



October 1, 2021

New Mexico Oil Conservation Division
Attn: Karen Collins
1200 South St. Francis Drive
Santa Fe, NM 87505

Re: Request to Enter Inactive Well Compliance Order
Ridgeway Arizona Oil Company
OGRID #164557

Dear Ms. Collins:

With this letter and its attachments Ridgeway Arizona Oil Company (hereinafter "Ridgeway") respectfully requests to enter into an Inactive Well Compliance Order. This letter will provide responses to the informational requirements outlined in your letter dated September 13, 2021 and provide a brief narrative describing our company background, operations, and future plans.

Attached to this letter and labeled Exhibit "A" is a comprehensive spreadsheet in response to your request for inactive well data. Exhibit "A" contains data on each inactive well (304 in total) including average production of oil, gas and water from the final production year, bonding information for each well, and a timeline for proposed action for each well. Presently our wells are covered by our blanket plugging bond in the amount of \$1,000,000.00 (SUR0013452) with Argo Surety.

Ridgeway has been engaged in revitalizing and cleaning up a legacy oil field that had been largely neglected for more than two decades. As requested, we provide the following brief on compliance work that has been performed over the last four year period. A concise recapitulation of said work is provided in the attached Exhibit "B". During the calendar year 2020 we experienced the same difficulties that affected all of our industry. Due to crashing commodity prices Ridgeway was forced to delay compliance efforts until commodity prices rebounded. Now that we are operating in a more stable industry environment, compliance efforts have fully resumed.

To the question of how many wells per month we will bring into compliance we provide the following response more specifically described in Exhibit "C":

- For the remainder of 2021 we plan to plug four wells. Plugging sundries have been approved by the Bureau of Land Management and when NMOCD approval is received plugging operations shall commence.
- Five wells will be properly temporarily abandoned beginning in March of 2022.
- Two wells have been returned to production and will qualify for appropriate C-115 filings in October 2021.

- Three wells will be returned to production by December of 2021.
- Five wells have been plugged and abandoned and the C-105 final abandonment notices will be filed in October 2021.

Please note that the information contained herein and in the exhibits is accurate to the best of my knowledge and ability. Much of the production data is unavailable to Ridgeway outside what is publicly available through the NMOCD.

In light of the significant effort Ridgeway is making to clean-up and revitalize the Chaveroo Field, we respectfully request that the New Mexico Oil Conservation Commission grant a one-year Inactive Well Agreed Compliance order.

Sincerely,

William Boyd
Land & Regulatory Manager
Ridgeway Arizona Oil Corporation