Best Management Practices such as:
   i. complete cleanup of the disturbed areas including well pad and access roads;
   ii. restoration of the disturbed areas to the approximate surface contours that existed prior to construction;
   iii. ripping of compacted areas;
   iv. replacement of topsoil over all disturbed areas;
   v. seeding of reclaimed areas with the BLM approved seed mixture;
   vi. fertilizing, if considered necessary by the BLM Authorized Officer;
   vii. installing a fence around the reclaimed area to keep out cattle and wildlife until vegetation is established per the BLM Authorized Officer and BLM standards.

11. Surface Ownership

a) BLM has ownership of all surface associated with the well pad and access road.

b) The surface management agency is:

United States Department of the Interior
Bureau of Land Management
White River Field Office
220 East Market Street
Meeker, Colorado 81641
(970) 878-3800

12. Other Information

a) Biological surveys for raptors and other sensitive species are planned during 2012.

b) Sensitive plant surveys are planned in 2012.

c) A cultural resources survey is planned in 2012.

d) A paleontological resources survey is planned in 2012.

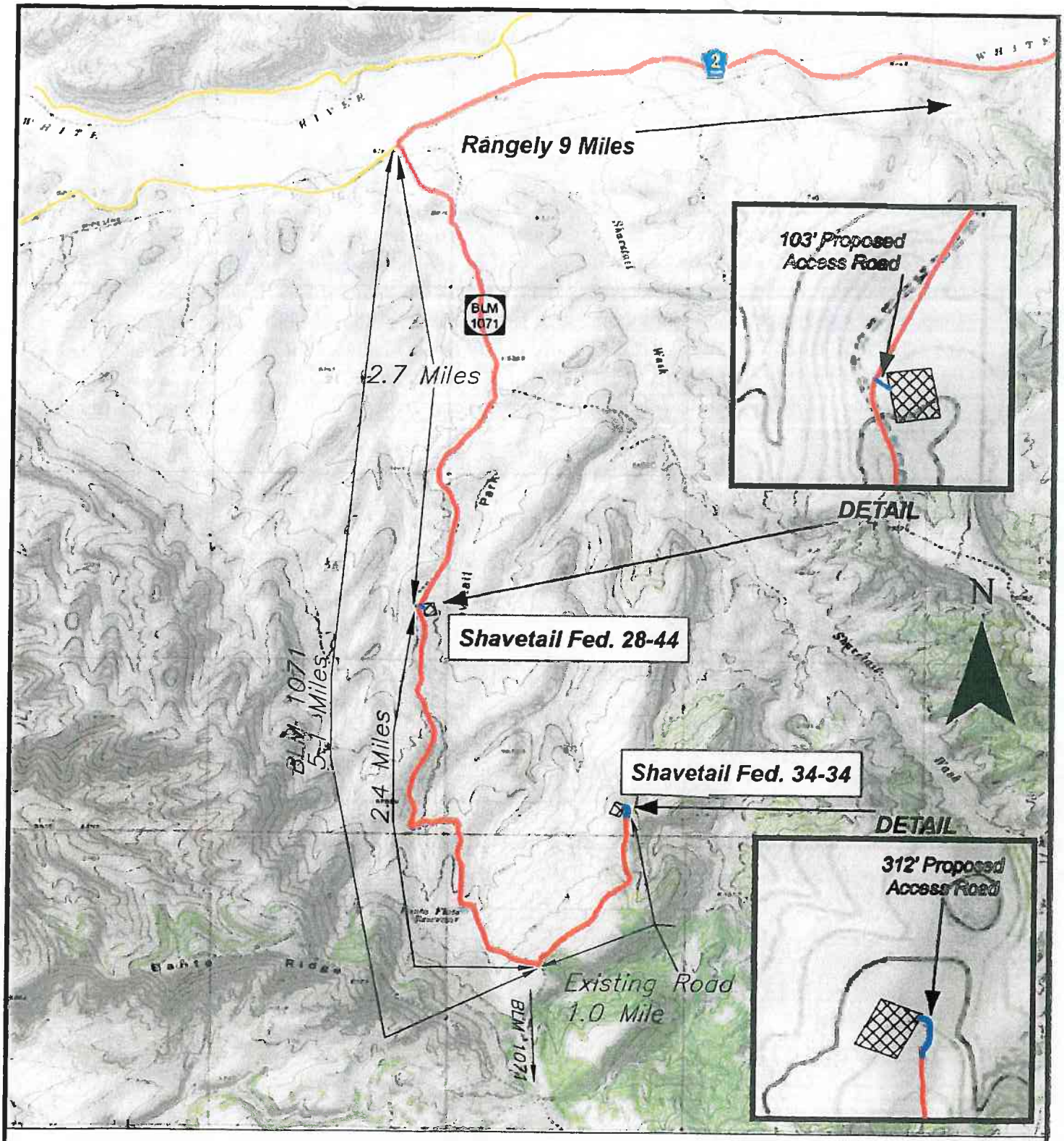
e) A Colorado Stormwater Management Permit and Plan are required and will be in force during the life of the project.

