

OIL & GAS CONSERVATION COMMISSION
MINUTES OF MEETING / APRIL 18, 2008
STEVEN L RAUZI, OIL & GAS ADMINISTRATOR

NOTICE OF COMBINED PUBLIC MEETING AND POSSIBLE EXECUTIVE SESSION

OIL AND GAS CONSERVATION COMMISSION

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Oil and Gas Conservation Commission and to the general public that the Oil and Gas Conservation Commission will hold a meeting open to the public on April 18, 2008, at 10:00 a.m. in Room 321 of the State Land Department Building located at 1616 West Adams Street, Phoenix, Arizona 85007. As indicated in the agenda, pursuant to A.R.S. § 38-431.03(A)(3) or (4), the Oil and Gas Conservation Commission may vote to go into executive session, which will not be open to the public, for discussion or consultation with its attorney.

The agenda for the meeting is as follows:

1. Call to Order
2. Approval of Minutes of Meeting of January 18, 2008
3. Report of State Geologist and Director about administrative, budget, and staff support matters
4. Report of Oil & Gas Administrator about new permits and drilling activity
5. Status of Ridgeway Arizona Oil Corporation 12-15-30 State (Permit 900)
6. Status of State Land Department decision regarding extension of leases 13-101357 (Permits 895 and 916) and 13-101510 (Permit 897) by payment of shut-in royalty
7. Ridgeway Arizona Oil Corporation request to drill horizontal segments in the 12-34-29X (Permit 954), 12-31-30 (Permit 956), and 12-31-30X (Permit 957) wells
8. Status of Ridgeway Arizona Oil Corporation drilling program between St Johns and Springerville including possible report from a representative of Ridgeway
9. Discussion about Oil and Gas Conservation Commission letterhead
10. Call to the public
 - This is the time for the public to comment. Members of the Commission may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further discussion and decision at a later date.
11. Announcements
12. Adjournment

The Oil and Gas Conservation Commission may vote to go into Executive Session, pursuant to A.R.S. § 38-431.03(A)(3) or (4), which will not be open to the public, to consult with its attorney and receive legal advice with respect to any regular agenda item listed on this agenda.

A copy of the agenda background material provided to Commission members (with the exception of material relating to possible executive sessions) is available for public inspection at the Oil and Gas Administrator's office, 416 West Congress, Suite 100, Tucson, Arizona 85701.

The public may be afforded an opportunity to comment on any item on the agenda; however, at the beginning of the meeting, the Commission may vote to set up a time limit on individual comments.

Dated this 11th day of April 2008

OIL AND GAS CONSERVATION COMMISSION



Steven L. Rauzi
Oil and Gas Program Administrator

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting Steve Rauzi at (520) 770-3500. Requests should be made as early as possible to allow time to arrange the accommodation. This document is available in alternative formats by contacting Steve Rauzi at (520) 770-3500.

OIL AND GAS CONSERVATION COMMISSION
416 West Congress #100
Tucson, Arizona 85701

Minutes of Meeting
January 18, 2008

Present:

Dr. J. Dale Nations, Chairman
Mr. Robert L. Jones, Vice-Chairman
Mr. Stephen R. Cooper, Member
Ms. Michele P. Negley, Member
Mr. Robert L. Wagner, Member
Mr. Steven L. Rauzi, Oil and Gas Program Administrator

Mr. Robert L. Jones, Vice-Chairman, called the regular Commission Meeting of January 18 to order at 10:15 a.m. in Room 321, State Land Department Building in Phoenix, Arizona.

APPROVAL OF THE MINUTES OF THE MEETING OF OCTOBER 19, 2007

Ms. Negley moved, seconded by Mr. Wagner:

THAT THE MINUTES OF THE MEETING OF OCTOBER 19, 2007 BE
ACCEPTED AS PRESENTED

Motion carried unanimously.

REPORT OF THE OIL AND GAS ADMINISTRATOR

The activity report of Mr. Rauzi was sent to the Commissioners and has been made a part of these minutes. He reported that three permits were issued to Ridgeway for wells at its CO₂ project near St Johns, Enterprise Products continued to make improvements to its LPG facility near Holbrook, and the final rulemaking adopted in the October 19, 2007, meeting was approved by the Governor's Regulatory Review Council and published in the Arizona Administrative Register in December. Mr. Rauzi reviewed the state's new travel policy.

DISCUSSION ABOUT HIGH PLAINS PETROLEUM 1-17 SANTA FE (PERMIT 934)

Mr. Rauzi reported that High Plains will plug and abandon the 1-17 Santa Fe because no commercial amounts of oil and gas were found. Mr. Somers reported that the testing results were sufficiently positive for a follow-up well to test the potential of Permian strata.

DISCUSSION ABOUT RIDGEWAY ARIZONA OIL CORPORATION 12-15-30 STATE (PERMIT 900)

Mr. Rauzi reported that Ridgeway would be plugging the well in the first half of 2008. Mr. White reported that Ridgeway has set rig anchors and was preparing to plug the well.

DISCUSSION ABOUT RIDGEWAY ARIZONA OIL CORPORATION 22-1X STATE (PERMIT 888), 11-21 STATE (PERMIT 895), 10-22 STATE (PERMIT 896), 9-21 STATE (PERMIT 897), 11-18 STATE (PERMIT 916), 11-16-30 STATE (PERMIT 937), 11-29-30 STATE (PERMIT 938), 11-06-31 STATE (PERMIT 939), 11-07-31 STATE (PERMIT 940), 11-18-31 STATE (PERMIT 941), 11-20-31 STATE (PERMIT 942), 11-29-31 STATE (PERMIT 943), 11-32-31 STATE (PERMIT 944), 11-24-29 STATE (PERMIT 945), 11-32-30 STATE (PERMIT 946), AND 12-32-31

STATE (PERMIT 947); POSSIBLE REPORT FROM A REPRESENTATIVE OF RIDGEWAY,
AND POSSIBLE DECISION CONCERNING EXTENSION OF TEMPORARY
ABANDONMENT

Mr. Rauzi discussed the information that Ridgeway submitted for the wells drilled in 2007 and the status of all of the wells including three on leases pending a decision from the Land Department to extend the leases by paying shut-in royalty. He recommended conditional extension of temporary abandonment to January 2008 for the 11-21, 9-21, and 11-18 and extension of temporary abandonment to January 2008 for the remainder of the wells.

Mr. Rice reported that the Land Department anticipated a decision on the shut-in royalty issue regarding the 11-21, 9-21, and 11-18 wells in the near future and wanted to see all of the wells fully tested and either completed as gas wells or plugged and abandoned in the next year. He discussed the issue of the lessee's obligations and access to the wells pending the Land Department's decision to extend leases by payment of shut-in royalties.

