UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended **September 30, 2017** Commission File No. **000-22750**

ROYALE ENERGY, INC.
(Exact name of registrant as specified in its charter)

California	**33-0224120**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1870 Cordell Court, Suite 210
El Cajon, CA 92020
(Address of principal executive offices) (Zip Code)

619-383-6600
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company (as defined in Rule 12b-2 of the Exchange Act). Check one:

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒
Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Indicate by check mark whether the registrant is a blank check company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At October 26, 2017, a total of 21,850,185 shares of registrant's common stock were outstanding.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ROYALE ENERGY, INC.
BALANCE SHEETS

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
ASSETS		
Current Assets		
Cash	$ 2,211,836	$ 4,994,598
Other Receivables, net	948,362	676,647
Revenue Receivables	163,032	303,528
Prepaid Expenses	899,253	63,308
Total Current Assets	4,222,483	6,038,081
Other Assets	561,120	610,779
Oil and Gas Properties, (Successful Efforts Basis), Equipment and Fixtures, net	1,445,160	1,733,424
Total Assets	$ 6,228,763	$ 8,382,284

See notes to unaudited financial statements.

ROYALE ENERGY, INC.
BALANCE SHEETS

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts Payable and Accrued Expenses	$ 3,491,528	$ 2,469,245
Cash Advances on Pending Transactions	1,580,000	1,580,000
Deferred Drilling Obligation	5,476,379	7,894,001
Total Current Liabilities	10,547,907	11,943,246
Noncurrent Liabilities:		
Asset Retirement Obligation	1,028,641	952,110
Total Noncurrent Liabilities	1,028,641	952,110
Total Liabilities	11,576,548	12,895,356
Stockholders' Deficit:		
Common Stock, No Par Value, 30,000,000 Shares Authorized, 21,850,185 and 21,836,033 shares issued and outstanding at September 30, 2017 and December 31, 2016	41,265,449	41,265,449
Accumulated Deficit	(46,613,234)	(45,778,521)
Total Stockholders' Deficit	(5,347,785)	(4,513,072)
Total Liabilities and Stockholders' Deficit	$ 6,228,763	$ 8,382,284

See notes to unaudited financial statements.

ROYALE ENERGY, INC.
STATEMENTS OF OPERATIONS
FOR THE PERIODS ENDED SEPTEMBER 30, 2017 AND 2016

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Revenues:				
Sale of Oil and Gas	$ 126,435	$ 166,253	$ 477,484	$ 416,193
Supervisory Fees and Other	211,670	152,631	380,527	521,991
Total Revenues	338,105	318,884	858,011	938,184
Costs and Expenses:				
Lease Operating	127,306	173,752	357,759	512,695
Lease Impairment	10,721	(13,934)	147,558	46,303
Well Equipment Write Down	-	-	6,000	19,151
General and Administrative	456,928	749,784	1,471,956	1,877,454
Legal and Accounting	227,033	190,691	895,316	422,970
Marketing	58,952	118,986	221,184	222,897
Depreciation, Depletion and Amortization	42,757	95,841	133,061	245,013
Total Costs and Expenses	923,697	1,315,120	3,232,834	3,346,483
Gain (Loss) on Turnkey Drilling	707,789	298,983	1,586,322	218,971
Income (Loss) From Operations	122,197	(697,253)	(788,501)	(2,189,328)
Other Income (Loss):				
Interest Expense	(39,928)	(26,745)	(119,340)	(74,247)
Gain on Settlement of Accounts Payable	-	104,798	73,128	345,683
Gain on Sale of assets	-	-	-	198,975
Income (Loss) Before Income Tax Expense	82,269	(619,200)	(834,713)	(1,718,917)
Net Income (Loss)	$ 82,269	$ (619,200)	$ (834,713)	$ (1,718,917)
Basic Earnings (Loss) Per Share	$ 0.00	$ (0.03)	$ (0.04)	$ (0.09)
Diluted Earnings (Loss) Per Share	$ 0.00	$ (0.03)	$ (0.04)	$ (0.09)

See notes to unaudited financial statements.

ROYALE ENERGY, INC.
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

	2017 (Unaudited)	2016 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (834,713)	$ (1,718,917)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Depreciation, Depletion and Amortization	133,061	245,013
Lease Impairment	147,558	46,303
Gain on Sale of Assets	-	(198,975)
Gain on Turnkey Drilling Programs	(1,586,322)	(218,971)
Gain on Settlement of Accounts Payable	(73,128)	(345,683)
Well Equipment Write Down	6,000	19,151
Stock-Based Compensation	-	615,365
(Increase) Decrease in:		
Other & Revenue Receivables	(131,219)	(264,028)
Prepaid Expenses and Other Assets	(786,286)	(445,692)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	1,095,411	(641,816)
Net Cash Used in Operating Activities	(2,029,638)	(2,908,250)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for Oil and Gas Properties and Other Capital Expenditures	(2,903,124)	(1,053,654)
Proceeds from Turnkey Drilling Programs	2,150,000	1,997,499
Proceeds from Sale of Assets	-	935,927
Net Cash Provided By (Used in) Investing Activities	(753,124)	1,879,772
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Advances From Investors	-	1,950,000
Proceeds from Issuance of Common Stock	-	790,884
Principal Payments on Long-Term Debt	-	(1,446,853)
Net Cash Provided by Financing Activities	-	1,294,031
Net Increase (Decrease) in Cash and Cash Equivalents	(2,782,762)	265,553
Cash at Beginning of Period	4,994,598	3,763,819
Cash at End of Period	$ 2,211,836	$ 4,029,372
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
Cash Paid for Interest	$ 840	$ 47,913
Cash Paid for Taxes	$ 1,539	$ 2,100
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING & FINANCING TRANSACTIONS:		
Asset Retirement Obligation Addition	$ 65,461	$ -
Issuance of Common Stock for Accrued Compensation Expense	$ 25,000	$ -

See notes to unaudited financial statements.

