

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, Hobbs, NM
1625 N. French Drive
Hobbs, NM 88240
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 on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM82040X
2. Name of Operator Ridgeway Arizona Oil Corp		6. If Indian, Allottee or Tribe Name
3a. Address 200 N. Loraine, Suite 1440 Midland, Texas 79701	3b. Phone No. (include area code) 432-687-0303	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660 FSL 1980 FEL Sec-26, T-07S, R-33E		8. Well Name and No. Jennifer Chaveroo #44
		9. API Well No. 30-041-10524
		10. Field and Pool or Exploratory Area Chaveroo; San Andres
		11. County or Parish, State Roosevelt, 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 INC response
	<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.)

In response to INC 13KSB21

Ridgeway will install a sign that meets BLM requirements within 30 days.
(Signs have been ordered)

ACCEPTED FOR
RECORD

JAN 11 2013

NAME /S/ Angel Mayes

FEB 08 2013

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Jana True		Title Production/Regulatory Manager
Signature <i>Jana True</i>		Date 12/27/12

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	

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)

☒ Certified Mail - Return Receipt Requested
70081830000260366244

☐ Hand Delivered Received by

**UNITED STATES
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BUREAU OF LAND MANAGEMENT**

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
IID	
Lease	NMNM0108997B
CA	
Unit	NMNM82040X
PA	

Bureau of Land Management Office ROSWELL FIELD OFFICE				Operator RIDGEWAY ARIZONA OIL CORP			
Address 2909 W. SECOND ST. ROSWELL NM 88201				Address ONE RIVERWAY SUITE 610 HOUSTON TX 77056			
Telephone 505-627-0229				Attention			
Inspector BUSSELL				Attn Addr			
Site Name JENNIFER CHAVEROO UNIT	Well or Facility 44	1/4 1/4 Section SWSE 26	Township 7S	Range 33E	Meridian NMP	County ROOSEVELT	State NM
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
11/19/2012	09:00	43 CFR 3162.6(b)	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
01/02/2013			43 CFR 3163.1()

Remarks

Reference: 43 CFR 3162.6(b) well signs

Problem no. #1 Missing well sign.

For wells located on Federal lands, the operator shall properly identify, by a sign, in a (Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address.

Company Representative Title Prod. / Reg. Mgr. Signature Jana Lue Date 12/27/12

Company Comments Sundry response attached

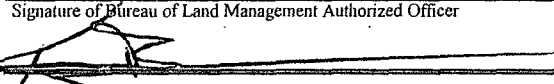
WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer		Date	Time
		<u>11/19/12</u>	<u>12:57pm</u>
FOR OFFICE USE ONLY			
Number 1	Date	Assessment	Penalty
Type of Inspection PI			Termination

BLM Remarks, continued

conspicuous place, each well, other than those permanently abandoned. The well sign shall include the well number, the name of the operator, the lease serial number, communitization number, and unit number, as appropriate and the quarter-quarter section, section, township and range.

Corrective action: Install well sign that meet the BLM requirements.