Mr. Portman discussed Ridgeway's program to test every well to either be included as a reserve well in an SEC-quality reservoir report from Cawly & Gillespie or plugged and abandoned. He explained that Ridgeway needed the report to demonstrate at least two trillion cubic ft of reserves to justify construction of a pipeline to the Permian Basin.

Mr. White discussed the timeline to drill new wells in 2008 and complete the work that Ridgeway wanted to accomplish for the wells drilled in 2007 and previous years. He discussed Ridgeway's perspective regarding the shut-in royalty issue.

Mr. Jones moved, seconded by Ms. Negley:

TO EXTEND TEMPORARY ABANDONMENT OF THE 22-1X , 11-21, 10-22, 9-21, 11-18, 11-16-30 , 11-29-30 , 11-06-31 , 11-07-31 , 11-18-31 , 11-20-31 , 11-29-31 , 11-32-31, 11-24-29 , 11-32-30 , AND 12-32-31 THROUGH JANUARY 2009

Motion carried unanimously.

Mr. White and Mr. Rice discussed the issue of liability for the wells pending a decision from the Land Department regarding the shut-in royalty issue. The Commission requested its counsel, Mr. Cox, to look into the liability issue. Mr. Cox advised that Ridgeway should also explore the question of liability with its counsel in light of its concern about the issue.

DISCUSSION ABOUT OIL AND GAS CONSERVATION COMMISSION LETTERHEAD

Mr. Rauzi drafted a letterhead like the one the Commission had used when it was a stand-alone agency in Phoenix. The Commission agreed with a suggestion from Mr. Wagner to modify the drafted layout slightly and add the Oil and Gas Program Administrator for another review at the next meeting.

ELECTION OF OFFICERS

Ms. Negley moved, seconded by Mr. Wagner:

TO CONTINUE THE CURRENT OFFICERS FOR TWO MORE YEARS

The motion carried unanimously.

CALL TO THE PUBLIC

None

ANNOUNCEMENTS

Dr. Nations introduced Curtis Cox who replaced Laurie Woodall as counsel to the Commission. The Commission scheduled its next meeting at 10:00 a.m. on April 18, 2008, in room 321 at the State Land Department Building in Phoenix.

ADJOURNMENT

Mr. Jones moved, seconded by Mr. Wagner:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:20 a.m.

APPROVED


J. Dale Nations
Chairman

GUESTS IN ATTENDANCE

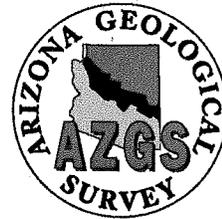
Paul Buff	Bureau of Land Management State Office
Curtis Cox	Assistant Attorney General
Joe Dixon	State Land Department
Mike Dennis	State Land Department
Barry Portman	Enhanced Oil Resources (formerly Ridgeway Petroleum and parent of Ridgeway Arizona Oil Corporation)
Mike Rice	State Land Department
John Somers	High Plains Petroleum
Scott Somers	High Plains Petroleum
Thomas White	Ridgeway Arizona Oil Corporation
Pam Wilkerson	Arizona Geological Survey



Janet Napolitano
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500
www.azgs.az.gov



M. Lee Allison
Director and State Geologist

April 10, 2008

To: Oil and Gas Conservation Commissioners
From: ^{SLR} Steven L. Rauzi, Oil and Gas Administrator
Re: Activity Report for the April 18, 2008, Meeting

Eighteen new permits to drill were issued since your last meeting on January 18 to Ridgeway Arizona Oil Corporation for wells at its CO₂ project between St Johns and Springerville. So far this year, Ridgeway has permitted 21 wells and drilled ten. Ridgeway intends to plug and abandon the 12-15-30 State (Permit 900), which is on a lease picked up by Hunt Oil, by the end of April.

The State Land Department may be ready with its decision regarding Ridgeway's request to extend two leases in the St Johns area by paying shut-in royalties. Ridgeway has three wells on these leases: the 11-21 State (Permit 895) and 11-18 State (Permit 916) are on one of the leases. The 9-21 State (Permit 897) is on the other.

Ridgeway submitted application to drill horizontal segments in the 12-34-29X (Permit 954), 12-31-30 (Permit 956) and 12-31-30X (Permit 957) wells. Drilling a horizontal segment in a well requires approval of the Commission in an open meeting. Applications must include the operator's name, address and telephone number; the identity of the field, lease, well, permit number, reservoir, and county; a plat or sketch showing distance from the surface location to section and lease lines and the target location; the reason for the intentional deviation; and the operator's signature. Ridgeway has submitted this information and will be making a presentation in support of its application to drill the horizontal segments.

