

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT1625 N. French Drive
Hobbs, NM 88240FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE - Other instructions of 10/1/13**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Ridgeway Arizona Oil Corp3a. Address
200 N. Loraine, STE 1440
Midland, Tx 797013b. Phone No. (include area code)
432-687-0303

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

0 18 7S 34E 660 S 2151 E

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.
NMNM82040X8. Well Name and No.
Jennifer Unit

9. API Well No.

30-041-10639

10. Field and Pool or Exploratory Area
Chaveroo-San Andres11. County or Parish, State
Roosevelt Co, NM

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

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

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

Ridgeway Arizona Oil Corp. submits the attached Plan of Operations for 2013 for the Jennifer Chaveroo San Andres Unit (NMNM82040X)

RECEIVED
2013 MAY -6 AM 3:13
BUREAU OF LAND MANAGEMENT
ROOSEVELT OFFICE
ACCEPTED FOR
RECORD

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Jana True

Title Production/Regulatory Mgr

Signature

Date 05/03/2013

JUN 09 2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

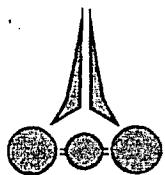
Roosevelt Field Office

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

(Instructions on page 2)

MSB/OCD 6/12/2014
Accepted for Record Only

JUN 12 2014



Ridgeway

Arizona Oil Corporation

St. Johns Helium/CO₂ Project

May 1, 2013

United States Department of Interior
Bureau of Land Management
Roswell District Office
PO Box 1397
Roswell, NM 88202-1397

RE: Plan of Operations for 2013
Jennifer Chaveroo San Andres Unit (JCSAU)
Chaveroo Field, Roosevelt County, NM
Unit #NMNM82040X

The Jennifer Chaveroo San Andres Unit (JCSAU) was formed in October of 1989. Ridgeway Arizona Oil Corp. took over as the operator of the unit in August of 2008. At that time, all of the seventy (70) wells in the unit were shut in.

Review of Recent Activity

There are currently four (4) active producers (JCSAU # 9, 18, 27 and 28) and one (1) active injection well (JCSAU #24) in the unit. Seven (7) wells are down due to mechanical failures (JCSAU # 13, 14, 19, 20, 21, 25, 26).

Over the past year, Ridgeway has acquired a significant amount of information for the Chaveroo Field, including the JCSAU. Thus far, the information compiled suggests that there is potential upside to re-perforating and re-stimulating the P1 and P2 and perforating the P3 zone.

A study by Nutech was commissioned in January of 2012 and completed on August 23, 2012. 137 logs from across the Chaveroo Field were gathered and evaluated to determine original oil in place across the field. This analysis involved validating structure, individual intervals (P1, P2 and P3), interval isopachs, average permeability, average porosity, net pay, net permeability, net porosity and mean Vclay. The Company spent more than \$300,000 on this study and the information compiled will form the foundation of the Company's work plan for 2013 and beyond.

Proposed Plan of Operations

Ridgeway is building a technical team that will greatly improve the Company's decision-making processes and overall operational capabilities. Mark Peavy has been hired by the Company to oversee operations. Mr. Peavy has already expanded the Company's operations team to include

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Houston, TX 77056
Tel: 832-485-8500
Fax: 832-485-8506

reservoir, completions and facilities engineers. The combined experience of this team will better enable the Company to re-invigorate activity in the Unit.

Based on the work that has been completed by Nutech in 2012, the Company has acquired the services of Cobb & Associates to complete a remaining oil in place study over the entire Chaveroo Field. The Company will spend about \$60,000 on this study in 2013 and anticipates that the work will be complete some time in the summer.

Generally, during 2013, activity will focus on the maintenance and acceleration of oil production in the JCSAU using current technologies, increasing fiscal control through implementation of new processes and procedures and focusing on execution. The advanced petrophysical analysis conducted over the entire Chaveroo Field in 2012 combined with the current efforts underway by Cobb & Associates will better enable the Company to prepare plans for reservoir exploitation within the JCSAU and the entire Chaveroo Field based upon the identification of bypassed hydrocarbons, and the validation of hydrocarbon pore volume.

Ridgeway intends to move forward with a two-phased work plan for the unit.

