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 Cawley & 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:


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

[Signature]
I. Dale Nations
Chairman

GUESTS IN ATTENDANCE

Paul Buff
Curtis Cox
Joe Dixon
Mike Dennis
Barry Portman
Mike Rice
John Somers
Scott Somers
Thomas White
Pam Wilkerson
Bureau of Land Management State Office
Assistant Attorney General
State Land Department
State Land Department
Enhanced Oil Resources (formerly Ridgeway Petroleum and parent of Ridgeway Arizona Oil Corporation)
State Land Department
High Plains Petroleum
High Plains Petroleum
Ridgeway Arizona Oil Corporation
Arizona Geological Survey
April 10, 2008

To: Oil and Gas Conservation Commissioners

From: 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

<table>
<thead>
<tr>
<th>Permit</th>
<th>Well Description</th>
<th>Location</th>
<th>Total Depth</th>
<th>Status and Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>880</td>
<td>1 Plateau Cattle</td>
<td>ne sw 15-12n-29e</td>
<td>2431 ft</td>
<td>Completed as gas 8/1994, plugged 9/1997</td>
</tr>
<tr>
<td>884</td>
<td>3-1 State</td>
<td>ne se 3-11n-29e</td>
<td>1813 ft</td>
<td>Completed as gas 10/1995, plugged 9/2004</td>
</tr>
<tr>
<td>885</td>
<td>22-1 State</td>
<td>nw nw 22-12n-29e</td>
<td>218 ft</td>
<td>Drilled 8/1995, plugged 8/1997</td>
</tr>
<tr>
<td>888</td>
<td>22-1X State</td>
<td>se nw 22-12n-29e</td>
<td>2149 ft</td>
<td>Completed as gas &amp; shut-in 6/1997</td>
</tr>
<tr>
<td>890</td>
<td>35-1 State</td>
<td>ne sw 35-12n-29e</td>
<td>not drilled</td>
<td>Permit expired 4/1997</td>
</tr>
<tr>
<td>891</td>
<td>10-1 State</td>
<td>sw ne 10-11n-29e</td>
<td>not drilled</td>
<td>Permit expired 4/1997</td>
</tr>
<tr>
<td>892</td>
<td>11-1 State</td>
<td>se nw 11-11n-29e</td>
<td>not drilled</td>
<td>Permit expired 4/1997</td>
</tr>
<tr>
<td>893</td>
<td>2-1 State</td>
<td>sw nw 2-11n-29e</td>
<td>not drilled</td>
<td>Permit expired 4/1997</td>
</tr>
<tr>
<td>895</td>
<td>11-21 State</td>
<td>ne sw 21-11n-30e</td>
<td>2410 ft</td>
<td>Drilled 3/1997, temporarily abandoned</td>
</tr>
<tr>
<td>897</td>
<td>9-21 State</td>
<td>sw ne 21-9n-31e</td>
<td>2686 ft</td>
<td>Drilled 3/1997, temporarily abandoned</td>
</tr>
<tr>
<td>899</td>
<td>10-16-31 State</td>
<td>ne sw 16-10n-31e</td>
<td>2728 ft</td>
<td>Drilled 5/1997, plugged 2/2004</td>
</tr>
<tr>
<td>900</td>
<td>12-15-30 State</td>
<td>ne sw 15-12n-30e</td>
<td>2603 ft</td>
<td>Drilled 5/1997, temporarily abandoned</td>
</tr>
<tr>
<td>901</td>
<td>13-36-29 State</td>
<td>sw ne 36-13n-29e</td>
<td>2454 ft</td>
<td>Drilled &amp; plugged 5/1997</td>
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<tr>
<td>902</td>
<td>12-16-28 State</td>
<td>nw ne 16-12n-28e</td>
<td>2280 ft</td>
<td>Drilled 5/1997, plugged 1/2005</td>
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<tr>
<td>903</td>
<td>10-26-29 State</td>
<td>nw sw 26-10n-29e</td>
<td>3200 ft</td>
<td>Drilled 5/1997, plugged 1/2000</td>
</tr>
<tr>
<td>915</td>
<td>11-33 State</td>
<td>ne sw 33-11n-30e</td>
<td>not drilled</td>
<td>Permit expired 10/2004</td>
</tr>
<tr>
<td>916</td>
<td>11-18 State</td>
<td>c sw 18-11n-30e</td>
<td>2535 ft</td>
<td>Drilled 5/2004, temporarily abandoned</td>
</tr>
<tr>
<td>917</td>
<td>10-13 State</td>
<td>ne sw 13-10n-30e</td>
<td>not drilled</td>
<td>Permit expired 10/2004</td>
</tr>
<tr>
<td>937</td>
<td>11-16-30 State</td>
<td>nw se 16-11n-30e</td>
<td>2377 ft</td>
<td>Drilled 3/2007, temporarily abandoned</td>
</tr>
<tr>
<td>938</td>
<td>11-29-30 State</td>
<td>se nw 29-11n-30e</td>
<td>1906 ft</td>
<td>Drilled 2/2007, temporarily abandoned</td>
</tr>
<tr>
<td>939</td>
<td>11-06-31 State</td>
<td>nw se 06-11n-31e</td>
<td>2711 ft</td>
<td>Drilled 4/2007, temporarily abandoned</td>
</tr>
<tr>
<td>940</td>