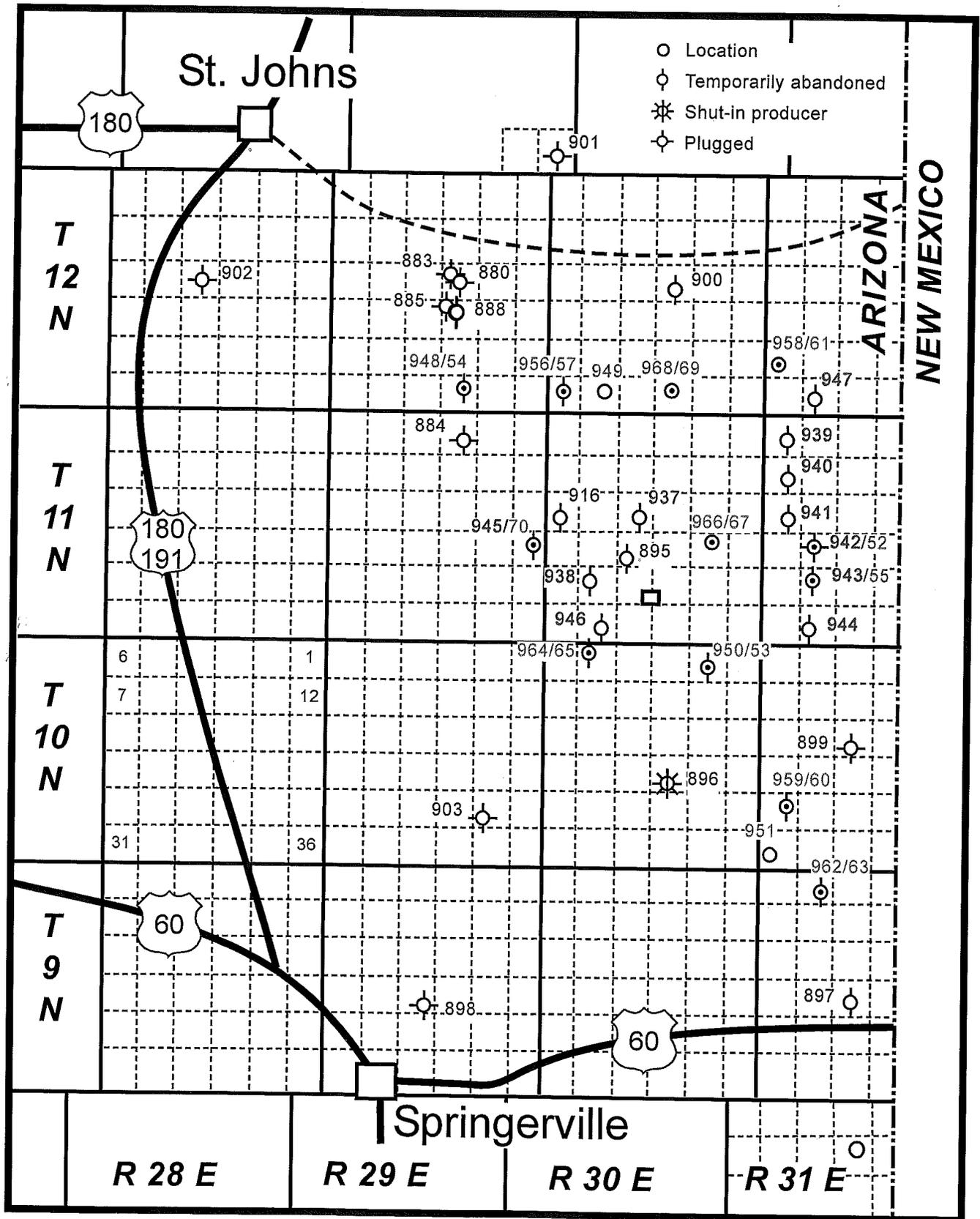
Enterprise Products continues to make significant improvements to its LPG storage facility at Adamana. They are in the process of replacing wellheads and performing mechanical integrity tests (MIT's) on the remaining five of the eleven wells at the facility. Enterprise is installing a new flare stack at the brine ponds, erecting chain link fence with security gates around the brine pond and cavern areas, and adding nine new switching tracks for railroad tanker cars.

Plains LPG Services is also making significant improvements to its storage facility near Luke. Plains has installed security gates to the chain link fence around its cavern area and repacked and graveled the dikes around its brine ponds.

Location and status of Ridgeway Arizona Oil Corp wells in east-central Arizona

<u>Permit</u>	<u>Well</u>	<u>Location Sec-Twp-Rge</u>	<u>Total Depth</u>	<u>Status and comment</u>
880	1 Plateau Cattle	ne sw 15-12n-29e	2431 ft	Completed as gas 8/1994, plugged 9/1997
883	1A Plateau Cattle	ne sw 15-12n-29e	220 ft	Drilled 11/1994, plugged 11/1997
884	3-1 State	ne se 3-11n-29e	1813 ft	Completed as gas 10/1995, plugged 9/2004
885	22-1 State	nw nw 22-12n-29e	218 ft	Drilled 8/1995, plugged 8/1997
888	22-1X State	se nw 22-12n-29e	2149 ft	Completed as gas & shut-in 6/1997
890	35-1 State	ne sw 35-12n-29e	not drilled	Permit expired 4/1997
891	10-1 State	sw ne 10-11n-29e	not drilled	Permit expired 4/1997
892	11-1 State	se nw 11-11n-29e	not drilled	Permit expired 4/1997
893	2-1 State	se nw 2-11n-29e	not drilled	Permit expired 4/1997
895	11-21 State	ne sw 21-11n-30e	2410 ft	Drilled 3/1997, temporarily abandoned
896	10-22 State	sw sw 22-10n-30e	2265 ft	Completed as gas 7/2002; shut in 3/2004
897	9-21 State	sw ne 21-9n-31e	2686 ft	Drilled 3/1997, temporarily abandoned
898	9-22-29 State	sw se 22-9n-29e	3180 ft	Drilled 4/1997, plugged 2/2004
899	10-16-31 State	ne sw 16-10n-31e	2728 ft	Drilled 5/1997, plugged 2/2004
900	12-15-30 State	ne sw 15-12n-30e	2603 ft	Drilled 5/1997, temporarily abandoned
901	13-36-29 State	sw ne 36-13n-29e	2454 ft	Drilled & plugged 5/1997
902	12-16-28 State	nw ne 16-12n-28e	2280 ft	Drilled 5/1997, plugged 1/2005
903	10-26-29 State	nw sw 26-10n-29e	3200 ft	Drilled 5/1997, plugged 1/2000
904	15-28-29 State	ne nw 28-15n-29e	2410 ft	Drilled & plugged 6/1997
915	11-33 State	ne sw 33-11n-30e	not drilled	Permit expired 10/2004
916	11-18 State	c sw 18-11n-30e	2535 ft	Drilled 5/2004, temporarily abandoned
917	10-13 State	ne sw 13-10n-30e	not drilled	Permit expired 10/2004
937	11-16-30 State	nw se 16-11n-30e	2377 ft	Drilled 3/2007, temporarily abandoned
938	11-29-30 State	se nw 29-11n-30e	1906 ft	Drilled 2/2007, temporarily abandoned
939	11-06-31 State	nw se 06-11n-31e	2711 ft	Drilled 4/2007, temporarily abandoned
940	11-07-31 State	nw se 07-11n-31e	1885 ft	Drilled 4/2007, temporarily abandoned
941	11-18-31 State	nw se 18-11n-31e	2035 ft	Drilled 4/2007, temporarily abandoned
942	11-20-31 State	se nw 20-11n-31e	1934 ft	Drilled 5/2007, plugged 2/10/08
943	11-29-31 State	se nw 29-11n-31e	2850 ft	Drilled 5/2007, RU 7 dy flow test 2/7/08
944	11-32-31 State	ne sw 32-11n-31e	2900 ft	Drilled 5/2007, temporarily abandoned
945	11-24-29 State	sw ne 24-11n-29e	1906 ft	Drilled 2/2007, Reenter 2/5/08
946	11-32-30 State	c se 32-11n-30e	1690 ft	Drilled 3/2007, temporarily abandoned
947	12-32-31 State	ne sw 32-12n-31e	85 ft	Spudded 5/2007, temporarily abandoned
948	12-34-29 State	nw ne 34-12n-29e	1140 ft	Spudded 2/15/2008, blow out plugged 2/18
949	12-32-30 State	sw ne 32-12n-30e	not drilled	Permitted 1/10/2008
950	10-02-30 State	sw ne 02-10n-30e	2650 ft	Spudded 1/31/2008, 7" at 2330
951	10-31-31 State	nw sw 31-10n-31e	not drilled	Permitted 3/25/08
952	11-20-31x State	se nw 20-11n-31e	not drilled	Permitted 1/29/2008
953	10-02-30x State	sw ne 02-10n-30e	1899 ft	Spudded 2/27/2008, 9 5/8 at 1147
954	12-34-29x State	nw ne 34-12n-29e	2792 ft	Spudded 2/20/08, TVD 2034
955	11-29-31x State	se nw 29-11n-31e	1909 ft	Spudded 3/12/2008, 7" at 1909
956	12-31-30 State	se nw 31-12n-30e	2321 ft	Spudded 3/1/08, retainer at 2031
957	12-31-30x State	se nw 31-12n-30e	1682 ft	Spudded 3/16/08, retainer at 1640
958	12-30-31 State	sw sw 30-12n-31e	not drilled	Permitted 2/04/08
959	10-29-31 State	sw ne 29-10n-31e	2869 ft	Spudded 3/09/08, 5 1/2" at 2490
960	10-29-31x State	sw ne 29-10n-31e	not drilled	Permitted 2/04/08
961	12-30-31x State	sw sw 30-12n-31e	not drilled	Permitted 3/04/08
962	09-05-31 State	nw se 05-09n-31e		Spudded 4/02/08, lost air hammer
963	09-05-31x State	nw se 05-09n-31e	not drilled	Permitted 3/21/08
964	10-05-30 State	nw nw 05-10n-30e	1003 ft	Spudded 3/28/08, 13 3/8" to 1003
965	10-05-30x State	nw nw 05-10n-30e	not drilled	Permitted 3/21/08
966	11-23-30 State	nw ne 23-11n-30e	not drilled	Permitted 3/21/08
967	11-23-30x State	nw ne 23-11n-30e	not drilled	Permitted 3/21/08
970	11-24-29x State	sw ne 24-11n-29e	not drilled	Permitted 3/25/08