Phase 1 – Based on the research conducted and information compiled thus far, the Company intends to focus its initial reactivation efforts within the JCSAU on those wells within Section 26 of the JCSAU. Data was gathered relating to water injection and production histories, remaining oil in place, completion and workover histories. The data gathered was then correlated against well logs. Additional work included past experiences with San Andres reactivations within and outside of the area.

The wells to be re-entered are being prioritized based upon rate potential, wellbore integrity and surface conditions. Beginning with the wells located in Section 26, T7S R33E of the unit (JCSAU #31, 32, 43, 33, 34, 44, 45, 46), each well will be re-entered sequentially, with the objective of stimulation/re-stimulation of the P3, followed by the P1/P2. Mechanical integrity testing (MIT's) and flow testing will occur within each wellbore during each re-entry.

Based upon post stimulation rate potential, the well will be reactivated or plugged. Wells that show positive rate potential, yet fail the MIT will be slim hole completed using 2 7/8" tubing.

Phase 2 – Based on the results of the initial phase of the Company's plan, the same process will be duplicated for the JCSAU #1, 2, 3, 5, 5F, 7, 8, 10 and 11 and eventually throughout the remainder of the unit.

Success will also require that Ridgeway upgrade the necessary gathering and storage infrastructure to support the reactivation of these wells. Once results from the initial re-entries are examined and the unit-wide plan is further refined based on those results, the Company will compile a schedule for upgrading the unit's infrastructure to support the re-established production.

Tracts 2, 3 and 4 of the JCSAU have already been enrolled in a Candidate Conservation Agreement. In 2013, Ridgeway intends to enroll the remainder of the JCSAU and its remaining holdings in the Chaveroo Field.

Future Operations

As additional wells are reactivated, Ridgeway will need to identify additional injection wells throughout the unit in order to improve water pressure maintenance. This process will begin in 2013 with work to be completed beginning in 2014. Subsequent details will be provided on the necessary infrastructure upgrades and potential injection well conversions throughout the unit.

In the 1990's, a previous operator of the unit, Permian Resources, initiated two small pilot water floods within the unit, but it does not appear that the pilots were ever fully operational nor were they maintained for any consistent period of time. Thus the results are not dependable. In 2007, Ridgeway commissioned Advanced Resources International to conduct a CO₂-EOR study to estimate the remaining reserves at Chaveroo under a full-field CO₂ flood. ARI estimated that the entire field could recover an additional 35 million barrels of oil and achieve a peak rate at over 10,000 barrels of oil per day.

The Company anticipates that a CO₂ pipeline, projected to traverse the southern length of the Chaveroo Field, will be operational by the second half of 2015 and excess capacity on this pipeline may be available for use in the Chaveroo Field as early as 2018. Given this potential opportunity, Ridgeway will begin assessing the feasibility of a potential CO₂ flood of the JCSAU.