Operator Certification Statement

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Dejour Energy (USA) Corporation and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM bond no. COB000239. This statement is subject to the provisions of 18 U.S.C. § 1001 for the filing of a false statement.

Executed this 1st day of March, 2012

Neveska G. Mut, Executive Vice President
Dejour Energy (USA) Corporation
1401 Seventeenth Street, Suite 1000
Denver Colorado 80202
(303) 296-3535



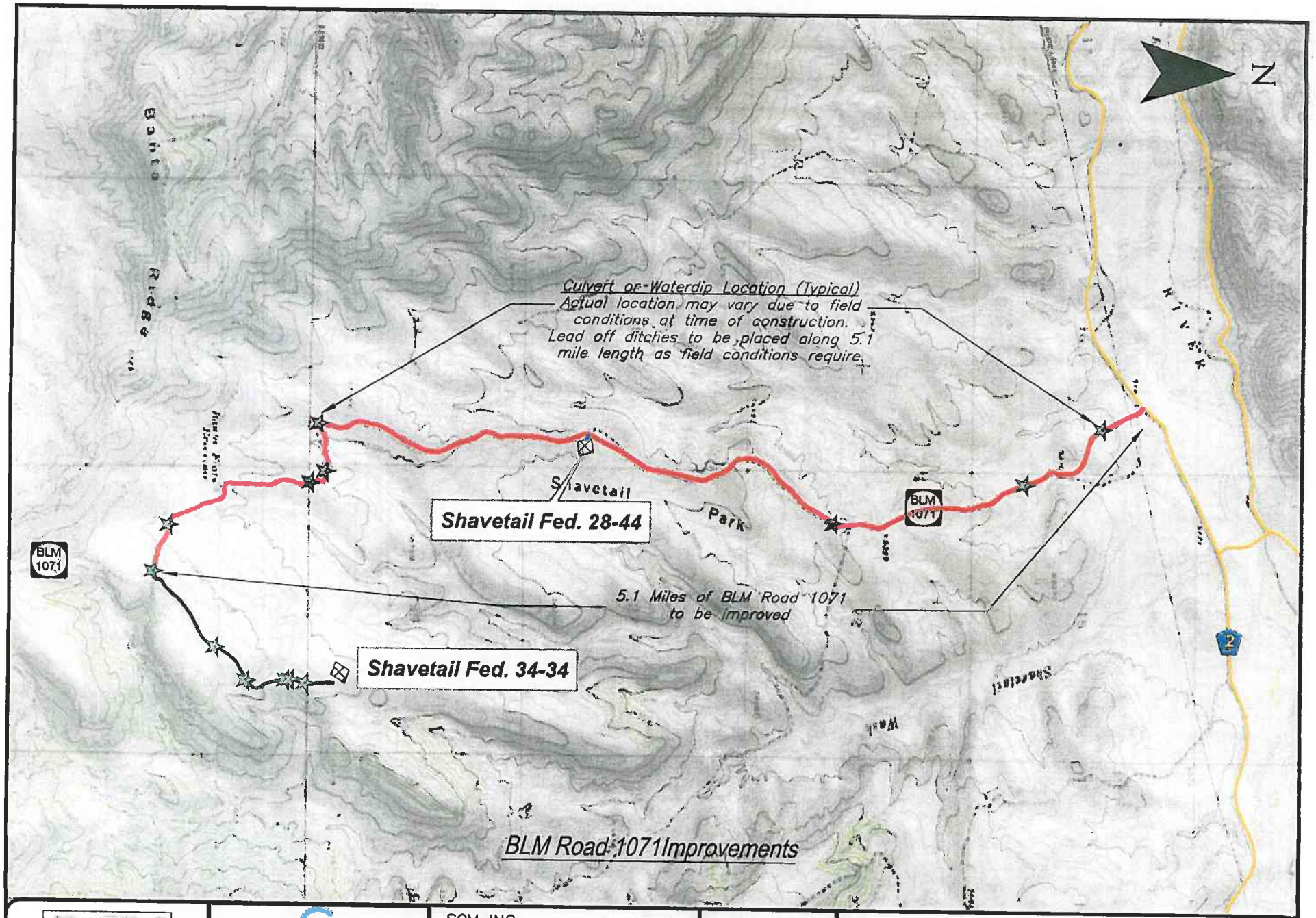
Driving Directions

Commence on the west end of Rangely at the intesection of Hwy. 64 and River Road (aka Rio Blanco Co. Rd. 2). Travel in a southerly and westerly direction on C.R. 2 for 9 miles to B.L.M. Rd. 1071. Turn left and travel 2.7 miles to Shavetail Fed. 28-44. Continue on B.L.M. Rd. 1071 for 2.4 miles to the Access Rd. Turn left and travel in a northeasterly direction 1.0 mile to Shavetail Fed. 34-34.