Ridgeway Arizona Oil Corporation Wells



4/09/08



MILES

Data Status for wells spudded or drilled in 2007

Permit	Well Name	Location	Start	Finish	Depth	SN	Mud	Wire	Test	Gas	Comment
937	11-16-30 State	nw se 16-11n-30e	02/26	03/14	2377 ft	1912		GR	X	X	1.1 mmcf/d 4-27 to 5-11
938	11-29-30 State	se nw 29-11n-30e	01/26	02/05	1906 ft	1911	X		X	X	2.5 mmcf/d
939	11-06-31 State	nw se 06-11n-31e	03/17	04/05	2711 ft	1918			X	X	2.65 mmcf/d 4-13 to 5-8
940	11-07-31 State	nw se 07-11n-31e	04/07	04/24	1885 ft	1915					WOE & surf csg at 1885
941	11-18-31 State	nw se 18-11n-31e	04/09	04/24	2035 ft	1917					WOCT & high wtr flow
942	11-20-31 State	se nw 20-11n-31e	04/24	05/14	1934 ft	1916					WOE & surf csg at 1934
943	11-29-31 State	se nw 29-11n-31e	04/26	05/14	2850 ft		X	X	X		Rig for 7 dy flow test 2/7
944	11-32-31 State	ne sw 32-11n-31e	04/26	05/14	2900 ft	1919					WOE, fish in hole
945	11-24-29 State	sw ne 24-11n-29e	02/12	02/27	1906 ft	1913		GR	X	X	DIL Feb 08
946	11-32-30 State	c se 32-11n-30e	02/16	03/08	1690 ft	1914				X	WOCT, no flow test
947	12-32-31 State	ne sw 32-12n-31e	04/26	05/14	0085 ft						Conductor to 85

Data Status for wells spudded or drilled in 2008

948	12-34-29 State	nw ne 34-12n-29e	02/15	02/17	1140 ft	1920					Plugged due to bad hole
950	10-02-30 State	ne sw 02-10n-30e	01/29	02/19	2330 ft						7" at 2330'
953	10-02-30x State	ne sw 02-10n-30e	02/27		1899 ft						Evaluate
954	12-34-29x State	nw ne 34-12n-29e	02/20	03/04	2217 ft		X	X			il, ml, nfd, dir survey
955	11-29-31x State	se nw 29-11n-31e	03/12		1377 ft		X				9 5/8" at 812'
956	12-31-30 State	se nw 31-12n-30e	02/22	3/10	2321 ft	1921	X				7" at 2091'
957	12-31-30x State	se nw 31-12n-30e	03/16		0995 ft	1922	X				9 5/8" at 995'
959	10-29-31 State	sw ne 29-10n-31e	03/09		2869 ft	1923	X	X			cbl, nfd
962	9-05-31 State	nw se 05-09n-31e	04/02								Lost air hammer
963	9-05-31x State	nw se 05-09n-31e									Granite wash test
964	10-05-30 State	nw nw 05-10n-30e	03/28		1003 ft						Lost 600' csg

4/08/08

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

RIDGEWAY ARIZONA OIL CORP

Address

City

State

Phone Number

P O BOX 1110 (590 S White Mountain Dr) St. Johns, AZ 85936 (928) 337-3230

Drilling Contractor

RIDGEWAY ARIZONA OIL CORP

Address

SAME

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor

13-104762

Well number

State 12-34-29X

Elevation (ground)

6555'

Nearest distance from proposed location to property or lease line:

955

feet

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:

East 50'

feet

Number of acres in lease

2440.64

Number of wells on lease, including this well, completed in or drilling to this reservoir:

1

If lease purchased with one or more wells drilled, from whom purchased.

Name

Address

Well location (give footage from section lines)

955' FNL + 1504' FEL

Section - Township - Range or Block and Survey

S.34 T12N R29E G4SRM

Dedication per A.A.C. R12-7-104(A)(3)

All/Amos Wash

Field and reservoir (if wildcat, so state)

Wildcat

County

Apache

Distance in miles and direction from nearest town or post office

N40° 39' E 13.48 Miles from Springerville P.O.