Modification

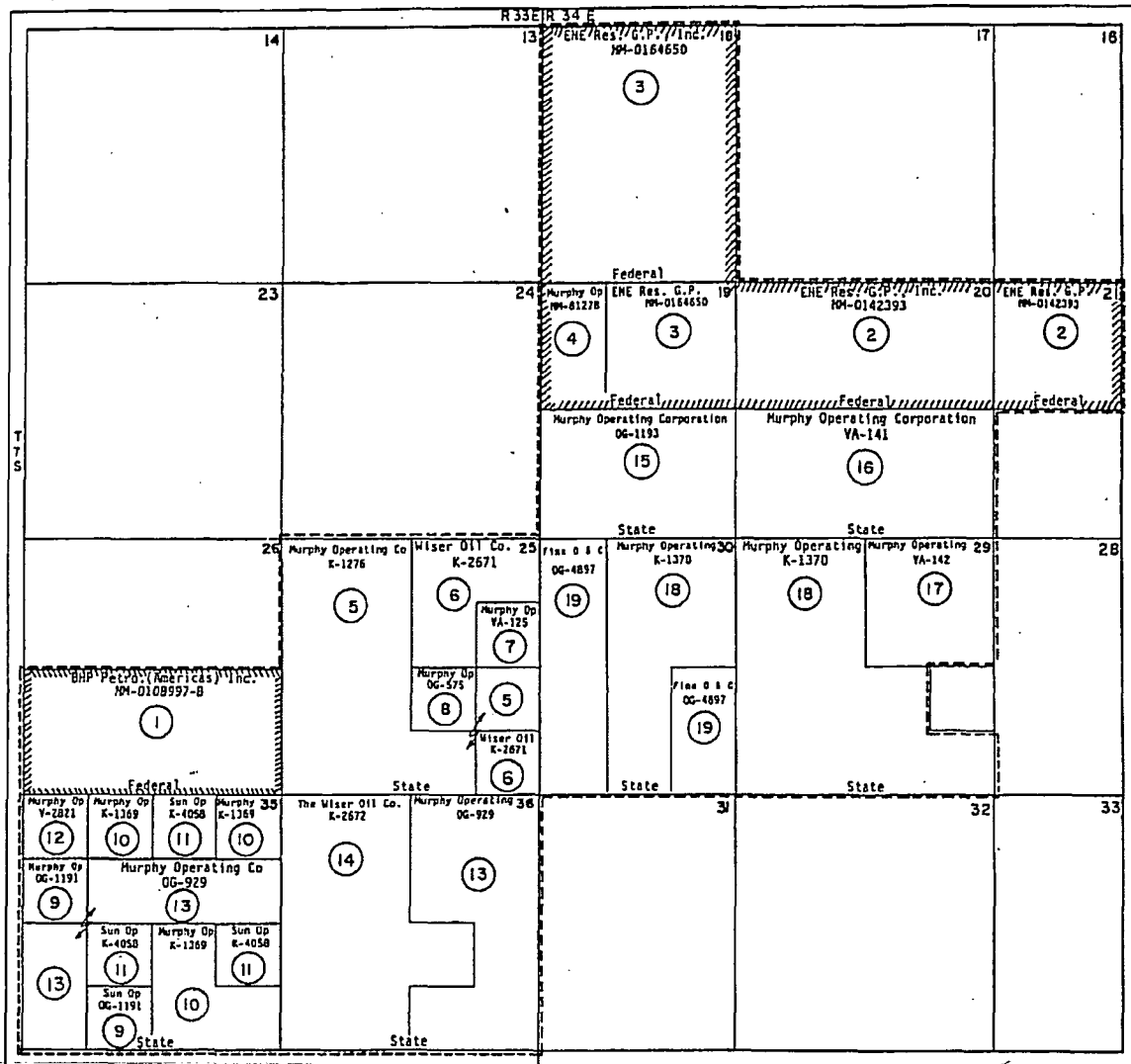
Subject to BLM approval, this Plan of Operations may be modified or supplemented during the year to meet changed conditions, to prevent waste of oil resources and to protect the interest of all parties to the unit agreement.