Revised 2/27/12: Added Details

SGM INC.
118 W. 6th Street, Suite 200
Glenwood Springs, Colorado 81601
(970)945--1004 www.SGM-Inc.com
Meeker, Colorado (970)878-5180

No scale	Dejour Energy (USA) Shavetail Access Map		
8 of 8	Sec. 21 & 34, T.1N., R.103W., 6th P.M., Rio Blanco County, CO		
Shavetail 28 & 34	Job# 2010-111.005	Date: 2/10/2012	By: BG	File: PhotoExh.dwg



DEJ

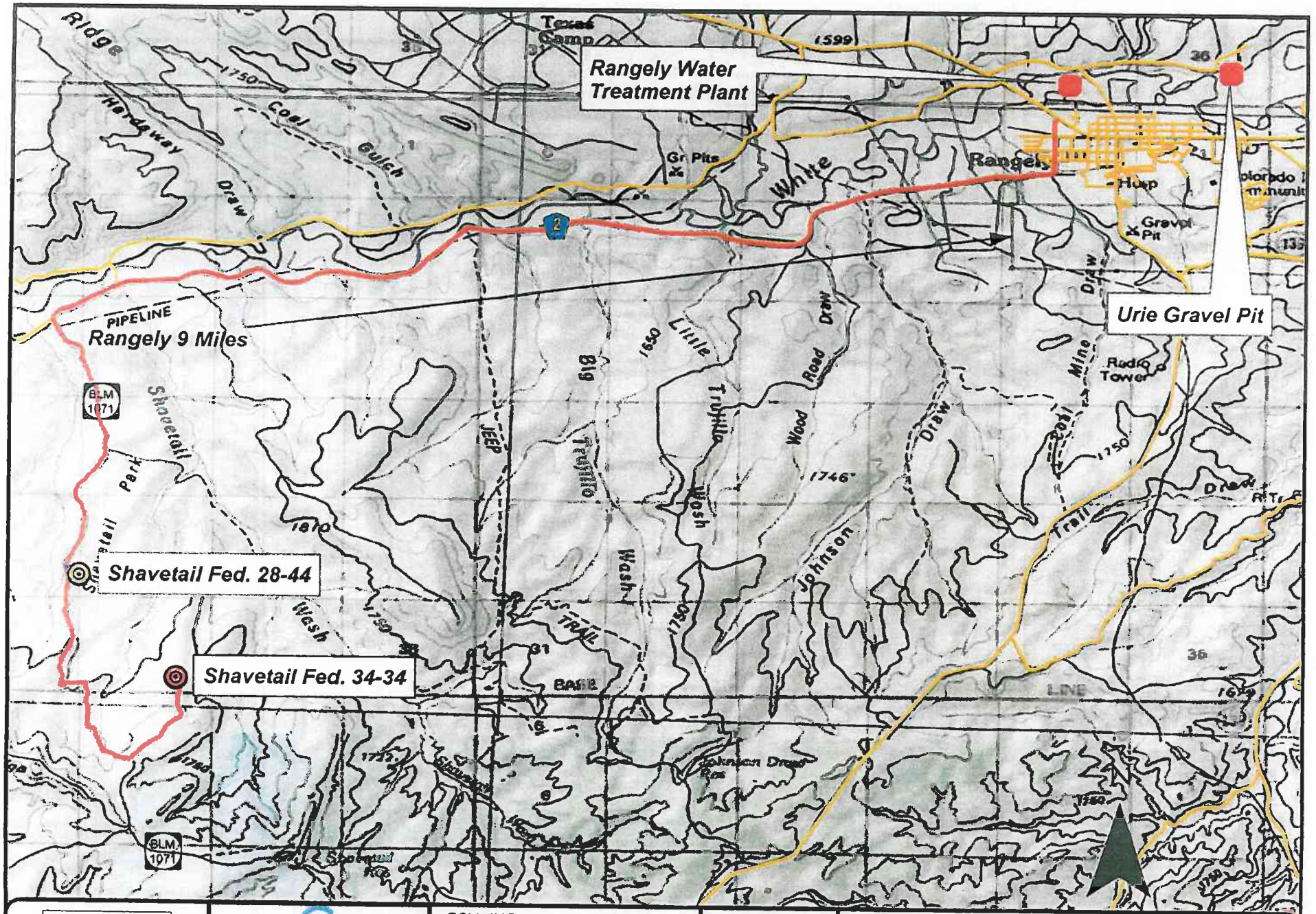
SCHMUESER GORDON MEYER
ENGINEERS SURVEYORS

SGM INC.
118 W. 6th Street, Suite 200
Glenwood Springs, Colorado 81601
(970)945-1004 www.SGM-Inc.com
Meeker, Colorado (970)878-5180