Proposed depth:

2200 +/-

Rotary or cable tools

Rotary

Approximate date work will start

2-15-08

Bond status

on file

Organization Report

On file Or attached

Filing Fee of \$25.00

Attached

Remarks

API # 02-001-20347

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Field Operations Supervisor of the Ridgeway Arizona Oil Corp (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature

1-9-08

Date

Mail completed form to:
Oil and Gas Program Administrator
Arizona Geological Survey
416 W. Congress, #100
Tucson, AZ 85701-1315

Permit Number: 954

Approval Date: 1-29-08

Approved By: SL Roring

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

**STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION**

Application to Drill or Re-enter
File Two Copies

Form No. 3

1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
2. A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.
3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
4. Is the operator the only owner in the dedicated acreage outlined on the plat below ? YES NO
5. If the answer to question four is no, have the interests of all owners been consolidated by communitization agreement or otherwise? YES NO If answer is yes, give type of consolidation _____
6. If the answer to question four is no, list all the owners and their respective interests below:

Owner RIDGEWAY ARIZONA OIL CROP P O BOX 1110 ST JOHNS, AZ 85936	Land Description NE 1/4 S.34 T12N R29E G+SRM
	<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p style="text-align: right;"><i>[Signature]</i></p> <p>Name Thomas White</p> <p>Position Field Operations Supv</p> <p>Company Ridgeway AZ Oil Corp</p> <p>Date Jan 9 2008</p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed 7 Jan 2008</p> <p>Registered Land Surveyor <i>[Signature]</i></p> <p>Certificate No. RLS 31028</p>



PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
16"	36#	J-55	0	80	0-80	100 sks	Ready Mix
9 5/8"			0	2000	0-2000	500 sks	Class C Foam

Enhanced Oil Resources, Inc.



Azimuths to Grid North
 True North: -0.98°
 Magnetic North: 9.55°
 Magnetic Field
 Strength: 49540.6snT
 Dip Angle: 61.18°
 Date: 3/14/2008
 Model: IGRF200510

954

Project: Well #12-34-29X
 Site: Well # 12-34-29X
 Well: Well #12-34-29X
 Wellbore: Original Hole
 Plan: Plan #4 (Well #12-34-29X/Original Hole)

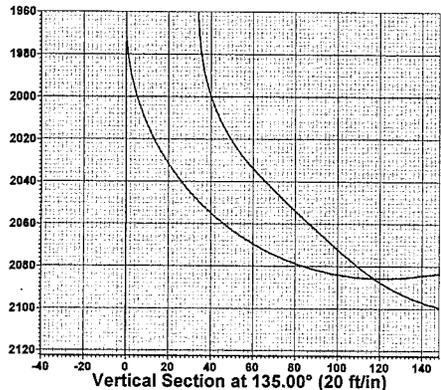


EOW

WELL DETAILS: Well #12-34-29X

Ground Elevation: 0.00
 RKB Elevation: WELL @ 0.00ft (Original Well Elev)
 Rig Name: Original Well Elev

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	12493326.000	2166197.000	34° 24' 2.821 N	109° 15' 23.368 W	



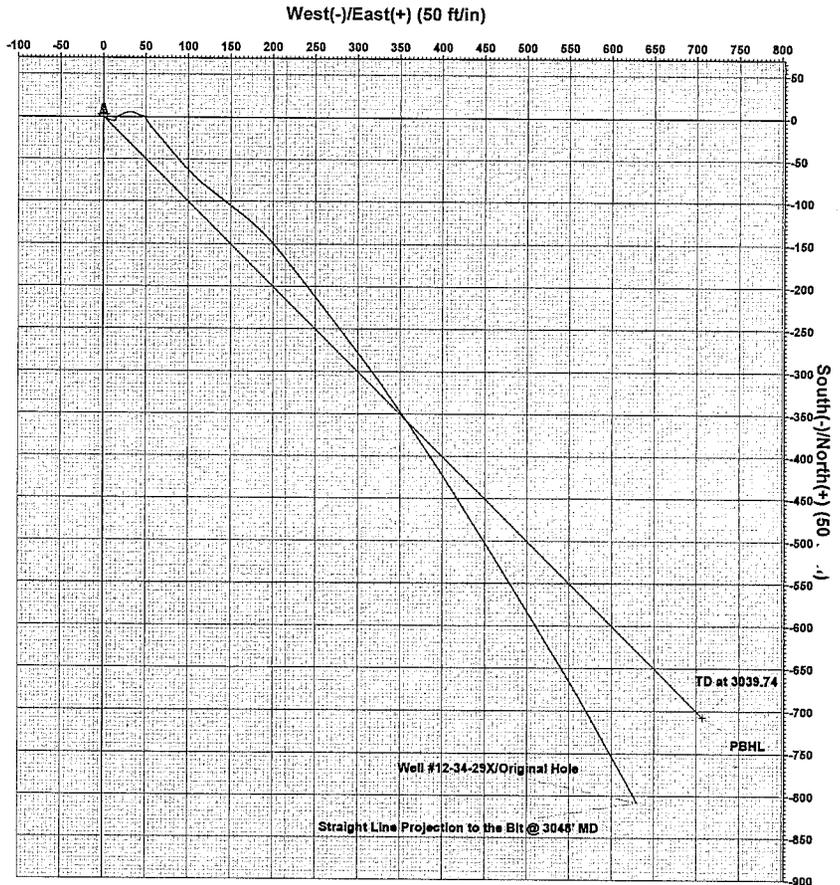
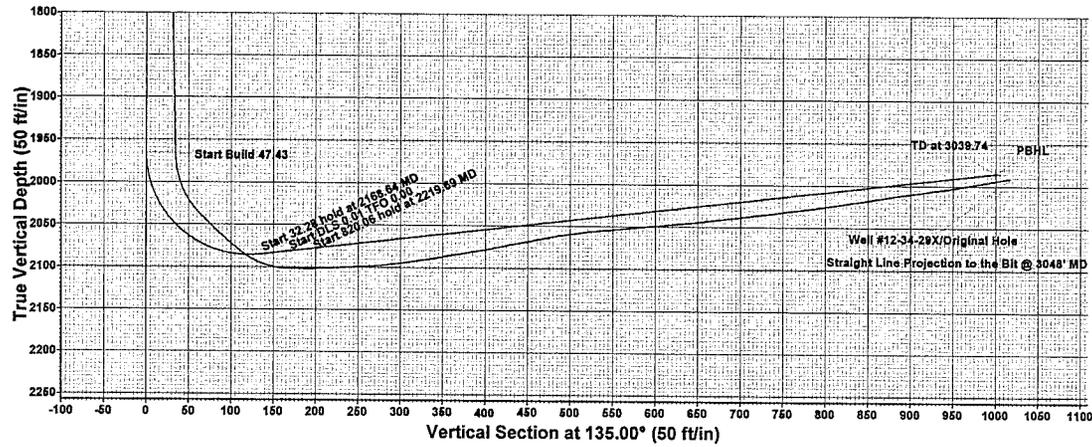
SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	1965.00	0.00	0.00	1965.00	0.00	0.00	0.00	0.00	0.00	
3	2168.64	96.59	135.00	2085.00	-95.22	95.22	47.43	135.00	134.66	
4	2200.92	96.59	135.00	2081.29	-117.89	117.89	0.00	0.00	166.73	
5	2219.69	96.59	135.00	2079.14	-131.07	131.07	0.01	0.00	166.37	
6	3039.74	96.59	135.00	1985.00	-707.11	707.11	0.00	0.00	1000.00	PBHL