Enclosures: Map of JCSAU
JCSAU historical production
JCSAU 2012 production

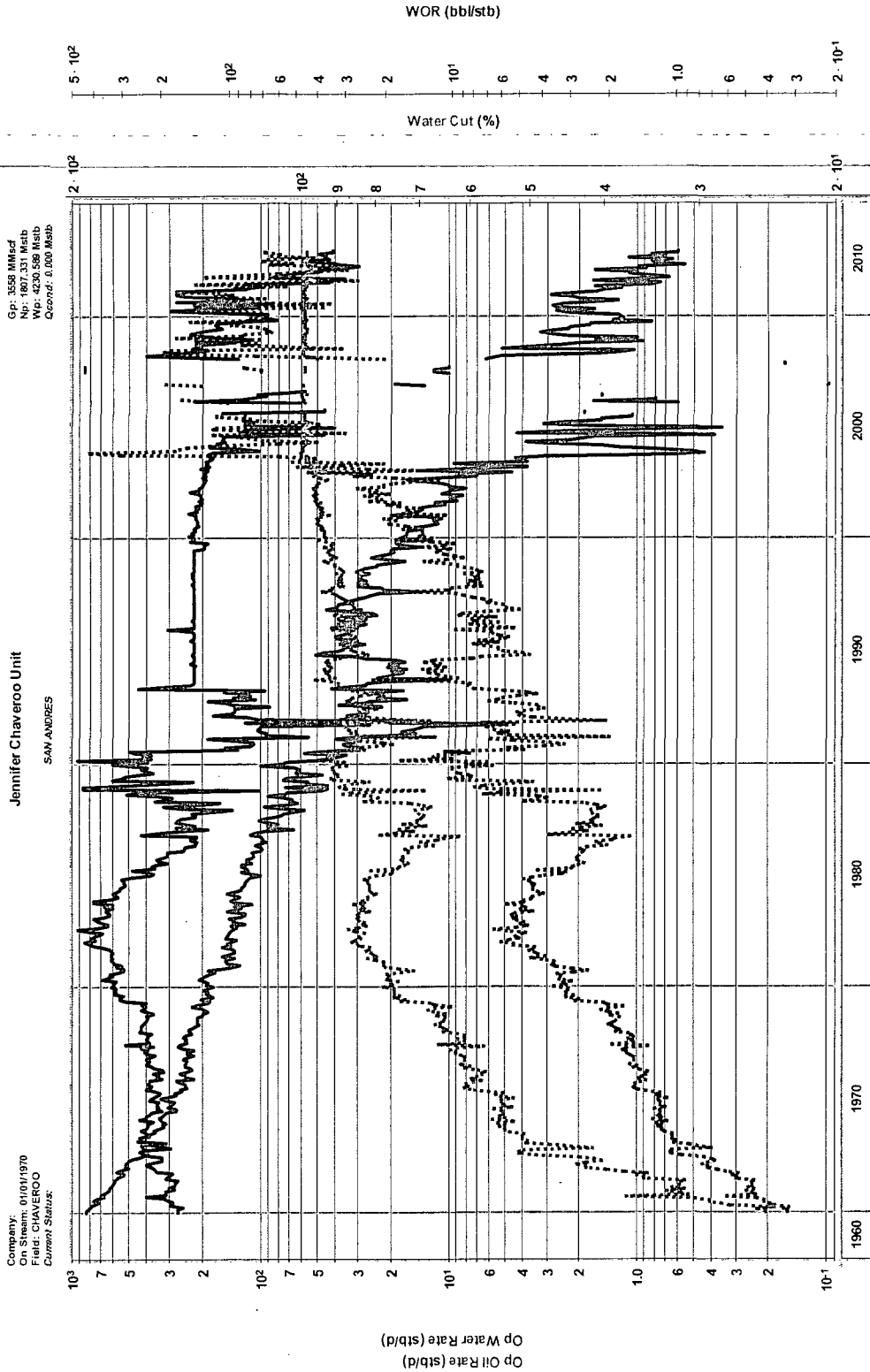
EXHIBIT "A"

ATTACHED TO THAT CERTAIN UNIT AGREEMENT, JENNIFER CHAVEROO
SAN ANDRES UNIT, COUNTY OF ROOSEVELT, STATE OF NEW MEXICO,
DATED AUGUST 1, 1939

JENNIFER CHAVEROO SAN ANDRES UNIT ROOSEVELT COUNTY, NEW MEXICO



| | | <u>Acreage</u> | <u>Percentage</u> |
|-------------------|-----------------|----------------|-------------------|
| ○ TRACT NUMBER | □ STATE LANDS | 3,597.07 | 69.89 % |
| ---- UNIT OUTLINE | ▨ FEDERAL LANDS | 1,549.93 | 30.11 % |
| | TOTAL | 5,147.00 | 100.00 % |

