

| <b>District I</b><br>1625 N. French Dr., Hobbs, NM 88240<br>Phone:(575) 393-6161 Fax:(575) 393-0720<br><b>District II</b><br>811 S. First St., Artesia, NM 88210<br>Phone:(575) 748-1283 Fax:(575) 748-9720<br><b>District III</b><br>1000 Rio Brazos Rd., Aztec, NM 87410<br>Phone:(505) 334-6178 Fax:(505) 334-6170<br><b>District IV</b><br>1220 S. St Francis Dr., Santa Fe, NM 87505<br>Phone:(505) 476-3470 Fax:(505) 476-3462                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><b>Oil Conservation Division</b><br><b>1220 S. St Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | Form C-103<br>August 1, 2011<br>Permit 261292<br>WELL API NUMBER<br>30-041-20978<br>5. Indicate Type of Lease<br>S<br>6. State Oil & Gas Lease No.<br><br>7. Lease Name or Unit Agreement Name<br>JENNIFER CHAVEROO SA<br>UNIT |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
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| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                               |                                                                                                                                                                                                                                |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| 1. Type of Well:<br>O                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                               | 8. Well Number<br>002H                                                                                                                                                                                                         |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| 2. Name of Operator<br>RIDGEWAY ARIZONA OIL CORP.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                               | 9. OGRID Number<br>164557                                                                                                                                                                                                      |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| 3. Address of Operator<br>1250 Wood Branch Park Drive, Suite 400, Houston, TX 77079                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                               | 10. Pool name or Wildcat                                                                                                                                                                                                       |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| 4. Well Location<br>Unit Letter <u>M</u> : <u>37</u> feet from the <u>S</u> line and feet <u>227</u> from the <u>W</u> line<br>Section <u>25</u> Township <u>07S</u> Range <u>33E</u> NMPM _____ County <u>Roosevelt</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                               |                                                                                                                                                                                                                                |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>4326 GR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                               |                                                                                                                                                                                                                                |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                               |                                                                                                                                                                                                                                |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data<br><table style="width:100%;"> <tr> <td colspan="2">NOTICE OF INTENTION TO:</td> <td colspan="2">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> <td>REMEDIAL WORK <input type="checkbox"/></td> <td>ALTER CASING <input type="checkbox"/></td> </tr> <tr> <td>TEMPORARILY ABANDON <input type="checkbox"/></td> <td>CHANGE OF PLANS <input type="checkbox"/></td> <td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> </tr> <tr> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>MULTIPLE COMPL <input type="checkbox"/></td> <td>CASING/CEMENT JOB <input type="checkbox"/></td> <td></td> </tr> <tr> <td colspan="2">Other: _____</td> <td colspan="2">Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/></td> </tr> </table> |                                                                                                                                                                               |                                                                                                                                                                                                                                | NOTICE OF INTENTION TO:                           |                              | SUBSEQUENT REPORT OF:      |                                                   | PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTER CASING <input type="checkbox"/> | TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE OF PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> |           | Other: _____ |      | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/> |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| NOTICE OF INTENTION TO:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                               | SUBSEQUENT REPORT OF:                                                                                                                                                                                                          |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| PERFORM REMEDIAL WORK <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | PLUG AND ABANDON <input type="checkbox"/>                                                                                                                                     | REMEDIAL WORK <input type="checkbox"/>                                                                                                                                                                                         | ALTER CASING <input type="checkbox"/>             |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| TEMPORARILY ABANDON <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | CHANGE OF PLANS <input type="checkbox"/>                                                                                                                                      | COMMENCE DRILLING OPNS. <input type="checkbox"/>                                                                                                                                                                               | PLUG AND ABANDON <input type="checkbox"/>         |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| PULL OR ALTER CASING <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | MULTIPLE COMPL <input type="checkbox"/>                                                                                                                                       | CASING/CEMENT JOB <input type="checkbox"/>                                                                                                                                                                                     |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| Other: _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                               | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/>                                                                                                                                                              |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.<br>Surface Casing on the Jennifer Chaveroo SAU #2H well was run and cemented at on the 18th of December 2018 as described below. Drilled to a TMD of 2039'. Ran Surface Casing (9-5/8" 40#/ft J55 LTC set @ 2039'). Cemented with 925 sx of 50/50 Poz/C LEAD cement and 248 sxs of Class C TAIL cement. Bumped Plug. Float held. TOC = 0' from circulation. <b>12/15/2018</b> Spudded well.                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                               |                                                                                                                                                                                                                                |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| <b>Casing and Cement Program</b><br><table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Dpth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1" Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>12/17/18</td> <td>Surf</td> <td>FreshWater</td> <td>13.5</td> <td>9.625</td> <td>40</td> <td>J55</td> <td>1739</td> <td>2039</td> <td>248</td> <td>1.33</td> <td>C</td> <td>0</td> <td>1500</td> <td>0</td> <td>N</td> </tr> <tr> <td>12/17/18</td> <td>Surf</td> <td>FreshWater</td> <td>13.5</td> <td>9.625</td> <td>40</td> <td>J55</td> <td>0</td> <td>2039</td> <td>952</td> <td>1.78</td> <td>C</td> <td>0</td> <td>1500</td> <td>0</td> <td>N</td> </tr> </tbody> </table>                                                                                   |                                                                                                                                                                               |                                                                                                                                                                                                                                | Date                                              | String                       | Fluid Type                 | Hole Size                                         | Csg Size                                       | Weight lb/ft                              | Grade                                  | Est TOC                               | Dpth Set                                     | Sacks                                    | Yield                                            | Class                                     | 1" Dpth                                       | Pres Held                               | Pres Drop                                  | Open Hole | 12/17/18     | Surf | FreshWater                                                        | 13.5 | 9.625 | 40 | J55 | 1739 | 2039 | 248 | 1.33 | C | 0 | 1500 | 0 | N | 12/17/18 | Surf | FreshWater | 13.5 | 9.625 | 40 | J55 | 0 | 2039 | 952 | 1.78 | C | 0 | 1500 | 0 | N |
| Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | String                                                                                                                                                                        | Fluid Type                                                                                                                                                                                                                     | Hole Size                                         | Csg Size                     | Weight lb/ft               | Grade                                             | Est TOC                                        | Dpth Set                                  | Sacks                                  | Yield                                 | Class                                        | 1" Dpth                                  | Pres Held                                        | Pres Drop                                 | Open Hole                                     |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| 12/17/18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Surf                                                                                                                                                                          | FreshWater                                                                                                                                                                                                                     | 13.5                                              | 9.625                        | 40                         | J55                                               | 1739                                           | 2039                                      | 248                                    | 1.33                                  | C                                            | 0                                        | 1500                                             | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| 12/17/18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Surf                                                                                                                                                                          | FreshWater                                                                                                                                                                                                                     | 13.5                                              | 9.625                        | 40                         | J55                                               | 0                                              | 2039                                      | 952                                    | 1.78                                  | C                                            | 0                                        | 1500                                             | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                               |                                                                                                                                                                                                                                |                                                   |                              |                            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| <table style="width:100%;"> <tr> <td>SIGNATURE</td> <td><u>Electronically Signed</u></td> <td>TITLE</td> <td><u>Office Manager &amp; Regulatory Specialist</u></td> <td>DATE</td> <td><u>1/2/2019</u></td> </tr> <tr> <td>Type or print name</td> <td><u>Kay R Howton</u></td> <td>E-mail address</td> <td><u>khowton@pedevco.com</u></td> <td>Telephone No.</td> <td><u>713-574-7908</u></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                               |                                                                                                                                                                                                                                | SIGNATURE                                         | <u>Electronically Signed</u> | TITLE                      | <u>Office Manager &amp; Regulatory Specialist</u> | DATE                                           | <u>1/2/2019</u>                           | Type or print name                     | <u>Kay R Howton</u>                   | E-mail address                               | <u>khowton@pedevco.com</u>               | Telephone No.                                    | <u>713-574-7908</u>                       |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| SIGNATURE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <u>Electronically Signed</u>                                                                                                                                                  | TITLE                                                                                                                                                                                                                          | <u>Office Manager &amp; Regulatory Specialist</u> | DATE                         | <u>1/2/2019</u>            |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| Type or print name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>Kay R Howton</u>                                                                                                                                                           | E-mail address                                                                                                                                                                                                                 | <u>khowton@pedevco.com</u>                        | Telephone No.                | <u>713-574-7908</u>        |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| <b>For State Use Only:</b><br><table style="width:100%;"> <tr> <td>APPROVED BY:</td> <td><u>Paul F Kautz</u></td> <td>TITLE</td> <td><u>Geologist</u></td> <td>DATE</td> <td><u>1/3/2019 7:25:14 AM</u></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                               |                                                                                                                                                                                                                                | APPROVED BY:                                      | <u>Paul F Kautz</u>          | TITLE                      | <u>Geologist</u>                                  | DATE                                           | <u>1/3/2019 7:25:14 AM</u>                |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |
| APPROVED BY:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <u>Paul F Kautz</u>                                                                                                                                                           | TITLE                                                                                                                                                                                                                          | <u>Geologist</u>                                  | DATE                         | <u>1/3/2019 7:25:14 AM</u> |                                                   |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |       |    |     |      |      |     |      |   |   |      |   |   |          |      |            |      |       |    |     |   |      |     |      |   |   |      |   |   |

**District I**  
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Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Comments  
  
Permit 261292

**DRILLING COMMENTS**

|                                                                                             |                          |
|---------------------------------------------------------------------------------------------|--------------------------|
| Operator:<br>RIDGEWAY ARIZONA OIL CORP.<br>1250 Wood Branch Park Drive<br>Houston, TX 77079 | OGRID:<br>164557         |
|                                                                                             | Permit Number:<br>261292 |
|                                                                                             | Permit Type:<br>Drilling |

**Comments**

| Created By | Comment | Comment Date |
|------------|---------|--------------|
|------------|---------|--------------|

There are no Comments for this Permit