ROYALE ENERGY, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 1 – In the opinion of management, the accompanying unaudited financial statements include all adjustments, consisting only of normally recurring adjustments, necessary to present fairly the Company's financial position and the results of its operations and cash flows for the periods presented. The results of operations for the nine month period are not, in management's opinion, indicative of the results to be expected for a full year of operations. It is suggested that these financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's latest annual report.

Merger with Matrix Oil Management Corporation

On November 30, 2016, the Company entered into an Agreement and Plan of Merger and Reorganization among Royale, Royale Energy Holdings, Inc., a Delaware corporation (the "Parent"), Royale Merger Sub, Inc., a California corporation and wholly-owned subsidiary of Parent, Matrix Merger Sub, Inc., a California corporation and wholly-owned subsidiary of Parent, and Matrix. The Merger Agreement was subsequently amended and restated as of December 31, 2016, and amended again as of March 31, June 30 and September 7, 2017 (the "Merger Agreement").

The Merger Agreement is part of a series of related transactions in which the Parent will (i) issue its common stock to acquire all of (A) the common stock of Royale Energy, Matrix and Matrix's affiliate, Matrix Oil Corporation, a California corporation, and (B) the partnership interests of three limited partnerships affiliated with Matrix and (ii) issue newly created Series B 3.5% Convertible Preferred Stock in exchange for approximately $20,660,617 of subordinated debt issued by Matrix and its affiliates.

Immediately after the mergers and the related transactions, it is expected that (i) former holders of Matrix common stock, Matrix Oil Corporation capital stock and the three limited partnerships affiliated with Matrix will collectively own 50% of the Parent's common stock then outstanding, (ii) former holders of Royale Energy common stock will collectively own 50% of the Parent's common stock then outstanding, in each case giving effect to the number of shares of the Parent's common stock issuable under all options and warrants outstanding immediately after the mergers other than shares issuable on exercise of certain options and warrants issued by Royale Energy and (iii) former holders of subordinated debt issued by Matrix and its affiliates will collectively own 100% of all of the Parent's Series B Convertible Preferred Stock then outstanding.

The merger and related transactions will require the approval of the shareholders of each company and registration of the Royale Energy equity securities to be issued in the merger under the Securities Act of 1933 prior to completion of the transaction. The Merger Agreement will terminate unless extended by agreement of the parties if the merger and related transactions do not close by December 31, 2017, and the failure to close is not due to the failure of the terminating party to perform or comply with any of its covenants or agreements to be performed under the Merger Agreement. A meeting of shareholders of Royale Energy is scheduled for November 16, 2017, to consider and approve the merger and related transactions.

Royale Energy, Matrix and the Parent have issued a definitive joint proxy statement/prospectus which describes the proposed merger and related transactions and incorporates other relevant documents filed with the SEC regarding the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO CAREFULLY READ THE PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT ROYALE, MATRIX AND THE PROPOSED TRANSACTION. Investors and security holders may obtain these documents, which are contained in a Form 424(b)(5) filed with the SEC on October 17, 2017, free of charge at the SEC's website at www.sec.gov In addition, the documents filed with the SEC by Royale can be obtained free of charge from Royale's website at www.royl.com.

Matrix is an independent oil and natural gas producer based in Santa Barbara, California. Matrix and its affiliates are privately held by fewer than ten equity holders and partners.

Use of Estimates

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. As reflected in the accompanying financial statements, the Company has negative working capital, losses from operations and negative cash flows from operations.

Material estimates that are particularly susceptible to significant change relate to the estimate of Company oil and gas reserves prepared by an independent engineering consultant. Such estimates are subject to numerous uncertainties inherent in the estimation of quantities of proven reserves. Estimated reserves are used in the calculation of depletion, depreciation and amortization, unevaluated property costs, impairment of oil and natural gas properties, estimated future net cash flows, taxes, and contingencies.

Liquidity and Going Concern

The primary sources of liquidity have historically been issuances of common stock and operations. We believe that the completion of the contemplated merger with will enable us to return to positive cash flow. There is some doubt about the company's ability to meet liquidity demands, and we anticipate that our primary sources of liquidity will be from the issuance of debt and/or equity, and the sale of oil and natural gas property participation interest.

The Company's consolidated financial statements reflect an accumulated deficit of $46,613,234, a working capital deficiency of $6,325,424 and a stockholders' deficit of $5,347,785. These factors raise substantial doubt about our ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Management's plans to alleviate the going concern include the proposed merger with Matrix and additional financing through issuances of common stock and the reduction of overhead costs. There is no assurance that additional financing will be available when needed or that management will be able to obtain financing on terms acceptable to the Company and whether the Company will become profitable and generate positive operating cash flow. If the Company is unable to raise sufficient additional funds, it will have to develop and implement a plan to further extend payables, attempt to extend note repayments, and reduce overhead until sufficient additional capital is raised to support further operations. There can be no assurance that such a plan will be successful.