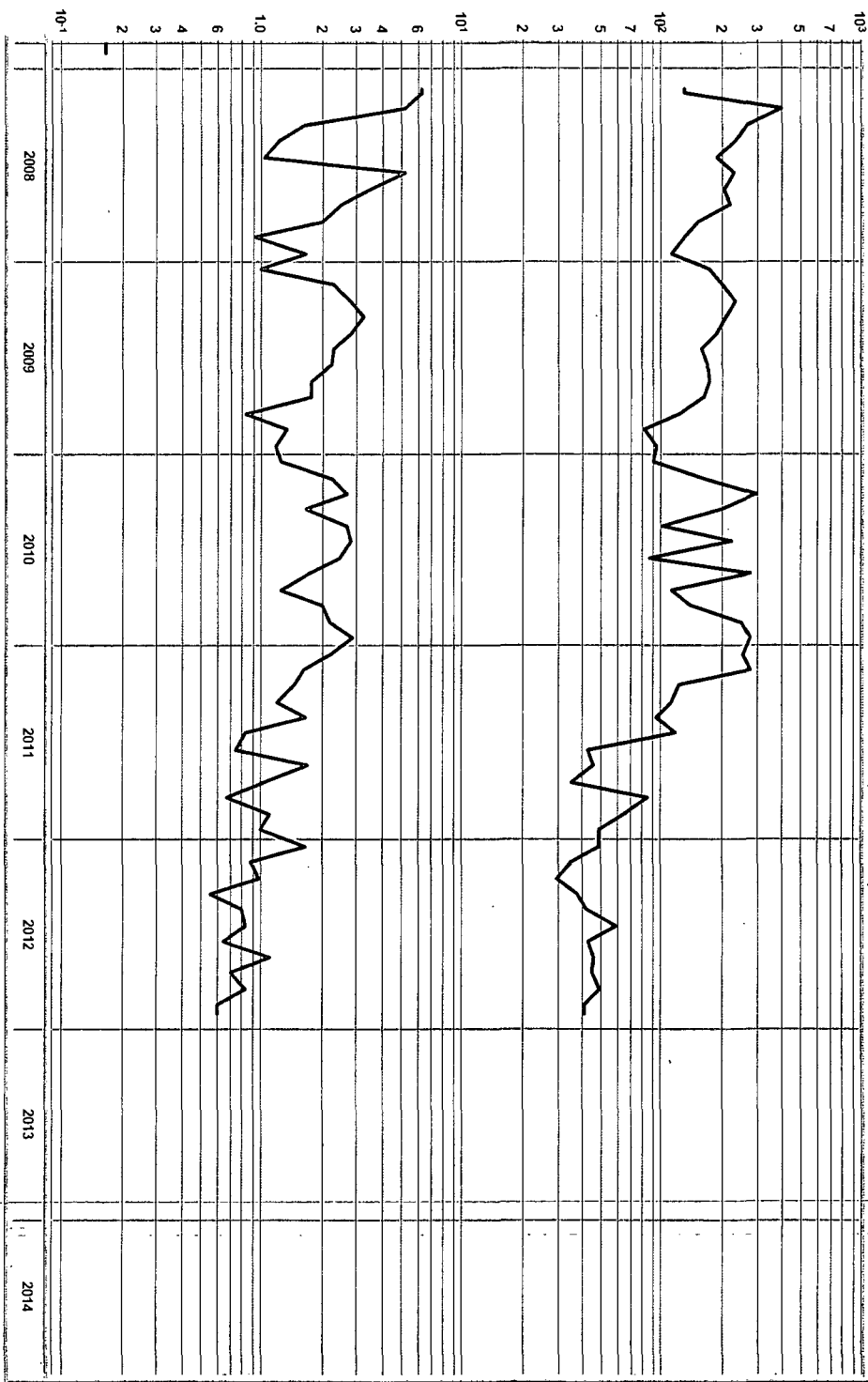


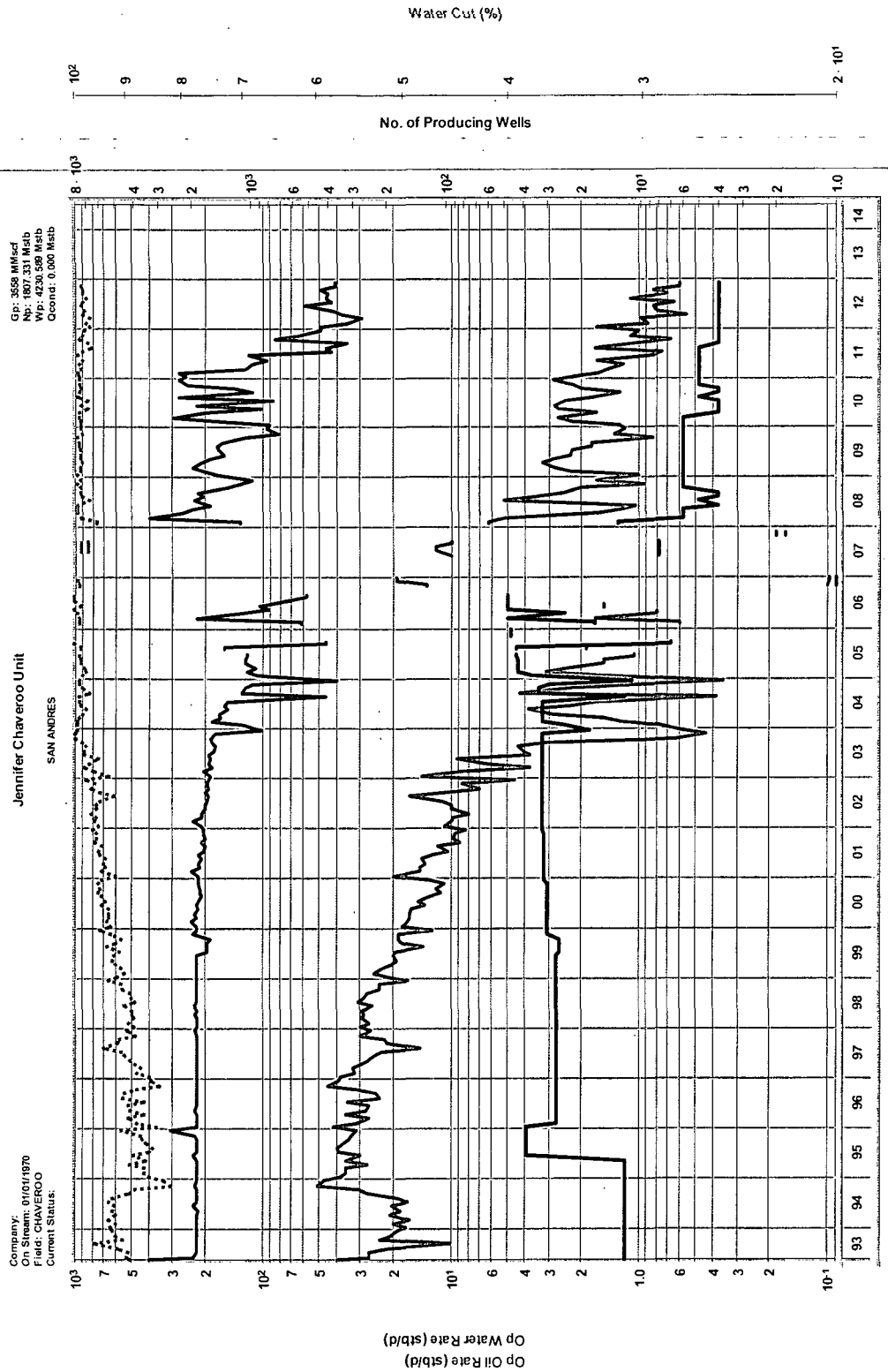
Company:
On Stream: 01/01/1970
Field: CHAVERO
Current Status:

Jennifer Chavero Unit
SAN ANDRES

Op: 3658 MMcf
Np: 1807.331 MMb
Wp: 4230.589 MMb
Acond: 0.000 MMb

Op Oil Rate (stb/d)
Op Water Rate (stb/d)





2012 PRODUCITON & INJECTION- BY MONTH

Jennifer Chaveroo San Andres Unit

| | Produced | | | Injected |
|-------|----------|-----|-------|----------|
| Month | Oil | Gas | H2O | H2O |
| Jan | 45 | 0 | 1325 | 1325 |
| Feb | 26 | 0 | 1031 | 1031 |
| Mar | 30 | 0 | 920 | 920 |
| Apr | 15 | 0 | 975 | 975 |
| May | 25 | 0 | 1295 | 1295 |
| Jun | 20 | 0 | 1420 | 1420 |
| Jul | 20 | 0 | 1325 | 1325 |
| Aug | 34 | 0 | 1429 | 1429 |
| Sep | 21 | 0 | 1345 | 1345 |
| Oct | 26 | 0 | 1522 | 1522 |
| Nov | 18 | 0 | 1235 | 1235 |
| Dec | 27 | 0 | 1525 | 1525 |
| | 307 | 0 | 15347 | 15347 |