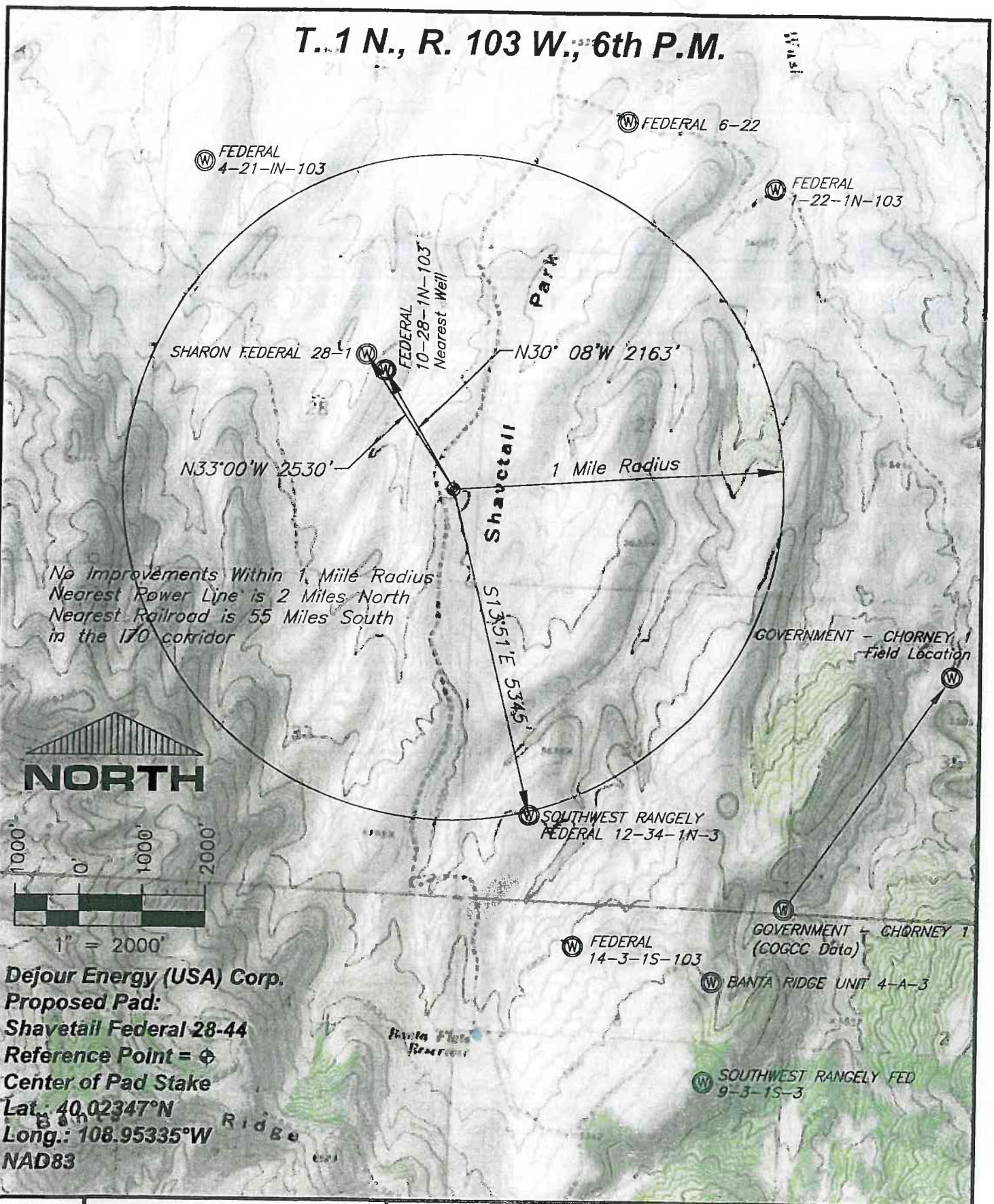
No Scale	
1071RoadExhibit	
Shavetail	

Dejour Energy (USA) Shavetail BLM Rd. 1071 Exhibit
T.1N., R.103W., 6th P.M., Rio Blanco Co.

Job# 2010-112.005	Date: 2/28/12	By: BG	File: PhotoExh.dwg



DEJ	SCHMUESER GORDON MEYER ENGINEERS SURVEYORS	SGM INC. 118 W. 6th Street, Suite 200 Glenwood Springs, Colorado 81601 (970)945–1004 www.SGM–Inc.com Meeker, Colorado (970)878–5180	No Scale 8A of 8 Shavetail	Dejour Energy (USA) Shavetail Area Map Sections 28 & 34, T.1N., R.103W., 6th P.M., Rio Blanco Co. Job# 2010–112.005 | Date: 2/28/12 | By: BG | File: PhotoExh.dwg



