

New Mexico Oil Conservation Division, District 1

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1625 N. French Drive
Hobbs, NM 88240

FORM 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.

5. Lease Serial No.
NMNM82040X

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well JAN 28 2013
 Oil Well Gas Well Other

2. Name of Operator
Ridgeway Arizona Oil Corp **RECEIVED**

3a. Address
200 N. Loraine, Suite 1440
Midland, Texas 79701

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

4. Location of Well Footage Sec., T., R., M., or Survey Description
660 FSL 660 FWL
Sec-26, T-07S, R-33E

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

8. Well Name and No.
Jennifer Chaveroo #46

9. API Well No.
30-041-10408

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 <u>INC response</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 recomplete 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.)

In response to INC 13KSB281

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

ACCEPTED FOR RECORD

JAN 11 2013

1st Angel Mayes Agin del

FEB 08 2013

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

Title Production/Regulatory Manager

Signature *Jana True* 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 the rights in the subject lease which would entitle the applicant to conduct operations hereon. *12-29-2013*

Office **ROSWELL 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)

ENTERED IN
AFMSS

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

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Certified Mail - Return Receipt Requested
70081830000260366244

Hand Delivered Received by _____

| | |
|----------------|--------------|
| 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 46 | 1/4 1/4 Section SWSW 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 Jayne June 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 [Signature] Date 11/19/12 Time 13:56

FOR OFFICE USE ONLY

| | | | | |
|---------------------------------|------|------------|---------|-------------|
| Number 1 | Date | Assessment | Penalty | Termination |
| Type of Inspection PI | | | | |

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.