<td>11-07-31 State</td>
<td>nw se 07-11n-31e</td>
<td>1885 ft</td>
<td>Drilled 4/2007, temporarily abandoned</td>
</tr>
<tr>
<td>941</td>
<td>11-18-31 State</td>
<td>nw se 18-11n-31e</td>
<td>2035 ft</td>
<td>Drilled 4/2007, temporarily abandoned</td>
</tr>
<tr>
<td>942</td>
<td>11-20-31 State</td>
<td>se nw 20-11n-31e</td>
<td>1934 ft</td>
<td>Drilled 5/2007, plugged 2/10/08</td>
</tr>
<tr>
<td>943</td>
<td>11-29-31 State</td>
<td>se nw 29-11n-31e</td>
<td>2850 ft</td>
<td>Drilled 5/2007, RU 7 dy flow test 2/7/08</td>
</tr>
<tr>
<td>945</td>
<td>11-24-29 State</td>
<td>sw ne 24-11n-29e</td>
<td>1906 ft</td>
<td>Drilled 2/2007, Reenter 5/2/08</td>
</tr>
<tr>
<td>946</td>
<td>11-32-30 State</td>
<td>c se 32-11n-30e</td>
<td>1690 ft</td>
<td>Drilled 3/2007, temporarily abandoned</td>
</tr>
<tr>
<td>947</td>
<td>12-32-31 State</td>
<td>ne sw 32-12n-31e</td>
<td>85 ft</td>
<td>Spudded 5/2007, temporarily abandoned</td>
</tr>
<tr>
<td>948</td>
<td>12-34-29 State</td>
<td>nw ne 34-12n-29e</td>
<td>1140 ft</td>
<td>Spudded 2/15/2008, blow out plugged 2/18</td>
</tr>
<tr>
<td>949</td>
<td>12-32-30 State</td>
<td>sw ne 32-12n-30e</td>
<td>not drilled</td>
<td>Permitted 1/10/2008</td>
</tr>
<tr>
<td>950</td>
<td>10-02-30 State</td>
<td>sw ne 02-10n-30e</td>
<td>2650 ft</td>
<td>Spudded 1/31/2008, 7&quot; at 2330</td>
</tr>
<tr>
<td>951</td>
<td>10-31-31 State</td>
<td>nw sw 31-10n-31e</td>
<td>not drilled</td>
<td>Permitted 3/25/08</td>
</tr>
<tr>
<td>952</td>
<td>11-20-31x State</td>
<td>se nw 20-11n-31e</td>
<td>not drilled</td>
<td>Permitted 1/29/2008</td>
</tr>
<tr>
<td>953</td>
<td>10-02-30x State</td>
<td>sw ne 02-10n-30e</td>
<td>1899 ft</td>
<td>Spudded 2/27/2008, 9 5/8 at 1147</td>
</tr>
<tr>
<td>954</td>
<td>12-34-29x State</td>
<td>nw ne 34-12n-29e</td>
<td>2792 ft</td>
<td>Spudded 2/20/08, TVD 2034</td>
</tr>
<tr>
<td>955</td>
<td>11-29-31x State</td>
<td>se nw 29-11n-31e</td>
<td>1909 ft</td>
<td>Spudded 3/12/2008, 7&quot; at 1909</td>
</tr>
<tr>
<td>956</td>
<td>12-31-30 State</td>
<td>se nw 31-12n-30e</td>
<td>2321 ft</td>
<td>Spudded 3/1/08, retainer at 2031</td>
</tr>
<tr>
<td>957</td>
<td>12-31-30x State</td>
<td>se nw 31-12n-30e</td>
<td>1682 ft</td>
<td>Spudded 3/16/08, retainer at 1640</td>
</tr>
<tr>
<td>958</td>
<td>12-30-31 State</td>
<td>sw sw 30-12n-31e</td>
<td>not drilled</td>
<td>Permitted 2/04/08</td>
</tr>
<tr>
<td>959</td>
<td>10-29-31 State</td>
<td>sw ne 29-10n-31e</td>
<td>2869 ft</td>
<td>Spudded 3/09/08, 5 1/2” at 2490</td>
</tr>
<tr>
<td>960</td>
<td>10-29-31x State</td>
<td>sw ne 29-10n-31e</td>
<td>not drilled</td>
<td>Permitted 2/04/08</td>
</tr>
<tr>
<td>961</td>
<td>12-30-31x State</td>
<td>sw sw 30-12n-31e</td>
<td>not drilled</td>
<td>Permitted 3/04/08</td>
</tr>
<tr>
<td>962</td>
<td>09-05-31 State</td>
<td>nw se 05-09n-31e</td>
<td>1880 ft</td>
<td>Spudded 4/20/08, lost air hammer</td>
</tr>
<tr>
<td>963</td>
<td>09-05-31x State</td>
<td>nw se 05-09n-31e</td>
<td>not drilled</td>
<td>Permitted 3/21/08</td>
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<tr>
<td>964</td>
<td>10-05-30 State</td>
<td>nw nw 05-10n-30e</td>
<td>1003 ft</td>
<td>Spudded 3/28/08, 13 3/8” to 1003</td>
</tr>
<tr>
<td>965</td>
<td>10-05-30x State</td>
<td>nw nw 05-10n-30e</td>
<td>not drilled</td>
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<tr>
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<td>11-23-30 State</td>
<td>nw ne 23-11n-30e</td>
<td>not drilled</td>
<td>Permitted 3/21/08</td>
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<tr>
<td>967</td>
<td>11-23-30x State</td>
<td>nw ne 23-11n-30e</td>
<td>not drilled</td>
<td>Permitted 3/25/08</td>
</tr>
<tr>
<td>970</td>
<td>11-24-29x State</td>
<td>sw ne 24-11n-29e</td>
<td>not drilled</td>
<td>Permitted 3/25/08</td>
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</table>

