

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

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

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-07S, R-33E

5. Lease Serial No.
NMNM83197

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-San Anders

11. County or Parish, State
Roosevelt

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 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 13KSB091

Ridgeway Arizona has proposed a plugging plan for 2013 to David Glass with BLM on 12/4/12. (A copy of this plan has been attached)

This proposal includes plans to plug and abandon other wells contained in Lease NMNM83197. Ridgeway respectfully requests an extension until 2014 to plug and abandon this well.

REQUEST FOR EXTENSION DENIED
PER INC # 13KSB091;
SUBMIT PLUGGING PROCEDURE ON SUNDRY
NOTICE FORM 3160-5 PRIOR TO
FEBRUARY 15, 2013. LETTER (SEE ATTACHED)
DATED: 12/05/12 DOES NOT ADDRESS THIS WELL.

DENIED

ISI Angel Adams
JAN 24 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 12/21/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Assistant Field Manager,
Lands And Minerals

Title

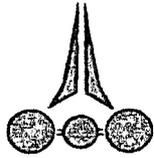
Date

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

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.



Ridgeway
Arizona Oil Corporation

COPY

December 5, 2012

Bureau of Land Management
Roswell Field Office
Attention: David Glass
2909 W. Second Street
Roswell, NM 88201

MAILED
12/5/12 J

Re: Ridgeway Arizona Oil Corp. 2013 plugging plan

Mr. Glass;

Ridgeway Arizona Oil Corp. ("Company") is the operator of record for numerous federal wells within the Chaveroo Field, located in Chaves and Roosevelt Counties, New Mexico.

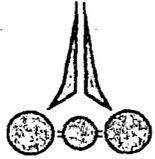
In 2012, Ridgeway Arizona plugged twelve (12) federal wells in the Chaveroo Field. Ridgeway is in the process of compiling its budget for calendar year 2013 and has determined that, in addition to a number of other reactivations and workovers in the Chaveroo Field, plugging of up to twenty (20) wells in 2013 is an achievable goal. Our ability to complete all twenty wells will be dependent upon controlling the total costs associated with each well.

We would propose plugging the following wells in calendar year 2013:

Federal 19 #1 (30-041-20143)
Federal 19 #2 (30-041-10236)
Federal 21 #3 (30-041-10515)
Federal 21 #4 (30-041-10516)
Federal 21B #1 (30-041-20673)
Federal 24 #2 (30-041-10506)
Federal 24 #5 (30-041-10509)
Federal 24 #6 (30-041-10510)
Federal 24 #7 (30-041-10511)
Federal 24 #8 (30-041-10512)
TKL Federal 22 #1 (30-041-10540)
TKL Federal 22 #2 (30-041-10541)
TKL Federal 22 #3 (30-041-10542)
TKL Federal 22 #4 (30-041-10543)
Federal A #2 (30-041-20112)
Federal A #3 (30-041-20154)
Federal 21A #1 (30-041-20023)
Federal 23 #1 (30-041-10527)
Federal 23 #2 (30-041-00196)
Federal 23 #3 (30-041-10529)

200 N. Loraine, STE 1440
Midland, TX 79701

Tel: 432-687-0303
Fax: 432-687-0321



Ridgeway
Arizona Oil Corporation

In order to ensure that we can complete the maximum number of wells in 2013, the Company would like to verify that the Roswell Field Office finds the above listed wells as acceptable candidates for plugging in 2013. We would like to bid the specific wells together and select a contractor for this work in the near future. We request any suggested changes from your office by the end of January 2013.

Please do not hesitate to contact us at any time to discuss. Thank you for your time in reviewing our plugging plan for 2013.

Sincerely,

Jana True

Cc: Kevin Bussell, BLM Roswell Field Office
Jamie Hogue, Ridgeway Arizona Oil Corp.
Andy Chalker, Ridgeway Arizona Oil Corp.

200 N. Loraine, STE 1440
Midland, TX 79701

Tel: 432-687-0303
Fax: 432-687-0321

NOV 28 2012

REC'D NOV 29 2012

BLM COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Certified Mail - Return Receipt Requested
70081830000260366220

Hand Delivered Received by _____

Identification
IID NMNM83197*OEI
Lense NMNM83197
CA
Unit
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 FEDERAL 23 | Well or Facility 7 | 1/4 1/4 Section NWSE 23 | 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 |
|--------------------------------------|------------------------|------------------------------|----------------------|
| 11/14/2012 | 09:00 | 43 CFR 3162.3-4(a) | MINOR |
| Corrective Action To Be Completed By | Date Corrected | Assessment for Noncompliance | Assessment Reference |
| 12/26/2012 | | | 43 CFR 3163.1) |

Remarks

Pursuant to Federal Regulation: 43 CFR 3162.3-4(a) which states "The operator shall promptly plug and abandon, in accordance with a plan first approved in writing or prescribed by the authorized officer.

(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 Jure Date 12/21/12

Company Comments _____

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 14:12

FOR OFFICE USE ONLY

| | | | | |
|--------------------------|------|------------|---------|-------------|
| Number 51 | Date | Assessment | Penalty | Termination |
| Type of Inspection PD | | | | |

BLM Remarks, continued

Due to the lease expiration by cessation of production by BLM-NMSO decision dated 01/30/2012 on lease NMNM 83197, the BLM is requiring the operator to submit a plugging procedure within 30 days of this letter. For the following well, Federal 23 #7.

Correction Action: Submit plugging procedures, Submit Form 3160 -5 (Sundry Notice and Reports on Wells) describe your actions, 1 original and 5 copies are required.