SGM INC.
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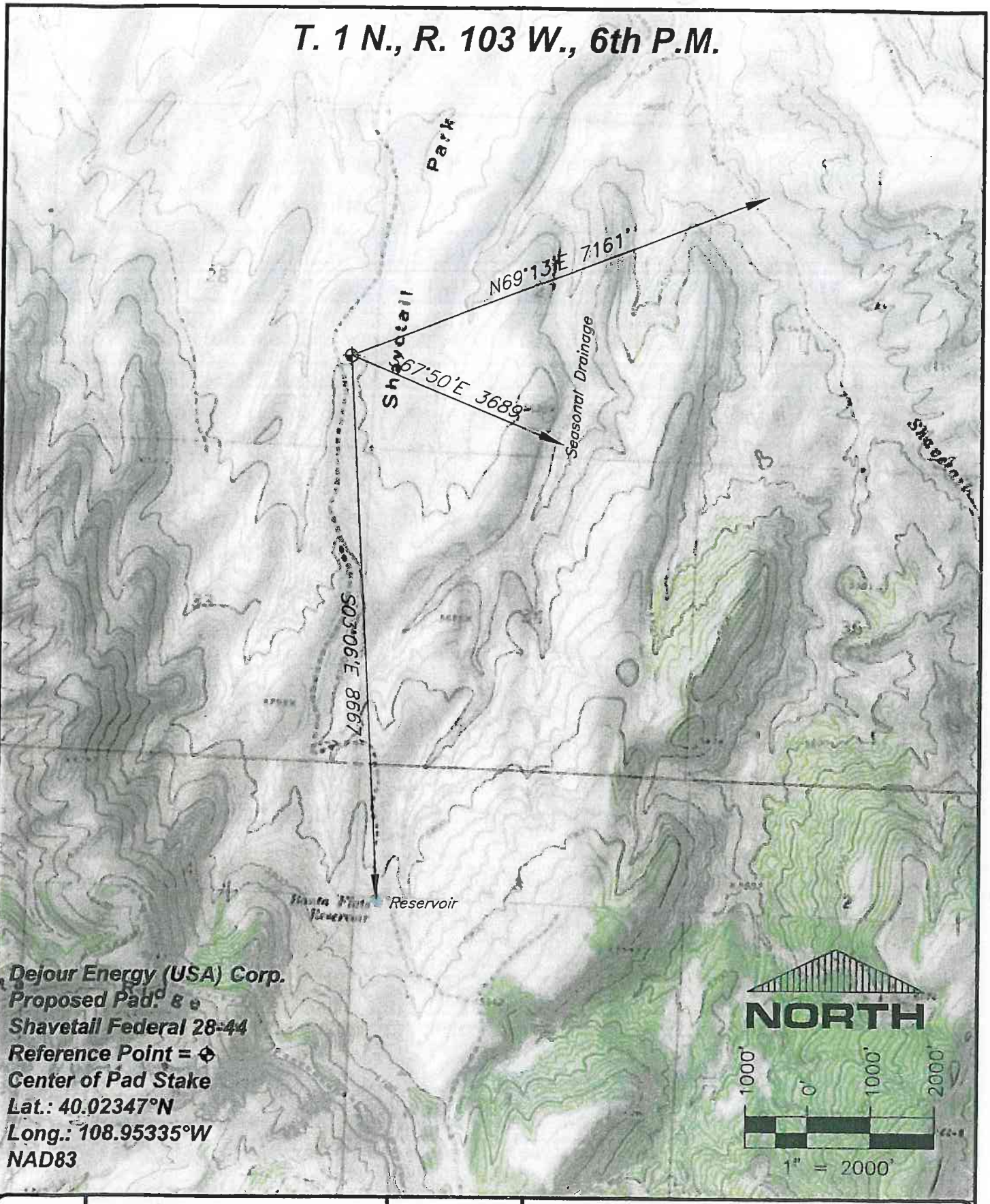
1" = 2000'	
Sheet 3 of 8	
28-44	