04/08/2008
### Data Status for wells spudded or drilled in 2007

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

### Data Status for wells spudded or drilled in 2008

<table>
<thead>
<tr>
<th>Permit</th>
<th>Well Name</th>
<th>Location</th>
<th>Start</th>
<th>Finish</th>
<th>Depth</th>
<th>SN</th>
<th>Mud</th>
<th>Wire</th>
<th>Test</th>
<th>Gas</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>948</td>
<td>12-34-29 State</td>
<td>nw ne 34-12n-29e</td>
<td>02/15</td>
<td>02/17</td>
<td>1140 ft</td>
<td>1920</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Plugged due to bad hole</td>
</tr>
<tr>
<td>950</td>
<td>10-02-30 State</td>
<td>ne sw 02-10n-30e</td>
<td>01/29</td>
<td>02/19</td>
<td>2330 ft</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7&quot; at 2330' Evaluate</td>
</tr>
<tr>
<td>953</td>
<td>10-02-30x State</td>
<td>ne sw 02-10n-30e</td>
<td>02/27</td>
<td></td>
<td>1899 ft</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>il, ml, nfd, dir survey</td>
</tr>
<tr>
<td>954</td>
<td>12-34-29x State</td>
<td>nw ne 34-12n-29e</td>
<td>02/20</td>
<td>03/04</td>
<td>2217 ft</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td>9 5/8&quot;, at 812'</td>
</tr>
<tr>
<td>955</td>
<td>11-29-31x State</td>
<td>se nw 29-111-31e</td>
<td>03/12</td>
<td></td>
<td>1377 ft</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td>7&quot; at 2091' 9 5/8&quot; at 995'</td>
</tr>
<tr>
<td>956</td>
<td>12-31-30 State</td>
<td>se nw 31-12n-30e</td>
<td>02/22</td>
<td>3/10</td>
<td>2321 ft</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1921</td>
<td>X</td>
</tr>
<tr>
<td>957</td>
<td>12-31-30x State</td>
<td>se nw 31-12n-30e</td>
<td>03/16</td>
<td></td>
<td>0995 ft</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1922</td>
<td>X</td>
</tr>
<tr>
<td>959</td>
<td>10-29-31 State</td>
<td>sw ne 29-10n-31e</td>
<td>03/09</td>
<td></td>
<td>2869 ft</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1923</td>
<td>X</td>
</tr>
<tr>
<td>962</td>
<td>9-05-31 State</td>
<td>nw se 05-09n-31e</td>
<td>04/02</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>cbl, nfd Lost air hammer</td>
</tr>
<tr>
<td>963</td>
<td>9-05-31x State</td>
<td>nw se 05-09n-31e</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Granite wash test</td>
</tr>
<tr>
<td>964</td>
<td>10-05-30 State</td>
<td>nw nw 05-10n-30e</td>
<td>03/28</td>
<td></td>
<td>1003 ft</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lost 600' csg</td>
</tr>
</tbody>
</table>