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL	1985.00	-707.11	707.11	12492618.890	2166904.110	Point

PROJECT DETAILS: Well # 12-34-29X
 Geodetic System: Universal Transverse Mercator (US Survey Feet)
 Datum: NAD83 Arizona - HARN
 Ellipsoid: GRS 1980
 Zone: Zone 12N (114 W to 108 W)
 System Datum: Mean Sea Level
 Local North: Grid



Plan: Plan #4 (Well #12-34-29X/Original Hole)
 Created By: Mark Freeman Date: 9:54, March 28 2008
 Checked: _____ Date: _____

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

Ridgeway AZ Oil Corp

Address

City

State

Phone Number

P O Box 1110 590 S White Mtn. Dr. St. Johns, AZ 85936 928-337-3230

Drilling Contractor

Ridgeway AZ Oil Corp

Address

P O Box 1110 590 S White Mtn. Dr. St. Johns, AZ 85936 928-337-3230

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor

13-110246

Well number

State 12-31-30

Elevation (ground)

6667.3'

Nearest distance from proposed location to property or lease line:

1900 feet

Distance from proposed location to nearest drilling, completed or applied for well on the same lease:

None

Number of acres in lease

626.86

Number of wells on lease, including this well, completed in or drilling to this reservoir:

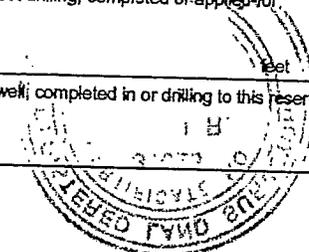
One

If lease purchased with one or more wells drilled, from whom purchased.

Name

N/A

Address



Well location (give footage from section lines)

1900' FNL + 2071 FNL

Section - Township - Range or Block and Survey

S. 31 T12N R 30E

Dedication per A.A.C. R12-7-104(A)(3)

640 +/-

Field and reservoir (if wildcat, so state)

Wildcat

County

Apache

Distance in miles and direction from nearest town or post office

From Springerville P.O. N12°48'57E 18.7 miles

Proposed depth: 2550'

Rotary or cable tools

rotary

Approximate date work will start

07-02-06

Bond status

on file

Organization Report

On file Or attached

Filing Fee of \$25.00

Attached

Remarks

API # 02-001-20349

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Field Operations Supervisor of the Ridgeway AZ Oil Corp. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature

May 19, 2006

Date

Mail completed form to:
Oil and Gas Program Administrator
Arizona Geological Survey
416 W. Congress, #100
Tucson, AZ 85701-1315

Permit Number: 956

Approval Date: 2-4-2008

Approved By: SL Rantz

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

**STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION**

Application to Drill or Re-enter
File Two Copies

Form No. 3

(Complete Reverse Side)

5/96

1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
2. A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.
3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
4. Is the operator the only owner in the dedicated acreage outlined on the plat below? YES NO
5. If the answer to question four is no, have the interests of all owners been consolidated by communitization agreement or otherwise? YES NO If answer is yes, give type of consolidation _____
6. If the answer to question four is no, list all the owners and their respective interests below: _____

Owner Ridgeway AZ Oil Corp.	Land Description NW 1/4 S. 31 T12N R30E G+SRM
<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p style="text-align: right;"><i>Thomas White</i></p>	
<p>Name Thomas White</p> <p>Position Field Operations Sup.</p> <p>Company Ridgeway AZ Oil Corp.</p> <p>Date May 19, 2006</p>	
<p style="text-align: center;">REGISTERED LAND SURVEYOR</p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p style="text-align: center;">Signed _____ ARIZONA U.S.A.</p>	
<p>Date Surveyed 25 Apr 2006</p> <p>Registered Land Surveyor <i>[Signature]</i></p> <p>Certificate No. ARLS 31028</p>	

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
8 5/8"	23#	K55	0	800'	800'	400 sks	Class B
5"	5#	Fiberglass	800'	2500'	2550' +/-	600 sks	50/50 pos

Enhanced Oil Resources

Project: 12-30-31
 Site: 12-30-31 12-31-30
 Well: 12-30-31
 Wellbore: OH
 Plan: Plan #1 (12-30-31/OH)

956



Azimuths to Grid North
 True North: -1.07°
 Magnetic North: 9.41°

Magnetic Field
 Strength: 49559.8snT
 Dip Angle: 61.21°
 Date: 04/09/2008
 Model: IGRF200510



WELL DETAILS: 12-30-31

Ground Elevation: 0.00
 RKB Elevation: WELL @ 0.00ft (Original Well Elev)
 Rig Name: Original Well Elev

+N-S	+E-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	12496197.79	2210584.85	34° 24' 23.35509 N	109° 6' 33.08286 W	

