

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division  
FORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2014  
1625 N. French Drive  
Muskogee, OK 74453  
3- Lease Serial No.  
NMNM0127782

**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 10

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Ridgeway Arizona Oil Corp		8. Well Name and No. TKL Federal 27 #1
3a. Address 200. N Loraine, STE 1440 Midland, TX 79701	3b. Phone No. (include area code) 432-242-4544	9. API Well No. 30-041-10502
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660-FNL & 660-FEL Sec. 27, 07S, 33E		10. Field and Pool or Exploratory Area Chaveroo, San Andres
		11. County or Parish, State Roosevelt County, 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" 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 WO# 14RH01WO

Ridgeway Arizona Oil Corp (Ridgeway) requests approval to plug and abandon TKL Federal 27 #1 according to the attached proposed plugging procedure and well bore diagram.

Ridgeway or a representative of Ridgeway will contact BLM 24 hours prior to beginning plugging procedures.

APPROVED FOR 3 MONTH PERIOD  
ENDING 7/16/2014

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Jana True		Title Production/Regulatory Mgr
Signature <i>Jana True</i>		Date 04/09/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

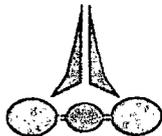
Approved by <u>/s/ JOHN S. SIMITZ</u>	Title <u>Geologist</u>	Date <u>4/16/2014</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <u>ROSWELL FIELD OFFICE</u>

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)

*MSS/OCD 4/21/2014*

APR 21 2014



# Ridgeway

Arizona Oil Corporation

St. Johns Helium/CO<sub>2</sub> Project

Plugging Procedure  
TKL Federal 27 #1  
API-No. 30-041-10502

1. Prepare location and test anchors
2. MIRU plugging rig
3. Notify OCD/BLM 24 hours prior to commencement of P & A procedure.
4. NDWH/NU BOP
5. RIH w-4 ½ CIBP on 2 3/8 WS @ 4100' (+/-) – within 100' of top perf – 4050' (+/-) *witness*
  - a. Spot 35' of cement on CIBP
  - b. WOC – bump plug @ 4065'' (+/-)
6. Load well with a minimum of 9 lb. mud and conduct MIT to 500 psi. , test for leak off.
  - a. Bleed pressure off after MIT.
7. MIRU WL and RIH w/perf gun to 3065' *witness*
  - a. perforate @ 2 JSPF
  - b. POOH w/WL
  - c. RDWL
8. TIH w/WS – Squeeze 40 SX cement plug @ 3065' to 2965' (+/-) *witness*
  - a. Wait on cement
  - b. Tag plug @ 2965' or above.
9. MIRU WL and RIH w/perf gun to 1875'
  - a. 8-5/8" csng. Shoe @ 1850'
  - b. perforate @ 2 JSPF
  - c. POOH w/WL
  - d. RDWL
10. TIH w/WS – Squeeze 40 SX cement plug @ 1875' to 1775' *witness*
  - a. Wait on cement
  - b. Tag plug @ 1775' or above
11. MIRU WL and RIH w/perf gun to 900'
  - a. perforate @ 2 JSPF
  - b. POOH w/WL
  - c. RDWL
12. TIH w/WS – Squeeze 40 SX cement plug @ 900' to 800' *witness*
  - a. Wait on cement
  - b. Tag plug @ 800' or above
13. MIRU WL and RIH w/perf gun to 60'
  - a. perforate @ 2 JSPF
  - b. POOH w/WL
  - c. RDWL
14. TIH w/WS – Circulate cement plug from 60' to surface *witness*
  - a. Wait on cement
  - b. Cut off well head
15. RDMO Plugging Rig
  - a. Install P & A marker plate
  - b. Cut off dead men
  - c. Remediate Location

Co. Rep	0	
Well Name	TKL Federal 27	Well No. 1
Field	Chaveroo	
County	Roosevelt	
State	NM	
Date	1/0/1900	
Date Comp		
KB	0.00	

Description	O.D.	Grade	Weight	Depth	Cmt Sx	TOC
Surface Csg	7	0	20	1850	375	0
Inter Csg	0	0	0	0	0	0
Prod Csg	4 1/2	0	9 1/2	4398	350	0
Liner O.D.	0	0	0	0	0	0

**Failure Analysis**

Perf @ 60'  
Sqz to Surf.

Lease	TKL Federal 27	Well #	1	Field	Chaveroo
Well Test Data	BOPD	BWPD		MCF	
Unit Name & Size					
Perforations		4150-4280			
TBG Data		Pump Size			
Strokes Per. Min.		Stroke Length		Seat Nipple	
Tension		Rods String	Taper 1	Taper 2	
TAC		Rod Grade	Taper 3	Taper 4	
Predictive Load		Actual Load			

**LIST DATES, REASON FOR FAILURES & MEASURES TAKEN TP PREVENT SAID FAILURES & NON FAILURE PULLS.**

Possible Packer @ 4141-4146 according to OCD records

Perf @ 900'  
Sqz 40 SX

**LIST ANY RECOMMENDATIONS TO PREVENT FUTURE FAILURES OR ANY COMMENTS ON WELL CONDITIONS THAT WILL CONTRIBUTE TO FAILURES.**

Perf @ 3065'  
Sqz 40 SX

**Perforations**  
4150-4280

35' Cmt Plug  
CIBP @ 4100'

Perfs  
4150-4280

PBTD @ 4358

ETD @ 0

TD @ 4400

**BUREAU OF LAND MANAGEMENT**  
**Roswell Field Office**  
**2909 West Second Street**  
**Roswell, New Mexico 88201**  
**(575) 627-0272**

**Permanent Abandonment of Federal Wells**  
**Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon. **If you are unable to plug the well by the 90<sup>th</sup> day provide the BLM Roswell Field Office (RFO), prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action. Unless the well has been properly plugged, the rig shall not be removed from over the hole without prior approval.**

2. Notification: Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. Monument: Upon abandonment of the well, all casing shall be cut-off at the base of the cellar or 3-feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Timing Limitation Lease Stipulation / Condition of Approval For Lesser Prairie-Chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1 through June 15 annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D seismic operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

8. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to the BLM Roswell Field Office. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.