Revenue Recognition

Royale Energy's primary business is oil and gas production. Natural gas flows from the wells into gathering line systems, which are equipped occasionally with compressor systems, which in turn flow into metered transportation and customer pipelines. Monthly price data and daily production are used to invoice customers for amounts due to Royale Energy and other working interest owners. Royale Energy operates virtually all of its own wells and receives industry standard operator fees.

Royale Energy generally sells crude oil and natural gas under short-term agreements at prevailing market prices. Revenues are recognized when the products are delivered, which occurs when the customer has taken title and has assumed the risks and rewards of ownership, prices are fixed or determinable and collectability is reasonably assured.

Revenues from the production of oil and natural gas properties in which the Royale Energy has an interest with other producers are recognized on the basis of Royale Energy's net working interest. Differences between actual production and net working interest volumes are not significant.

Royale Energy's financial statements include its *pro rata* ownership of wells. Royale Energy usually sells a portion of the working interest in each well it drills or participates in to third party investors and retains a portion of the prospect for its own account. Royale Energy generally retains about a 50% working interest. All results, successful or not, are included at its pro rata ownership amounts: revenue, expenses, assets, and liabilities as defined in FASB ASC 932-323-25 and 932-360.

Oil and Gas Property and Equipment

Depreciation, depletion and amortization, based on cost less estimated salvage value of the asset, are primarily determined under either the unit-of-production method or the straight-line method, which is based on estimated asset service life taking obsolescence into consideration. Maintenance and repairs, including planned major maintenance, are expensed as incurred. Major renewals and improvements are capitalized and the assets replaced are retired.

The project construction phase commences with the development of the detailed engineering design and ends when the constructed assets are ready for their intended use. Interest costs, to the extent they are incurred to finance expenditures during the construction phase, are included in property, plant and equipment and are depreciated over the service life of the related assets.

Royale Energy uses the "successful efforts" method to account for its exploration and production activities. Under this method, Royale Energy accumulates its proportionate share of costs on a well-by-well basis with certain exploratory expenditures and exploratory dry holes being expensed as incurred, and capitalizes expenditures for productive wells. Royale Energy amortizes the costs of productive wells under the unit-of-production method.

Royale Energy carries, as an asset, exploratory well costs when the well has found a sufficient quantity of reserves to justify its completion as a producing well and where Royale Energy is making sufficient progress assessing the reserves and the economic and operating viability of the project. Exploratory well costs not meeting these criteria are charged to expense. Other exploratory expenditures, including geophysical costs and annual lease rentals, are expensed as incurred.

Acquisition costs of proved properties are amortized using a unit-of-production method, computed on the basis of total proved oil and gas reserves.

Capitalized exploratory drilling and development costs associated with productive depletable extractive properties are amortized using unit-of-production rates based on the amount of proved developed reserves of oil and gas that are estimated to be recoverable from existing facilities using current operating methods. Under the unit-of-production method, oil and gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the lease or field storage tank.

Production costs are expensed as incurred. Production involves lifting the oil and gas to the surface and gathering, treating, field processing and field storage of the oil and gas. The production function normally terminates at the outlet valve on the lease or field production storage tank. Production costs are those incurred to operate and maintain Royale Energy's wells and related equipment and facilities. They become part of the cost of oil and gas produced. These costs, sometimes referred to as lifting costs, include such items as labor costs to operate the wells and related equipment; repair and maintenance costs on the wells and equipment; materials, supplies and energy costs required to operate the wells and related equipment; and administrative expenses related to the production activity.
Proved oil and gas properties held and used by Royale Energy are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Royale Energy estimates the future undiscounted cash flows of the affected properties to judge the recoverability of carrying amounts. Cash flows used in impairment evaluations are developed using annually updated evaluation assumptions for crude oil commodity prices. Annual volumes are based on field production profiles, which are also updated annually. Prices for natural gas and other products are based on assumptions developed annually for evaluation purposes.

Impairment analyses are generally based on proved reserves. An asset group would be impaired if the undiscounted cash flows were less than its carrying value. Impairments are measured by the amount the carrying value exceeds fair value. During the nine months ended September 30, 2017 and 2016, impairment losses of $147,558 and $46,303, respectively, were recorded on various capitalized lease and land costs that were no longer viable.

Significant unproved properties are assessed for impairment individually, and valuation allowances against the capitalized costs are recorded based on the estimated economic chance of success and the length of time that Royale Energy expects to hold the properties. The valuation allowances are reviewed at least annually.

Upon the sale or retirement of a complete field of a proved property, Royale Energy eliminates the cost from its books, and the resultant gain or loss is recorded to Royale Energy's Statement of Operations. Upon the sale of an entire interest in an unproved property where the property has been assessed for impairment individually, a gain or loss is recognized in Royale Energy's Statement of Operations. If a partial interest in an unproved property is sold, any funds received are accounted for as a recovery of the cost in the interest retained with any excess funds recognized as a gain. Should Royale Energy's turnkey drilling agreements include unproved property, total drilling costs incurred to satisfy its obligations are recovered by the total funds received under the agreements. Any excess funds are recorded as a Gain on Turnkey Drilling Programs, and any costs not recovered are capitalized and accounted for under the "successful efforts" method.