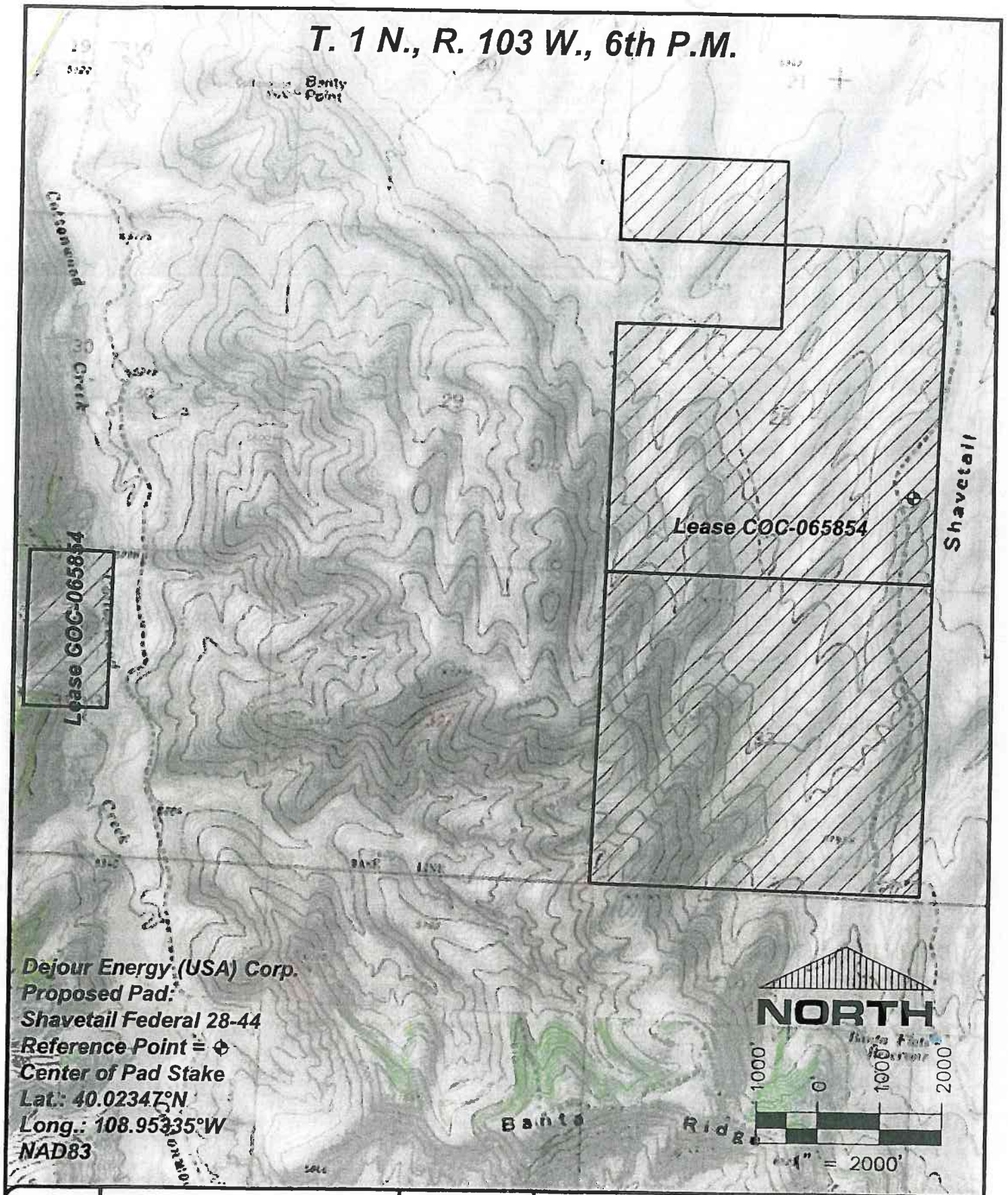
Topographic & Reference Map
Dejour Energy (USA) Shavetail Fed. 28-44

Job# 2010-112.005	Date: 2/10/12	By: BG	File: 28-44APD

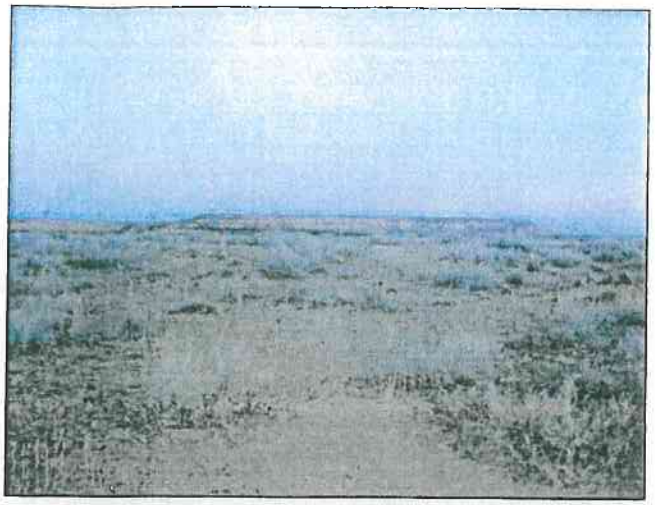


SGM INC. 118 W. 6th Street, Suite 200 Glenwood Springs, Colorado 81601 (970)945-1004 www.SGM-Inc.com Meeker, Colorado (970)878-5180	1" = 2000'	Hydrology Map for Shavetail Fed. 28-44 SE¼ Sec. 28, T.1N., R.103W., 6th P.M., Rio Blanco Co., CO	
	Sheet 4 of 8		
	28-44	Job# 2010-112.005	Date: 2/10/12 By: BG File: 28-44APD