SECTION DETAILS

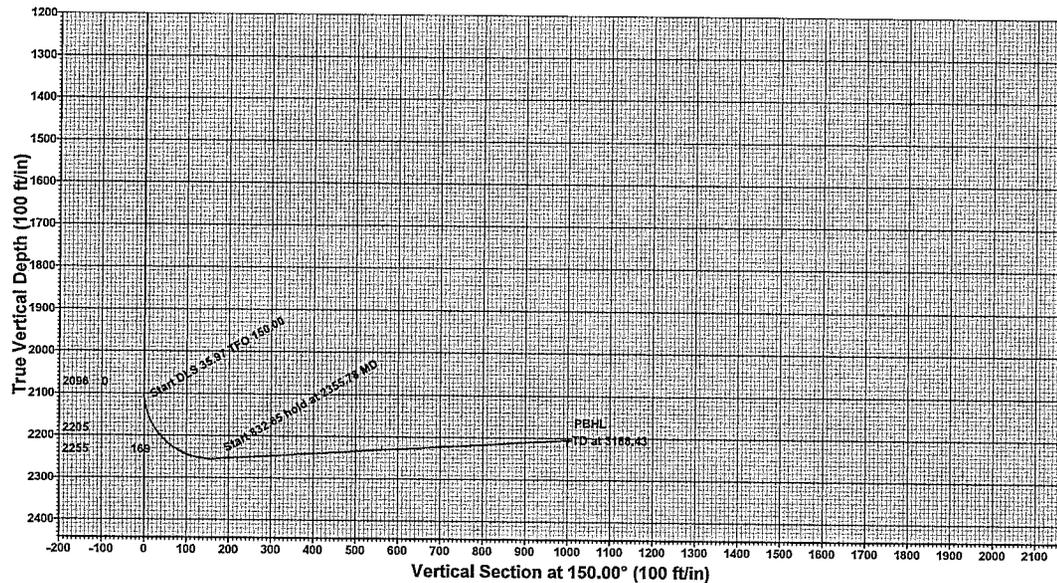
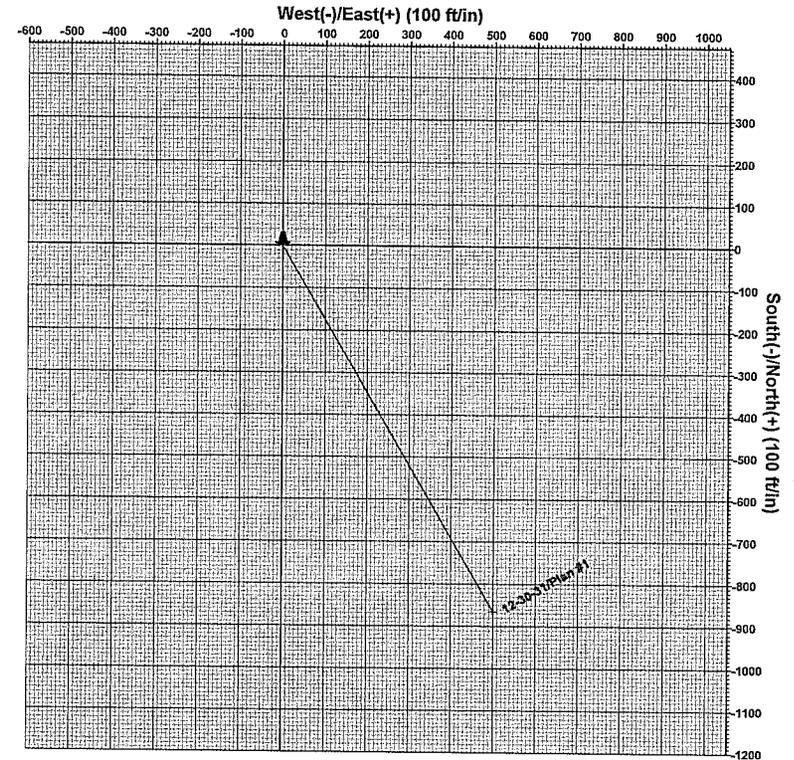
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	2096.00	0.00	0.00	2096.00	0.00	0.00	0.00	0.00	0.00	
3	2355.78	93.44	150.00	2255.00	-146.23	84.43	35.97	150.00	168.85	
4	3188.43	93.44	150.00	2205.00	-866.03	500.00	0.00	0.00	1000.00	PBHL

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL	2205.00	-866.03	500.00	12495331.76	2211084.85	Point

COMPANY DETAILS: Enhanced Oil Resources	
Calculation Method:	Minimum Curvature
Error System:	ISCWSA
Scan Method:	Closest Approach 3D
Error Surface:	Elliptical Conic
Warning Method:	Error Ratio

PROJECT DETAILS: 12-30-31	
Geodetic System:	Universal Transverse Mercator (US Survey Feet)
Datum:	NAD83 Arizona - HARN
Ellipsoid:	GRS 1980
Zone:	Zone 12N (114 W to 108 W)
System Datum:	Mean Sea Level
Local North:	Grid



CASING DETAILS

TVD	MD	Name	Size
2091.00	2091.00	7"	7"

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR
RIDGEWAY ARIZONA OIL CORP

Address City State Phone Number
P O BOX 1110 (5902 S White Mountain Dr) ST JOHNS, AZ 85936 (928) 337-3230

Drilling Contractor
RIDGEWAY ARIZONA OIL CORP

Address SAME

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor 13-110246	Well number State 12-31-30X	Elevation (ground) 6675'
Nearest distance from proposed location to property or lease line: 1867 feet	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease: North 50' feet	
Number of acres in lease 626.86	Number of wells on lease, including this well, completed in or drilling to this reservoir: 1	

If lease purchased with one or more wells drilled, from whom purchased. Name Address

Well location (give footage from section lines) 2019' FNL + 1867' FNL	Section - Township - Range or Block and Survey S.31, T12N, R30E	Dedication per A.A.C. R12-7-104(A)(3) All/Amos Wash
Field and reservoir (if wildcat, so state) Wildcat	County Apache	

Distance in miles and direction from nearest town or post office
N12°51'E 18.71 miles from Springerville P.O.

Proposed depth: 2200 +/-	Rotary or cable tools Rotary	Approximate date work will start 2-15-08
Bond status <u>On file</u> Amount	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/>

Remarks

API # 02-001-20350

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Field Operations Supervisor of the Ridgeway Arizona Oil Corp (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature
1-9-08

Date

Mail completed form to:
Oil and Gas Program Administrator
Arizona Geological Survey
416 W. Congress, #100
Tucson, AZ 85701-1315

Permit Number: 957
Approval Date: 2-4-2008
Approved By: SL Ravis

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

**STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION**

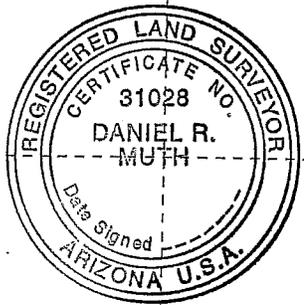
Application to Drill or Re-enter
File Two Copies

Form No. 3

P/N 957

- Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
- A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.
- ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
- Is the operator the only owner in the dedicated acreage outlined on the plat below? YES NO
- If the answer to question four is no, have the interests of all owners been consolidated by communitization agreement or otherwise? YES NO If answer is yes, give type of consolidation _____
- If the answer to question four is no, list all the owners and their respective interests below:

Owner RIDGEWAY ARIZONA OIL CORP P O BOX 1110 ST JOHNS, AZ 85936	Land Description NW 1/4 S. 31 T12N R30E G75RM
	<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>[Signature]</i></p> <p>Name Thomas White</p> <p>Position Field Operations Supv</p> <p>Company Ridgeway AZ Oil Corp</p> <p>Date Jan 9, 2008</p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed 7 Jan 2008</p> <p>Registered Land Surveyor <i>[Signature]</i></p> <p>Certificate No. RLS 31028</p>



PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
16"	36#	J-55	0	80	0-80	100 sks	Readymix
9 5/8"			0	2000	0-2000	500 sks	Class C Foam