Royale Energy sponsors turnkey drilling agreement arrangements in unproved properties as a pooling of assets in a joint undertaking, whereby proceeds from participants are reported as Deferred Drilling Obligations, and then reduced as costs to complete its obligations are incurred with any excess booked against its property account to reduce any basis in its own interest. Gains on Turnkey Drilling Programs represent funds received from turnkey drilling participants in excess of all costs Royale incurs during the drilling programs (e.g., lease acquisition, exploration and development costs), including costs incurred on behalf of participants and costs incurred for its own account; and are recognized only upon making this determination after Royale's obligations have been fulfilled.

The contracts require the participants pay Royale Energy the full contract price upon execution of the agreement. Royale Energy completes the drilling activities typically between 10 and 30 days after drilling begins. The participant retains an undivided or proportional beneficial interest in the property, and is also responsible for its proportionate share of operating costs. Royale Energy retains legal title to the lease. The participants purchase a working interest directly in the well bore.

In these working interest arrangements, the participants are responsible for sharing in the risk of development, but also sharing in a proportional interest in rights to revenues and proportional liability for the cost of operations after drilling is completed and the interest is conveyed to the participant.

A certain portion of the turnkey drilling participant's funds received are non-refundable. The company holds all funds invested as Deferred Drilling Obligations until drilling is complete. Occasionally, drilling is delayed for various reasons such as weather, permitting, drilling rig availability and/or contractual obligations. At September 30, 2017 and December 31, 2016, Royale Energy had Deferred Drilling Obligations of $5,476,379 and $7,894,001, respectively.

If Royale Energy is unable to drill the wells, and a suitable replacement well is not found, Royale would retain the non-refundable portion of the contact and return the remaining funds to the participant. Included in cash and cash equivalents are amounts for use in completion of turnkey drilling programs in progress.

Losses on properties sold are recognized when incurred or when the properties are held for sale and the fair value of the properties is less than the carrying value.

Other Receivables

Our other receivables consist of receivables from direct working interest investors and industry partners. We provide for uncollectible accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged directly to bad debt expense when it becomes probable the receivable will not be collected. The allowance account is increased or decreased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account and recoveries of previously charged off accounts are added to the allowance. At September 30, 2017 and December 31, 2016, the Company established an allowance for uncollectable accounts of $2,254,124 and $2,270,773, respectively, for receivables from direct working interest investors whose expenses on non-producing wells were unlikely to be collected from revenue.

Revenue Receivables

Our revenue receivables consist of receivables related to the sale of our natural gas and oil. Once a production month is completed we receive payment approximately 15 to 30 days later.

Equipment and Fixtures

Equipment and fixtures are stated at cost and depreciated over the estimated useful lives of the assets, which range from three to seven years, using the straight-line method. Repairs and maintenance are charged to expense as incurred. When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in income. Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains or losses on dispositions of property and equipment, other than oil and gas, are reflected in operations.

Fair Value Measurements

According to Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification, assets and liabilities that are measured at fair value on a recurring and nonrecurring basis in period subsequent to initial recognition, the reporting entity shall disclose information that enable users of its financial statements to assess the inputs used to develop those measurements and for recurring fair value measurements using significant unobservable inputs, the effect of the measurements on earnings for the period.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. Carrying amounts of the Company's financial instruments, including cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate their fair values as of the balance sheet dates because of their generally short maturities.

The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.

Level 2: Directly or indirectly observable inputs as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data from actively quoted markets for substantially the full term of the financial instrument.

Level 3: Unobservable inputs that are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

At September 30, 2017 and December 31, 2016, Royale Energy did not have any financial assets measured and recognized at fair value on a recurring basis. The Company estimates asset retirement obligations pursuant to the provisions of FASB ASC Topic 410, "*Asset Retirement and Environmental Obligations*" ("FASB ASC 410"). The initial measurement of asset retirement obligations at fair value is calculated using discounted cash flow techniques and based on internal estimates of future retirement costs associated with oil and gas properties. Given the unobservable nature of the inputs, including plugging costs and reserve lives, the initial measurement of the asset retirement obligation liability is deemed to use Level 3 inputs.

Accounts Payable and Accrued Expenses

At September 30, 2017, the components of accounts payable and accrued expenses consisted of $1,874,165 in trade accounts payable due to various vendors, $768,103 in payables and accruals related to direct working interest investors and revenues, operating costs and drilling activities, $225,317 in accrued expenses related to current drilling efforts, $266,110 for accrued liabilities for amounts set aside mainly for the plugging and abandonment of certain wells, $121,489 for employee related taxes and accruals, $184,333 related to interest payable on cash advances from pending transactions, $34,888 in deferred rent and $17,123 in federal and state income taxes payable. At December 31, 2016, the components of accounts payable and accrued expenses consisted of $1,205,740 in trade accounts payable due to various vendors, $699,068 in payables and accruals related to direct working interest investors operating costs, $98,172 in accrued expenses related to current drilling efforts, $266,110 for accrued liabilities for amounts set aside mainly for the plugging and abandonment of certain wells, $103,212 for employee related taxes and accruals, $65,833 related to interest payable on cash advances from pending transactions, $12,446 in deferred rent and $18,662 in federal and state income taxes payable.