4/08/08
# APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

**APPLICATION TO DRILL** X  
**RE-ENTER OLD WELL** □

## NAME OF COMPANY OR OPERATOR

RIDGEWAY ARIZONA OIL CORP

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

## Drilling Contractor

**Address**  
SAME

## DESCRIPTION OF WELL AND LEASE

<table>
<thead>
<tr>
<th>Federal, State or Indian Lease Number, or if fee lease, name of lessor</th>
<th>Well number</th>
<th>Elevation (ground)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-104762</td>
<td>State 12-34-29X</td>
<td>6555'</td>
</tr>
</tbody>
</table>

**Nearest distance from proposed location to property or lease line:**  
955 feet

**Distance from proposed location to nearest 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**

<table>
<thead>
<tr>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

## Well location (give footage from section lines)

<table>
<thead>
<tr>
<th>Field and reservoir (if wildcard, so state)</th>
<th>Section - Township - Range or Block and Survey</th>
<th>Dedication per A.A.C. R12-7-104(A)(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wildcat</td>
<td>5:34 T12N R29E GSRM</td>
<td>All/Amos Wash</td>
</tr>
</tbody>
</table>

**Distance in miles and direction from nearest town or post office**

<table>
<thead>
<tr>
<th>N40° 39.5' 18.46 Miles from Springerville P.O.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Proposed depth:**  
2200 +/-

**Rotary or cable tools**

**Organization Report**

**Approximate date work will start**

2-15-08

**Bond status**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>on file</td>
</tr>
</tbody>
</table>

**Remarks**

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
</table>

**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**

**Date** 1-9-08

---

**Permit Number:** 954  
**Approval Date:** 1-29-08  
**Approved By:**  

**STATE OF ARIZONA**  
**OIL & GAS CONSERVATION COMMISSION**  
Application to Drill or Re-enter  
File Two Copies  
Form No. 3

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

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>RIDGEWAY ARIZONA OIL CROP</td>
<td>NE 1/4 S.34 T12N R29E</td>
</tr>
<tr>
<td>P O BOX 1110 ST JOHNS, AZ 85936</td>
<td>G+5RM</td>
</tr>
</tbody>
</table>

**CERTIFICATION**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name: Thomas White  
Position: Field Operations Supv  
Company: Ridgeway AZ Oil Corp  
Date: Jan 9, 2008

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.