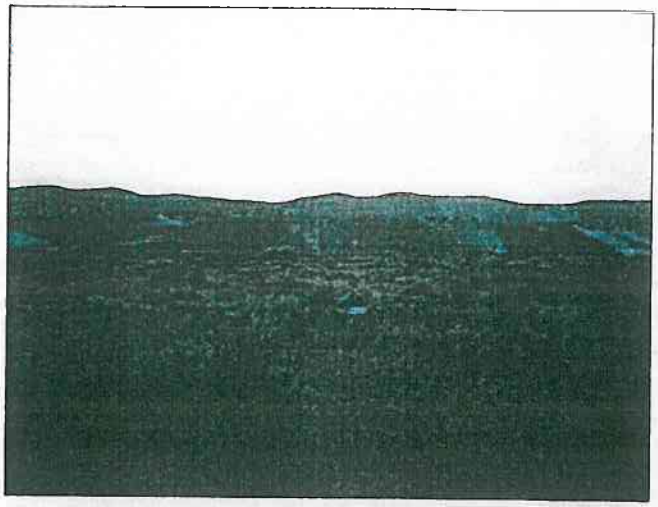
T. 1 N., R. 103 W., 6th P.M.



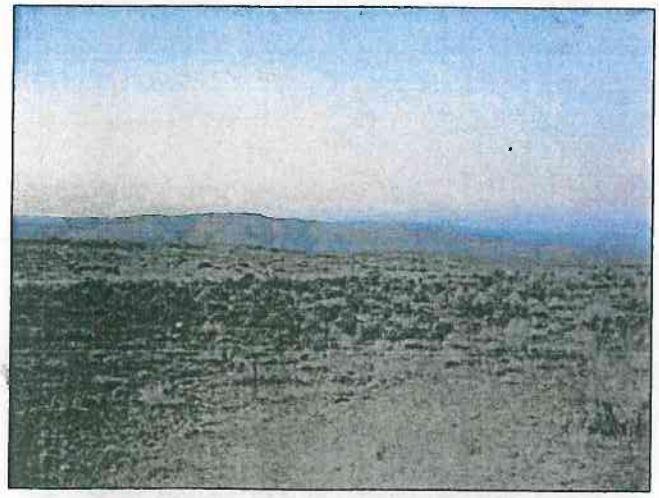
SGM INC. 118 W. 6th Street, Suite 200 Glenwood Springs, Colorado 81601 (970)945-1004 www.SGM-Inc.com Meeker, Colorado (970)878-5180	1" = 2000'	Lease COC-065853 in Sections 21,28,31&33 T.1N., R.103W., 6th P.M., Rio Blanco Co., CO	
	Sheet 5 of 8		
	28-44	Job# 2010-112.005	Date: 2/10/12 By: BG File: 28-44APD



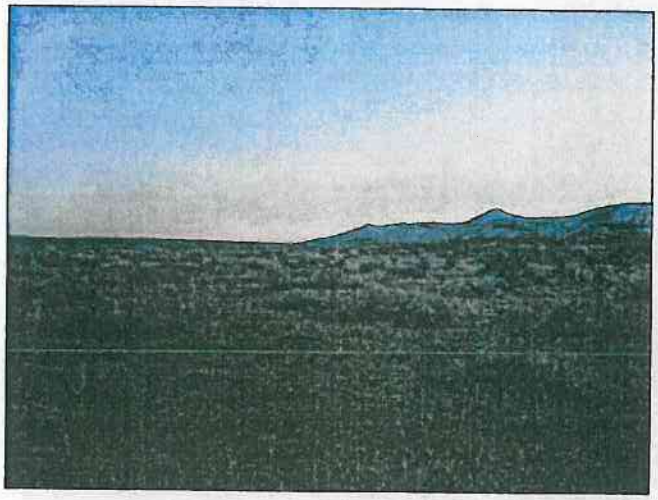
Looking East from Reference Point
February 7, 2012



Looking West from Reference Point
February 7, 2012



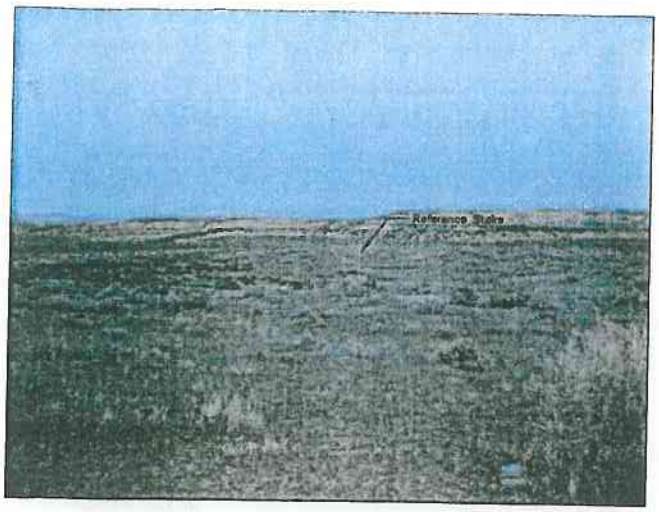
Looking North from Reference Point
February 7, 2012