Cash Advances on Pending Transactions

In July 2016, we received a cash investment of $1,580,000 from two investors to purchase convertible promissory notes of $1,280,000 and $300,000, with a conversion price of $0.40 per share, with warrants to purchase one share of common stock for every three shares of common stock issuable upon conversion of the notes. The notes matured on August 2, 2017, (one year from the date of issuance) and carry a 10% interest rate, which is due at maturity. The conversion of the notes to shares is subject to shareholder approval. The funds from these transactions is to be used to continue drilling activities, fund expenses to be incurred in connection with the completion of Royale Energy's proposed merger with Matrix Oil Corporation and for general corporate purposes. The Company has received an extension of the $300,000 obligation until December 31, 2017, and has requested a similar extension of the $1,280,000 obligation.

Recently Issued Accounting Pronouncements

The Company has reviewed the updates issued by the Financial Accounting Standards Board (FASB) during the nine months ended September 30, 2017:

ASU 2017-01: Business Combinations (Topic 805) – Clarifying the Definition of a Business

In January 2017, FASB issued ASU 2017-01. The objective of ASU 2017-01 is to clarify the definition of a business by adding guidance on how entities should evaluate whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. ASU 2017-01 will be effective for public business entities for fiscal years beginning after December 15, 2017, including interim periods in the year of adoption. Early adoption is permitted for any interim or annual period. The Company is in the process of determining the impact that the implementation of ASU 2017-01 will have on the Company's financial statements.

ASU 2016-02: Leases (Topic 842)

In February 2016, FASB issued ASU 2016-02 which aims to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and requiring disclosure of key information about leasing agreements. Entities are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the effects of adopting ASU 2016-02 on its consolidated financial statements, but the adoption is not expected to have a significant impact on the Company's consolidated financial statements.

ASU 2016-09: Compensation—Stock Compensation (Topic 718): Improvements to Employee Share- Based Payment Accounting

In March 2016, FASB issued ASU 2016-09 which amends several aspects of the accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted. If early adopted, an entity must adopt all of the amendments in the same period. The Company is currently evaluating the impact of the adoption of ASU 2016-09 on the Company's financial statements.

NOTE 2 – LOSS PER SHARE

Basic and diluted loss per share are calculated as follows:

	Three Months Ended September 30,			
	2017		2016	
	Basic	Diluted	Basic	Diluted
Net Income (Loss)	$ 82,269	$ 82,269	$ (619,200)	$ (619,200)
Weighted average common shares outstanding	21,832,523	21,832,523	18,382,668	18,382,668
Effect of dilutive securities	--	--	--	--
Weighted average common shares, including Dilutive effect	21,832,523	21,832,523	18,382,668	18,382,668
Per share:				
Net Income (Loss)	$ 0.00	$ 0.00	$ (0.03)	$ (0.03)

	Nine Months Ended September 30,			
	2017		2016	
	Basic	Diluted	Basic	Diluted
Net Loss	$ (834,713)	$ (834,713)	$ (1,718,917)	$ (1,718,917)
Weighted average common shares outstanding	21,832,523	21,832,523	18,382,668	18,382,668
Effect of dilutive securities	--	-	--	--
Weighted average common shares, including Dilutive effect	21,832,523	21,832,523	18,382,668	18,382,668
Per share:				
Net Loss	$ (0.04)	$ (0.04)	$ (0.09)	$ (0.09)

NOTE 3 – OIL AND GAS PROPERTIES, EQUIPMENT AND FIXTURES

Oil and gas properties, equipment and fixtures consist of the following:

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Oil and Gas		
Producing properties, including drilling costs	$ 3,755,705	$ 3,755,705
Undeveloped properties	143,608	307,158
Lease and well equipment	4,122,178	4,128,178
	8,021,491	8,191,041
Accumulated depletion, depreciation & amortization	(6,585,031)	(6,468,279)
	1,436,460	1,722,762
Commercial and Other		
Vehicles	40,061	40,061
Furniture and equipment	1,092,926	1,089,648
	1,132,987	1,129,709
Accumulated depreciation	(1,124,287)	(1,119,047)
	8,700	10,662
	$ 1,445,160	$ 1,733,424

The guidance set forth in the Continued Capitalization of Exploratory Well Costs paragraph of the Extractive Activities Topic of the FASB Accounting Standards Codification requires that we evaluate all existing capitalized exploratory well costs and disclose the extent to which any such capitalized costs have become impaired and are expensed or reclassified during a fiscal period. We did not make any additions to capitalized exploratory well costs pending a determination of proved reserves during the periods in 2017 or 2016.

NOTE 4 – INCOME TAXES

Deferred tax assets and liabilities reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. At the end of 2015, management reviewed the reliability of the Company's net deferred tax assets, and due to the Company's continued cumulative losses in recent years, the Company concluded it is not "more-likely-than-not" its deferred tax assets will be realized. As a result, the Company will continue to record a full valuation allowance against the deferred tax assets in 2016.

A reconciliation of Royale Energy's provision for income taxes and the amount computed by applying the statutory income tax rates at September 30, 2017 and 2016, respectively, to pretax income is as follows:

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Tax benefit computed at statutory rate of 34%	$ (283,802)	$ (584,432)
Increase (decrease) in taxes resulting from:		
State tax / percentage depletion / other		
Other non-deductible expenses	357	349
Change in valuation allowance	283,445	584,083
Provision (benefit)	$ -	$ -

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward Looking Statements

In addition to historical information contained herein, this discussion contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, subject to various risks and uncertainties that could cause our actual results to differ materially from those in the "forward-looking" statements. While we believe our forward looking statements are based upon reasonable assumptions, there are factors that are difficult to predict and that are influenced by economic and other conditions beyond our control. Investors are directed to consider such risks and other uncertainties discussed in documents filed by the Company with the Securities and Exchange Commission.