Enhanced Oil Resources

Project: 12-30-31X
 Site: 12-30-31X
 Well: 12-30-31X
 Wellbore: OH
 Plan: Plan #1 (12-30-31X/OH)

12-30-30X
 957



Azimuths to Grid North
 True North: -1.07°
 Magnetic North: 9.41°
 Magnetic Field
 Strength: 49559.8snT
 Dip Angle: 61.21°
 Date: 04/09/2008
 Model: IGRF200510



WELL DETAILS: 12-30-31X

Ground Elevation: 0.00
 RKB Elevation: WELL @ 0.00ft (Original Well Elev)
 Rig Name: Original Well Elev

+N-S	+E-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	12496197.79	2210684.85	34° 24' 23.33664 N	109° 6' 31.88958 W	

SECTION DETAILS

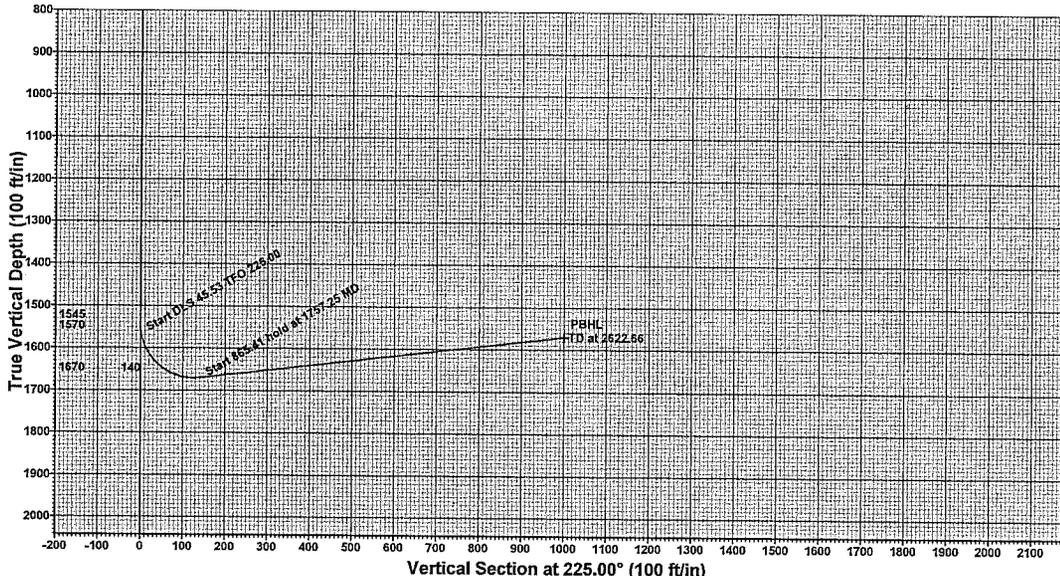
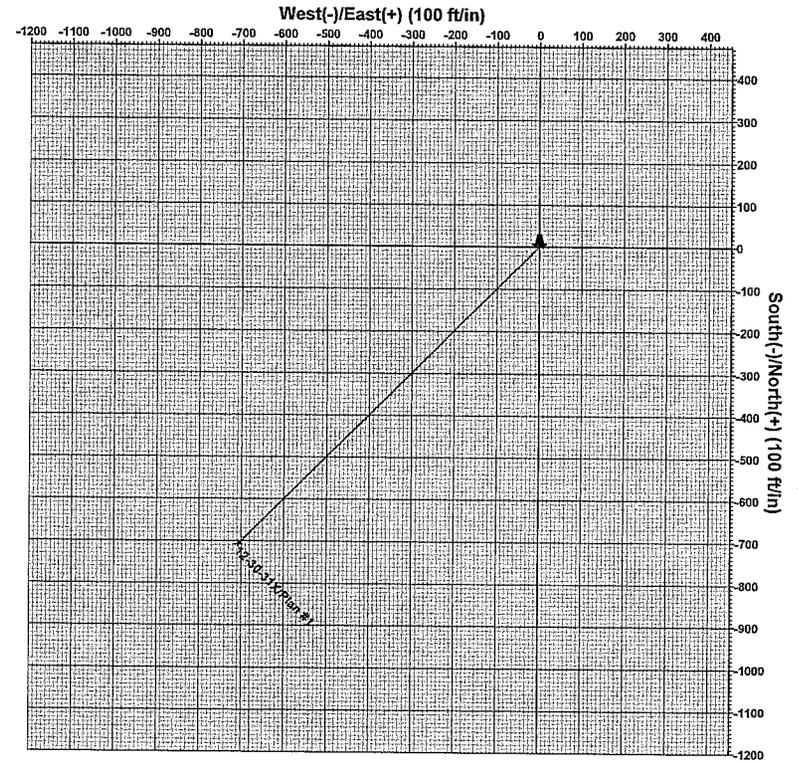
Sec	MD	Inc	Azi	TVD	+N-S	+E-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	1545.00	0.00	0.00	1545.00	0.00	0.00	0.00	0.00	0.00	
3	1757.25	96.64	225.00	1670.00	-89.27	-89.27	45.53	225.00	140.38	
4	2622.66	96.64	225.00	1570.00	-707.11	-707.11	0.00	0.00	1000.00	PBHL

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N-S	+E-W	Northing	Easting	Shape
PBHL	1570.00	-707.11	-707.11	12495490.68	2209977.74	Point

COMPANY DETAILS: Enhanced Oil Resources
 Calculation Method: Minimum Curvature
 Error System: ISCWSA
 Scan Method: Closest Approach 3D
 Error Surface: Elliptical Conic
 Warning Method: Error Ratio

PROJECT DETAILS: 12-30-31X
 Geodetic System: Universal Transverse Mercator (US Survey Feet)
 Datum: NAD83 Arizona - HARN
 Ellipsoid: GRS 1980
 Zone: Zone 12N (114 W to 108 W)
 System Datum: Mean Sea Level
 Local North: Grid



CASING DETAILS

TVD	MD	Name	Size
1540.00	1540.00	7"	7"

Plan: Plan #1 (12-30-31X/OH)
 Created By: Derek Stephens Date: 17:28, April 09 2008



Janet Napolitano
Governor

Oil and Gas Conservation Commission

State of Arizona

416 W. Congress, Suite 100

Tucson, Arizona 85701

520-770-3500

~~www.azgs.az.gov~~

Steven L. Rauzi, Oil and Gas Administrator

www.azogcc.az.gov

DRAFT

AOGCC MTG APR 18, 2008

<u>Name</u>	<u>Representing</u>
Joe Dixon	AZ State Land Dept.
Thomas White	R.A.O.C.
Barry Portman	R A O C