

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District I  
1625 N. French Drive  
Hobbs, NM 88240  
FORM APPROVED  
OMB No 1004-0137  
Expires October 31, 2014

HOBBS OGD

**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.

RECEIVED

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
Ridgeway Arizona Oil Corp.

3a. Address  
200 N. Loraine STE 1440  
Midland, TX 79701

3b. Phone No (include area code)  
432-687-0303

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1980 FSL 1980 FEL  
Sec 23, T-7S, R-33E

5. Lease Serial No  
NM - 83197

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No  
Federal 23 #7

9. API Well No  
30-041-10533

10. Field and Pool or Exploratory Area  
Chaveroo - Sand Andres

11. County or Parish, State  
Roosevelt County

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 Workover
	<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 recomple 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 recompletion 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.)

MIRU PU/RU/WS

1. POOH w/rods, down hole pump, laying down
2. NDWH/NUBOP, POOH w/tubing - laying down
3. Pick up 2 3/8 WS from rack, pick up bit sub, 2 3/8 x 3 7/8 bit - RIN w/WS to ck casing/tag up - tallin in
4. If casing checks good, Notify BLM/RFO Field Tech that MIT will occur within 24 hours.
5. RIH w/ 2 3/8 x 4 1/2 CIBP/Packer to within 100ft. of top perf, set CIBP, Pull up 1 stand, set pkr, test CIBP
6. If tests good, POOH w/WS to 50 ft. from surface - Rig up Rerverse unit and load hole w/FW - work out air- Rig up chart recorder
7. Set pkr/shut in backside and pressure casing to 500 psi for 30 minutes.
8. If MIT is successful - get BLM Field Tech to sign chart and send chart to Midland Office.
9. If MIT is unsuccessful - release packer and spot casing leak and establish rate - Contact Midland Office - plans will be made to either squeeze casing leak and proceed with reactivation or initiate P & A process.
10. If casing has integrity, release packer, RIH and retrieve CIBP, POOH w/WS/pkr/CIBP - laying down CIBP/PKR
11. RIH w/bit/bit sub/WS, rig up reverse unit and circulate any fill out to TD
12. POOH w/WS/bit, lay down bit, pick up packer, RIH to within 100ft. of top perf - set packer and prepare for acid job
13. MIRU acid truck and pump 150 gal 15% HCL - record pressure and rate - Rig down acid truck, POOH w/WS/Bit - laying down
14. Haul new tubing string/rod string/rod pump to location - RIH w/Downhole equipment, hang well on, load tubing, wait for pump up
15. RDMO PU

**DENIED**

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

Kelly Cox

Title Regulatory Assistant

Signature

Date 07/23/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

**Denied** /S/ DAVID R. GLASS

Title PETROLEUM ENGINEER

Date JUL 30 2012

**Denied! Lease NM-83197 Expired 11-30-2010, The Last Day Of The Month During Which The Production Of Oil And/Or Gas Ceased By BLM-NMSO Decision Dated 01-30-2012. Well Must Be Plugged With A BLM Approved Plugging Program.**

which would

Office

for any person knowingly and willfully to make to any department or agency of the United States any false, information

**DENIED**

AUG 02 2012

**BLM COPY**

Number 12KSB29

Page of

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**NOTICE OF INCIDENTS OF NONCOMPLIANCE**

☒ Certified Mail - Return Receipt Requested  
7008183000260366145

☐ Hand Delivered Received by

Identification
IID NMNM83197*OEI
Lease NMNM83197
CA
Unit
PA

Bureau of Land Management Office <b>ROSWELL FIELD OFFICE</b>	Operator <b>RIDGEWAY ARIZONA OIL CORP</b>
Address <b>2909 W. SECOND ST. ROSWELL NM 88201</b>	Address <b>ONE RIVERWAY SUITE 610 HOUSTON TX 77056</b>
Telephone <b>505-627-0229</b>	Attention
Inspector <b>BUSSELL</b>	Attn Addr