Date Surveyed: 7 Jan 2008  
Registered Land Surveyor: Daniel R. Muth  
Certificate No: 165 31028

**PROPOSED CASING PROGRAM**

<table>
<thead>
<tr>
<th>Size of Casing</th>
<th>Weight</th>
<th>Grade &amp; Type</th>
<th>Top</th>
<th>Bottom</th>
<th>Cementing Depths</th>
<th>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>16&quot;</td>
<td>36#</td>
<td>J-55</td>
<td>0</td>
<td>80</td>
<td>0-80</td>
<td>100 sks</td>
<td>Ready Mix</td>
</tr>
<tr>
<td>9 5/8&quot;</td>
<td></td>
<td></td>
<td>0</td>
<td>2000</td>
<td>0-2000</td>
<td>500 sks</td>
<td>Class C</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Foam</td>
<td>Foam</td>
</tr>
</tbody>
</table>
# APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

**APPLICATION TO DRILL** ☑  **RE-ENTER OLD WELL** ☐

## NAME OF COMPANY OR OPERATOR
Ridgeway AZ Oil Corp

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>P O Box 1110</td>
<td>590 S White Mtn. Dr. St. Johns, AZ</td>
<td>85936</td>
<td>928-337-3230</td>
</tr>
</tbody>
</table>

## Drilling Contractor
Ridgeway AZ Oil Corp

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>P O Box 1110</td>
<td>590 S White Mtn. Dr. St. Johns, AZ</td>
<td>85936</td>
<td>928-337-3230</td>
</tr>
</tbody>
</table>

## DESCRIPTION OF WELL AND LEASE

- **Federal, State or Indian Lease Number, or if fee lease, name of lessor**
  - 13-110246

- **State 12-31-30.**

- **Elevation (ground)**
  - 6667.5'

- **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 drilled to this reservoir:**
  - One

- **If lease purchased with one or more wells drilled, from whom purchased:**
  - N/A

## Well Location (give footage from section lines)

- **1900’ FNL + 2071 FNL**

## Section - Township - Range or Block and Survey

- **S.31 T12N R30E**

## Field and reservoir (if wildcat, so state)

- **Wildcat**

## County

- Apache

## Distance in miles and direction from nearest town or post office

- From Springfield P.O. N12°48'57" E 18.7 miles

## Proposed depth:

- 2550'

## Rotary or cable tools:

- rotary

## Organization Report:

- On file

## Approximate date work will start:

- 07-02-06

## Bond status:

- On file

## Bond Amount:

- $50,000.00

## 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**

[Signature]

**Date**

May 19, 2006

## Permit Number:

- 956

## Approval Date:

- 2-4-2008

## Approved By:

- [Signature]

## 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)
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 X NO

5. If the answer to question four is no, have the interests of all owners been consolidated by communification 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:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ridgeway AZ Oil Corp.</td>
<td>NW 1/4 S. 31 T12N R30E G+5EM</td>
</tr>
</tbody>
</table>

**CERTIFICATION**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed: Thomas White

Position: Field Operations Sup.

Company: Ridgeway AZ Oil Corp.

Date: May 19, 2006

**PROPOSED CASING PROGRAM**

<table>
<thead>
<tr>
<th>Size of Casing</th>
<th>Weight</th>
<th>Grade &amp; Type</th>
<th>Top</th>
<th>Bottom</th>
<th>Cementing Depths</th>
<th>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 5/8&quot; x 5&quot;</td>
<td>23#</td>
<td>K55 Fiberglass</td>
<td>0</td>
<td>800'</td>
<td>800' +/-</td>
<td>400 sks</td>
<td>Class B</td>
</tr>
<tr>
<td></td>
<td>5#</td>
<td></td>
<td>800'</td>
<td>2500'</td>
<td>2550' +/-</td>
<td>600 sks</td>
<td>50/50 pos</td>
</tr>
</tbody>
</table>
APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

NAME OF COMPANY OR OPERATOR
RIDGEWAY ARIZONA OIL CORP

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>P O BOX 1110</td>
<td>ST JOHNS</td>
<td>AZ</td>
<td>(928) 337-3230</td>
</tr>
</tbody>
</table>

Drilling Contractor
RIDGEWAY ARIZONA OIL CORP

<table>
<thead>
<tr>
<th>Address</th>
<th>Same</th>
</tr>
</thead>
</table>

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:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
</table>

Well location (give footage from section lines)
2019'FNL + 1867'FNL

Section - Township - Range or Block and Survey
S.31, T.12N, R.30E

Dedication per A.A.C. R12-7-104(A)(3)
All/Amp Wash

Field and reservoir (if wildcard, so state)
Wildcat

Distance in miles and direction from nearest town or post office
18.71 miles from Springfield P.O.