Going Concern

At September 30, 2017, the Company has an accumulated deficit of $46,613,234, a working capital deficiency of $6,325,424 and a stockholders' deficit of $5,347,785. As a result, our financial statements include a "going concern qualification" reflecting substantial doubt as to our ability to continue as a going concern. We are seeking to merge with Matrix to increase efficiency and reduce costs to both companies, thereby allowing a return to positive cash flow. We have no commitments to provide any additional financing and there is no guarantee that we will be able to secure additional financing on acceptable terms, or at all, if needed to fully fund our 2017 drilling budget and to support future operations.

Results of Operations

We recorded net income of $82,269 for the third quarter of 2017, which compares to a net loss of $619,200 in the third quarter of 2016, a $701,469 or 113.3% improvement. Our total operating expenses decreased in the third quarter of 2017 by $391,423 over the third quarter of 2016, mainly due to lower general and administrative expenses.

Our positive results in the third quarter of 2017 resulted mainly from recording $707,789 for drilling and completing one well and participating in the drilling of another well. We expect to drill one additional well in the fourth quarter of 2017.

For the nine months ended September 30, 2017, we had a net loss of $834,713, a $884,204 or 51.4% improvement when compared to net loss of $1,718,917 during the nine months ended September 30, 2016. Total revenues for the first nine months of 2017 were $858,011, a decrease of $80,173 or 8.6% from the total revenues of $938,184 during the period in 2016. The lower revenues were mainly due to reduced supervisory fees during the period in 2017, when compared to 2016, due to a decrease in the number of wells operated by the Company.

During the first nine months of 2017, revenues from oil and gas production increased $61,291 or 14.7% to $477,484 from the 2016 nine month revenues of $416,193. This increase was due to higher natural gas commodity prices during the period in 2017. The net sales volume of natural gas for the nine months ended September 30, 2017, was approximately 161,940 Mcf with an average price of $2.92 per Mcf, versus 190,431 Mcf with an average price of $2.17 per Mcf for the period in 2016. This represents a decrease in net sales volume of 28,491 Mcf or 15.0%. The decrease in production volume was mainly due to the sale of our Victor Ranch field interests in 2016, which had an effective date of September 1, 2016, and to the natural declines of our existing wells. For the quarter ended September 30, 2017, revenues from oil and gas production decreased $39,818 or 24.0% to $126,435 from the 2016 third quarter revenues of $166,253. This decrease was also due to sale of our Victor Ranch field during the period in 2016. The net sales volume of natural gas for the quarter ended September 30, 2017, was approximately 44,465 Mcf with an average price of $2.84 per Mcf, versus 58,734 Mcf with an average price of $2.80 per Mcf for the third quarter of 2016. This represents a decrease in net sales volume of 14,269 Mcf or 24.3% for the quarter in 2017.

Oil and natural gas lease operating expenses decreased by $154,936 or 30.2%, to $357,759 for the nine months ended September 30, 2017, from $512,695 for the same period in 2016. For the third quarter in 2017, lease operating expenses decreased $46,446 or 26.7% from the same quarter in 2016. These decreases were mainly due to the sale of our Victor Ranch field interests in 2016 which reduced overhead, pumping and compression costs during the periods in 2017.

The aggregate of supervisory fees and other income was $380,527 for nine months ended September 30, 2017, a decrease of $141,464 or 27.1% from $521,991 during the nine months in 2016. This decrease was due to lower supervisory and drilling overhead during the period in 2017 mainly due to the sale of our Victor Ranch field interests in 2016. During the third quarter 2017, supervisory fees and other income increased $59,039 or 38.7% when compared to the period in 2016, mainly due to an increase in drilling overhead due to the drilling of two wells during the period in 2017.

Depreciation, depletion and amortization expense decreased to $133,061 from $245,013, a decrease of $111,952 or 45.7% for the nine months ended September 30, 2017, as compared to the same period in 2016. During the third quarter 2017, depreciation, depletion and amortization expenses decreased $53,084 or 55.4%. The depletion rate is calculated using production as a percentage of reserves. These decreases in depreciation expense was due to a lower depletion rate as reserve volumes were higher at the end of 2016 and due to a lower asset base due to the sale of our Victor Ranch field interests in 2016.

General and administrative expenses decreased by $405,498 or 21.6% from $1,877,454 for the nine months ended September 30, 2016, to $1,471,956, for the nine month period in 2017. For the third quarter 2017, general and administrative expenses decreased $292,856 or 39.1% when compared to the same period in 2016. These decreases were primarily due to reductions in outside consulting services. Marketing expense for the nine months ended September 30, 2017, decreased $1,713, or 0.8%, to $221,184, compared to $222,897 for the same period in 2016. For the third quarter 2017, marketing expenses decreased $60,034 or 50.5% when compared to the third quarter in 2016. Marketing expense varies from period to period according to the number of marketing events attended by personnel and their associated costs.