Site Name <b>FEDERAL 23</b>	Well or Facility <b>7</b>	1/4 1/4 Section <b>NWSE 23</b>	Township <b>7S</b>	Range <b>33E</b>	Meridian <b>NMP</b>	County <b>ROOSEVELT</b>	State <b>NM</b>
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
<b>07/12/2012</b>	<b>09:56</b>	<b>43 CFR 3162 3-4(c)</b>	<b>MINOR</b>
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
<b>08/21/2012</b>			<b>43 CFR 3163.1()</b>

Remarks  
THE ABOVE REFERENCED WELL IS TEMPORARY ABANDONED / SHUT-IN WITHOUT PRIOR APPROVAL. 43 CFR 3162.3-4 (c) REQUIRES THAT WELL(S) INCAPABLE OF PRODUCTION IN PAYING QUANTITIES BE PROMPTLY PLUGGED AND ABANDONED AND REQUIRES APPROVAL FOR ANY WELL TEMPORARILY ABANDONED/ SHUT-IN FOR MORE THAN 30 DAYS. THEREFORE YOU ARE ORDERED TO DO ONE OF THE FOLLOWING:  
(Remarks continued on following page(s).)

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

Company Representative Title Regulatory Mgr Signature [Signature] Date 7/23/12  
Company Comments Sundry notice of intent 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 <u>[Signature]</u>	Date <u>7/12/12</u>	Time <u>0950</u>
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**FOR OFFICE USE ONLY**

Number <b>53</b>	Date	Assessment	Penalty	Termination
Type of Inspection <b>PI</b>				

BLM Remarks, continued

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1. IF YOU DECIDE TO RETURN THE WELL TO PRODUCTION, SUBMIT A SUNDRY NOTICE (FORM 3160-5, ORIGINAL AND 5 COPIES) OF INTENT WITHIN 30 DAYS OF RECEIPT OF THIS LETTER. INCLUDE THE DATE YOU ANTICIPATED THE WELL BEING PLACED BACK IN SERVICE. 43 CFR 3162.4-1(c) ALSO REQUIRES YOU TO NOTIFY THE AUTHORIZED OFFICER, NOT LATER THAN THE FIFTH BUSINESS DAY AFTER PRODUCTION IS RESUMED FOR ANY WELL WHICH HAS BEEN OFF PRODUCTION FOR MORE THAN 90 DAYS, THE DATE ON WHICH SUCH PRODUCTION WAS RESUMED. NOTIFICATION MAY BE BY LETTER OR SUNDRY NOTICE, OR ORALLY FOLLOWED BY LETTER OR SUNDRY NOTICE.

2. IF THE WELL IS TO BE USED FOR BENEFICIAL PURPOSES, SUBMIT A SUNDRY NOTICE (FORM 3160-5, ORIGINAL AND 5 COPIES) WITHIN 30 DAYS OF RECEIPT OF THIS LETTER AND INCLUDE INFORMATION CONCERNING FUTURE USE. A BRIEF DESCRIPTION OF YOUR PROPOSED PLANS AND ECONOMIC FEASIBILITY AND AN ANTICIPATED DATE FOR PLACING THE WELL IN BENEFICIAL USE WILL SUFFICE.

3. IF YOU DECIDE TO PLUG AND ABANDON THE WELL, SUBMIT A SUNDRY NOTICE FORM 3160-5, ORIGINAL AND 5 COPIES) WITHIN 30 DAYS OF RECEIPT OF THIS LETTER AND DESCRIBE THE PROPOSED PLUGGING PROGRAM. FOR MONITORING AND TRACKING PURPOSES:

SUBMIT APPROPRIATE PAPERWORK TO THIS OFFICE

ATTENTION: ROBERT E. HOSKINSON Sr.

IF YOU HAVE ANY QUESTIONS, CONTACT:

Kevin Bussell

Petroleum Engineering Technician

2909 West Second Street

Roswell, NM 88201

Office: (575) 627-0218

Cell: (575) 361-0106

E-Mail: kbussell@blm.gov