Proposed depth:
2200 +/-

Rotary or cable tools
Rotary

Organization Report
On file X Or attached

Filing Fee of $25.00
Attached X

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

Date 1-9-08

Permit Number: 957

Approval Date: 2-4-2008

Approved By: SC Evans

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)
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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 [x] NO __________

5. If the answer to question four is no, have the interests of all owners been consolidated by communization 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
RIDGECWAY ARIZONA OIL CORP
P O BOX 1110 ST JOHNS, AZ 85936

Land Description
NW 1/4 S 31 T12N R30E G&SM

CERTIFICATION
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name
Thomas White
Position
Field Operations Supv
Company
Ridgeway AZ Oil Corp
Date
Jan 9, 2008

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.

Date Surveyed
07 Jan 2008
Registered Land Surveyor
Daniel R. Muth
Certificate No.
31028

PROPOSED CASING PROGRAM

<table>
<thead>
<tr>
<th>Size of Casing</th>
<th>Weight</th>
<th>Grade &amp; Type</th>
<th>Top</th>
<th>Bottom</th>
<th>Cementing Depths</th>
<th>Sacks</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>16&quot; 9 5/8&quot;</td>
<td>36#</td>
<td>J-55</td>
<td>0</td>
<td>80</td>
<td>0-80 0-2000</td>
<td>100 sks</td>
<td>Readymix</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>2000</td>
<td>0-2000</td>
<td>500 sks</td>
<td>Class C Foam</td>
</tr>
</tbody>
</table>
Enhanced Oil Resources

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

WELL DETAILS: 12-30-31X

Ground Elevation: 0.00
Rig Elev. Elevation: N.W.E. (Original Well Elev)
Original Well Elev: 1246.89

Section Details

<table>
<thead>
<tr>
<th>Sec</th>
<th>MD</th>
<th>Inc</th>
<th>Azm</th>
<th>TVD</th>
<th>+N-S</th>
<th>+E-W</th>
<th>DLog</th>
<th>TFace</th>
<th>Vibe</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>2</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>1564.50</td>
</tr>
<tr>
<td>3</td>
<td>1726.25</td>
<td>96.64</td>
<td>220.60</td>
<td>1670.60</td>
<td>-94.27</td>
<td>-94.27</td>
<td>45.33</td>
<td>220.60</td>
<td>140.35</td>
<td></td>
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<tr>
<td>4</td>
<td>2622.46</td>
<td>96.64</td>
<td>220.60</td>
<td>1570.00</td>
<td>-707.11</td>
<td>-707.11</td>
<td>0.00</td>
<td>0.00</td>
<td>1500.00</td>
<td>PBHL</td>
</tr>
</tbody>
</table>

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

<table>
<thead>
<tr>
<th>Name</th>
<th>TVD</th>
<th>+N-S</th>
<th>+E-W</th>
<th>Northing</th>
<th>Easting</th>
<th>Shape</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBHL</td>
<td>1564.50</td>
<td>-707.11</td>
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COMPANY DETAILS: Enhanced Oil Resources

Calculation Method: Minimum Curvature
Error System: IROVSA
Scan Method: Closest Approach 3D
Error Surface: Elliptical Cubic
Warning Method: Error Ratio

PROJECT DETAILS: 12-30-31X

Geodetic System: Universal Transverse Mercator (UTM) System
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

<table>
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<tr>
<th>TVD</th>
<th>MD</th>
<th>Name</th>
<th>Size</th>
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<td>1540.00</td>
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Created By: Derek Stephens Date: 17/28, April 09 2008

Ammutia to Grid North
True North: 1.67°
Magnetic North: 0.44°
Magnetic Field Strength: 4935.80
Dip Angle: 01.23°
Date: 06/19/2008
Model: IGRF2005
Oil and Gas Conservation Commission
State of Arizona
416 W. Congress, Suite 100
Tucson, Arizona 85701
520-770-3500
www.azgic.az.gov

Steven L. Rauzi, Oil and Gas Administrator
<table>
<thead>
<tr>
<th>Name</th>
<th>Representing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe Dixon</td>
<td>AZ State Land Dept.</td>
</tr>
<tr>
<td>Thomas White</td>
<td>R.A.O.C.</td>
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<tr>
<td>Barry Portman</td>
<td>R.A.O.C.</td>
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</table>