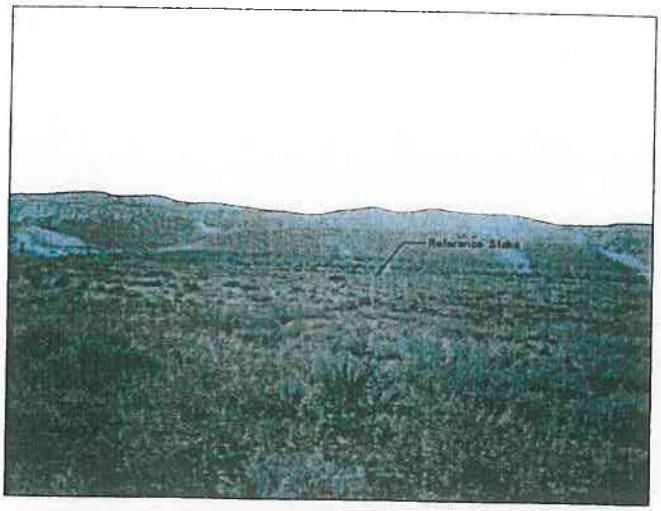
Looking South from Reference Point
February 7, 2012

Dejour Energy (USA) Corp.
Proposed Pad:
Shavetail Federal 28-44
Reference Point =
Center of Pad Stake
Lat.: 40.02347°N
Long.: 108.95335°W
NAD83

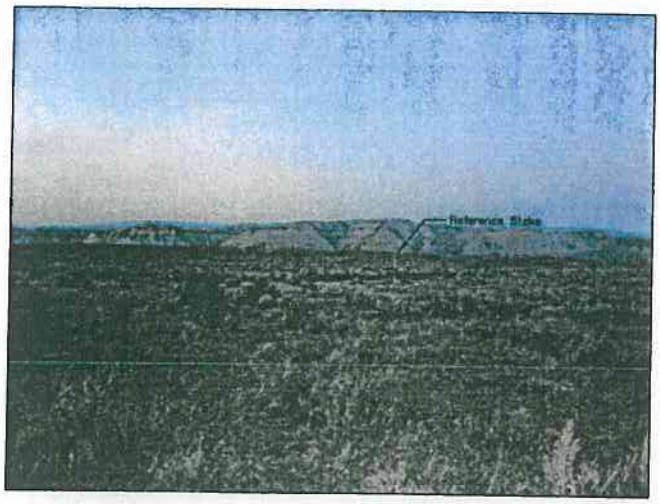
DEJ / SGM INC. 118 W. 6th Street, Suite 200 Glenwood Springs, Colorado 81601 (970)945-1004 www.SGM-Inc.com Meeker, Colorado (970)878-5180	No scale	Location Photos Dejour Energy (USA) Shavetail Fed. 28-44 SE¼ Sec. 28, T.1N., R.103W., 6th P.M., Rio Blanco County, CO	
	6 of 8		
	Shavetail 28-44	Job# 2010-111.005	Date: 2/10/2012 By: BG File: PhotoExh.dwg



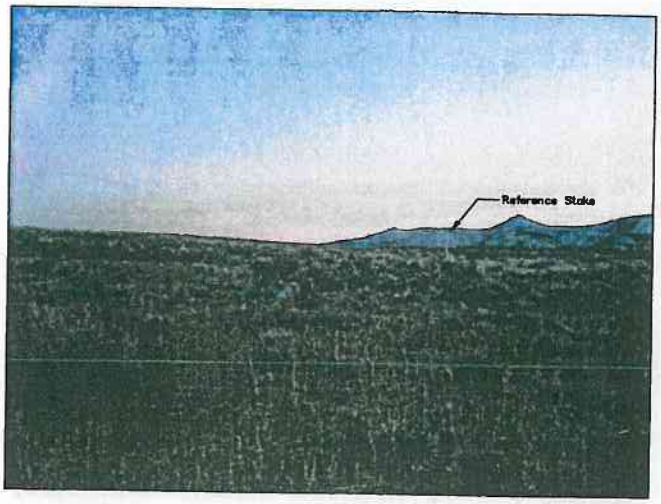
Looking East toward Reference Point
February 7, 2012



Looking West toward Reference Point
February 7, 2012



Looking North toward Reference Point
February 7, 2012



Looking South toward Reference Point
February 7, 2012

Dejour Energy (USA) Corp.
Proposed Pad:
Shavetail Federal 28-44
Reference Point =
Center of Pad Stake
Lat.: 40.02347°N
Long.: 108.95335°W
NAD83

DEJ	SGM INC. 118 W. 6th Street, Suite 200 Glenwood Springs, Colorado 81601 (970)945-1004 www.SGM-Inc.com Meeker, Colorado (970)878-5180	No scale 7 of 8 Shavetail 28-44	Location Photos Dejour Energy (USA) Shavetail Fed. 28-44 SE¼ Sec. 28, T.1N., R.103W., 6th P.M., Rio Blanco County, CO Job# 2010-111.005 | Date: 2/10/2012 | By: BG | File: PhotoExh.dwg