

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, DASWMS  
1625 N. French Drive  
Hobbs, NM 88240

FORM APPROVED  
No. 1004-0137  
Expires: October 31, 2014

Case Serial No.  
NMNM 82040X NM0164650  
6. If Indian, Allottee or Tribe Name

**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  
HOBBS OCD

1. Type of Well

Oil Well     Gas Well     Other

2. Name of Operator  
Ridgeway Arizona Oil Corp

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)  
1980 FNL 660 FEL  
Sec-19, T-07S, R-34E

7. If Unit of CA/Agreement, Name and/or No.  
NM 82040X

8. Well Name and No.  
Jennifer Chaveroo #7

9. API Well No.  
30-041-10653

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 13KSB311

Ridgeway Arizona Oil respectfully requests that it be given until the third quarter of 2013 to begin working on this well.

In response to INC 13KSB321

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

*Please see cover letter to Kevin Bussell's dated 12/20/12 for Ridgeway's plans and requested timeline.*

ACCEPTED FOR RECORD

JAN 11 2013

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

Jana True

NAME ISI Angel Mayes

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 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.

REC'D NOV 29 2012

NOV 28 2012

BLM COPY

Certified Mail - Return Receipt Requested  
7008183000260366244

Hand Delivered Received by

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification
IID
Lease NMNM0164650
CA
Unit NMNM82040X
PA

Bureau of Land Management Office ROSWELL FIELD OFFICE	Operator RIDGWAY 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 7	1/4 1/4 Section SENE 19	Township 7S	Range 34E	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 and or missing information.  
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 Jana Lue Date 12/27/12

Company Comments Sundry response attached

\* Please see cover letter included w/ responses

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 14:21

FOR OFFICE USE ONLY

Number 1	Date	Assessment	Penalty	Termination
Type of Inspection PI				

BLM Remarks, continued

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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.