Legal and accounting expense increased to $895,316 for the nine month period, compared to $422,970 for the same period in 2016, a $472,346 or 111.7% increase. For the third quarter 2017, legal and accounting expenses increased $36,342 or 19.1%, when compared to the third quarter in 2016. These increases were primarily due to legal and accounting fees related to the proposed Matrix merger.

At September 30, 2017, Royale Energy had a Deferred Drilling Obligation of $5,476,379. During the first nine months of 2017, we disposed of $4,567,622 of drilling obligations upon completing the drilling of two wells and participating in the drilling of an additional well, while incurring expenses of $2,981,300, resulting in a gain of $1,586,322. During the same nine month period in 2016, we disposed of $3,151,629 of drilling obligations upon completing the drilling of two wells, while incurring expenses of $2,932,658, resulting in a gain of $218,971. Royale Energy expects to drill one well during the fourth quarter of 2017.

During the nine months ended September 30, 2017 and 2016, we recorded gains of $73,128 and $345,683, respectively, on the settlement of accounts payable. We periodically review our proved properties for impairment on a field-by-field basis and charge impairments of value to the expense. During the nine month periods in 2017 and 2016, we recorded lease impairments of $147,558 and $46,303, respectively, on various lease and land costs that were no longer viable. During the periods in 2017 and 2016, we also recorded write downs of $6,000 and $19,151, respectively, on certain well equipment that was no longer useable. During the nine months ended September 30, 2016, we recorded a gain of $198,975 on the sale of our Company owned office building located in El Cajon, California.

Interest expense increased to $119,340 for the nine months ended September 30, 2017, from $74,247 for the same period in 2016, a $45,093 or 60.7% increase. This increase resulted from interest accrued on its convertible promissory notes issued in August 2016. The interest during the period in 2016 was primarily related to the outstanding loan for the corporate headquarters. Further details concerning Royale's notes payable can be found in *Capital Resources and Liquidity*, below.

Capital Resources and Liquidity

At September 30, 2017, Royale Energy had current assets totaling $4,222,483 and current liabilities totaling $10,547,907 a $6,325,424 working capital deficit. We had cash at September 30, 2017, of $2,211,836 compared to $4,994,598 at December 31, 2016.

Ordinarily, we fund our operations and cash needs from our available credit and cash flows generated from operations. We believe that, should the merger be consummated, for the foreseeable future we will be able to meet our liquidity demands. However, should the merger fail to close, there is doubt as to the ability to meet liquidity demands through cash flow or ongoing operations. In that event, the Company will seek alternative capital sources through additional sales of equity or debt securities.

At September 30, 2017, our other receivables, which consist of receivables from direct working interest investors and industry partners, totaled $948,362, compared to $676,647 at December 31, 2016, a $271,715 or 40.2% increase. This increase was mainly due to receivables from investors for workovers on a non-operated well. At September 30, 2017, Royale's revenue receivable was $163,032, a decrease of $140,496 or 46.3%, compared to $303,528 at December 31, 2016, due to lower oil and gas production volumes when compared to year end 2016 due to the sale Victor Ranch leases in 2016. At September 30, 2017, our accounts payable and accrued expenses totaled $3,491,528, an increase of $1,022,283 or 41.4% from the accounts payable at December 31, 2016 of $2,469,245, mainly related to current drilling activities and non-operated workover costs.

In July 2016, we received a cash investment of $1,580,000 from two investors to purchase convertible promissory notes with principal amounts of $1,280,000 and $300,000, with a conversion price of $0.40 per share, with warrants to purchase one share of common stock for every three shares of common stock issuable upon conversion of the notes. The notes originally matured on August 2, 2017, one year from the date of issuance, and carried a 10% interest rate, with a default rate of 25%. The conversion of the notes to shares is subject to shareholder approval. The funds from these transactions were used to continue drilling activities, fund expenses incurred in connection with completion of Royale's proposed merger with Matrix and for general corporate purposes. The maturity date of one of the notes, for $300,000, has been extended to December 31, 2017. The holder of the $1,280,000 note has not exercised any of its remedies upon default, and the Company has requested an extension of the maturity date. *See Item 3, Defaults upon Senior Securities.*

In December of 2013, Royale purchased an office building for $2,000,000, of which $500,000 was paid in cash on the date of purchase, and $1,500,000 was borrowed from AmericanWest Bank, with a note secured by the property being purchased. The note carried an interest rate of 5.75% until paid in full. In February 2016, Royale Energy entered into a purchase and sale agreement for the sale of the office building for $2.5 million. In June 2016, the sale of the building was completed which resulted in a gain of $198,975 and the related principal and interest payments were paid in full.

Operating Activities. Net cash used by operating activities totaled $2,029,638 and $2,908,250 for the nine month periods ended September 30, 2017 and 2016, respectively. This $878,612 or 30.2% decrease in cash used was mainly due to higher accounts payable and accrued expenses at the end of the period in 2017 which was related to current drilling activities during the period. During the nine months ended September 30, 2017 and 2016, executive management and directors received 52,613 and 2,275,513, respectively, in compensatory shares of the Company's common stock valued at $25,000 and $615,365, respectively.

Investing Activities. Net cash used by investing activities totaled $753,124 for the nine month period ended September 30, 2017. Net cash provided by investing activities totaled $1,879,772 for the nine months ended September 30, 2016. This $2,632,896 difference in net cash can be mainly attributed to the sale of our office building and the proceeds received of approximately $936,000 during the period in 2016.

Financing Activities. No net cash was provided or used in financing activities in the first nine months of 2017. Net cash provided by financing activities totaled $1,294,031 in the first nine months of 2016. During the period in 2016, $1,950,000 was provided by the Cash Advances from Pending Transactions, mentioned earlier and $1,446,853 was used for principal payments on the Company's note payable in the sale of its office building. Also in the period in 2016, we issued 2,089,816 restricted common shares and received cash proceeds of $790,884 under private placement stock sales.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our major market risk exposure relates to pricing of oil and gas production. The prices we receive for oil and gas are closely related to worldwide market prices for crude oil and local spot prices paid for natural gas production. Prices have been volatile for the last several years, and we expect that volatility to continue. Monthly average natural gas prices ranged from a low of $3.12 per Mcf to a high of $3.62 per Mcf for the first nine months of 2017. We have not entered into any hedging or derivative agreements to limit our exposure to changes in oil and gas prices or interest rates.

Item 4. Controls and Procedures

As of September 30, 2017, an evaluation was performed under the supervision and with the participation of our management, including our CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures. These controls and procedures are based on the definition of disclosure controls and procedures in Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Management identified an internal control deficiency that represents a material weakness in or internal control over financial reporting as of September 30, 2017, in that, certain legal documents, such as debt and equity financing transactions, during the fiscal year were not supported by fully executed agreements.

The control deficiency that gave rise to the material weakness did not result in a material misstatement of our financial statements for the nine month period ending September 30, 2017.

Because of the material weakness described above, our management was unable to conclude that our internal control over financial reporting was effective as of the end of period to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles. Management is seeking written acknowledgement of the note transactions from the note holders in order to remediate the material weakness described above and will require written acknowledgement from counterparties of all similar future transactions.

Except for the actions described above that were taken to address the material weaknesses, there were no changes in our internal controls during the nine months ended September 30, 2017, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 1A. Risk Factors

Not applicable to smaller reporting companies.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the period covered by this report, we have not issued any unregistered shares.

Item 3. Defaults Upon Senior Securities

On August 2, 2016, the Company issued two unsecured convertible promissory notes for a total principal amount of $1,580,000 to two investors. *See Capital Resources and Liquidity, page 13.* On August 2, 2017, the notes became due and payable. The maturity date of one of the notes, for $300,000, has been extended to December 31, 2017. The other note, for $1,280,000 plus interest, remains due and unpaid. The note holder has not exercised any of its remedies upon default, and the Company has requested an extension of the maturity date; however, if the Company does not receive the requested extension, the amount of unpaid principal and interest on the unpaid note (at a default rate of 25% per annum) would be approximately $1,501,333 as of November 14, 2017.

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

None

Item 6. Exhibits

31.1	Rule 13a-14(a)/15d-14(a) Certification
31.2	Rule 13a-14(a)/15d-14(a) Certification
31.3	Rule 13a-14(a)/15d-14(a) Certification
32.1	18 U.S.C. § 1350 Certification
32.2	18 U.S.C. § 1350 Certification
32.3	18 U.S.C. § 1350 Certification
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ROYALE ENERGY, INC.

Date: November 14, 2017	*/s/ Jonathan Gregory* Jonathan Gregory, Chief Executive Officer
Date: November 14, 2017	*/s/ Donald H. Hosmer* Donald H. Hosmer, President of Business Development
Date: November 14, 2017	*/s/ Stephen M. Hosmer* Stephen M. Hosmer, President and Chief Financial Officer

Exhibit 31.1

I, Jonathan Gregory, certify that:

1. I have reviewed this report on Form 10-Q of Royale Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2017

/s/ Jonathan Gregory

Jonathan Gregory, Chief Executive Officer

Exhibit 31.2

I, Donald H. Hosmer, certify that:

1. I have reviewed this report on Form 10-Q of Royale Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2017

/s/ Donald H. Hosmer

Donald H. Hosmer, President of Business Development

Exhibit 31.3

I, Stephen M. Hosmer, certify that:

1. I have reviewed this report on Form 10-Q of Royale Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions)

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2017

/s/ Stephen M. Hosmer
Stephen M. Hosmer, President and Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. § 1350

The undersigned, Jonathan Gregory, Chief Executive Officer of Royale Energy, Inc., a California corporation (the "Company"), pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, hereby certifies that:

(1) the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2017 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2017	By:	*/s/ Jonathan Gregory*
		Jonathan Gregory, Chief Executive Officer

Exhibit 32.2

Certification Pursuant to 18 U.S.C. § 1350

The undersigned, Donald H. Hosmer, Co-President and Co-Chief Executive Officer of Royale Energy, Inc., a California corporation (the "Company"), pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, hereby certifies that:

(1) the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2017 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2017	By:	*/s/ Donald H. Hosmer*
		Donald H. Hosmer, President of Business Development

Exhibit 32.3

Certification Pursuant to 18 U.S.C. § 1350

The undersigned, Stephen M. Hosmer, Co-President, Co-Chief Executive Officer and Chief Financial Officer of Royale Energy, Inc., a California corporation (the "Company"), pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, hereby certifies that:

(1) the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2017 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2017	By:	*/s/ Stephen M. Hosmer*
		Stephen M. Hosmer, President and Chief Financial Officer