

OIL & GAS CONSERVATION COMMISSION
— MINUTES OF MEETING/JANUARY 16, 2009 —
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 January 16, 2009, at 10:00 a.m. in Room 321 of the State Land Department Building located at 1616 West Adams Street, Phoenix, Arizona 85007.

The agenda for the meeting is as follows:

1. Call to Order
2. Approval of Minutes of Meeting of October 17, 2008
3. Conflicts of interest
4. Report of State Geologist and Director about administrative, budget, and staff support matters
5. Report of Oil & Gas Administrator about new permits and drilling activity
6. El Paso Natural Gas Corporation request for temporary abandonment for wells 1-24 SunCor (Permit 909), 1-19 SunCor (Permit 911), and 1-12 Kakerlee (Permit 912), Maricopa County, and possible decision concerning request for temporary abandonment
7. Ridgeway Arizona Oil Corporation request for shut-in status for well 11-21 State (Permit 895) and objection by Gary Kiehne and possible decision concerning request for shut-in status
8. Ridgeway Arizona Oil Corporation request for shut-in status for wells 22-1X State (Permit 888), 10-22 State (Permit 896), 9-21 State (Permit 897), 11-16-30 State (Permit 937), 11-29-30 State (Permit 938), 11-06-31 State (Permit 939), 11-29-31 State (Permit 943), 11-24-29 State (Permit 945), 12-34-29x State (Permit 954), and 11-23-30 State (Permit 966) and possible decision concerning request for shut-in status
9. Ridgeway Arizona Oil Corporation request for temporary abandonment for wells 11-18 State (Permit 916), 11-07-31 State (Permit 940), 11-18-31 State (Permit 941), 11-32-31 State (Permit 944), 11-32-30 State (Permit 946), 12-32-31 State (Permit 947), 10-02-30 State (Permit 950), 10-02-30x State (Permit 953), 11-29-31x State (Permit 955), 12-31-30 State (Permit 956), 12-31-30x State (Permit 957), 10-29-31 State (Permit 959), 09-05-31 State (Permit 962), 09-05-31x State (Permit 963), 10-05-30 State (Permit 964), and 11-24-29x State (Permit 970) and possible decision concerning request for temporary abandonment
10. Status of Ridgeway Arizona Oil Corporation drilling program between St Johns and Springerville including possible report from a representative of Ridgeway
11. 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.
12. Announcements
13. 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 9th day of January 2009

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
October 17, 2008

Present:

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

Dr. J. Dale Nations, Chairman, called the regular Commission Meeting of October 17 to order at 10:00 a.m. at the offices of the Arizona Geological Survey in Tucson, Arizona.

APPROVAL OF THE MINUTES OF THE MEETING OF JULY 18, 2008

Mr. Jones moved, seconded by Ms. Negley:

THAT THE MINUTES OF THE MEETING OF JULY 18, 2008, BE ACCEPTED
AS PRESENTED

Motion carried unanimously.

REPORT OF STATE GEOLOGIST AND DIRECTOR OF ARIZONA GEOLOGICAL SURVEY

None

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 since the July 18 meeting, two to Ridgeway Arizona Oil Corporation for wells in its ongoing CO₂ project between St Johns and Springerville and one to Wind River Resources for a 7,000 ft well in northwestern Arizona about 10 miles southeast of St. George, Utah. Mr. Rauzi reported that Wind River was drilling below 1,100 ft.

STATUS OF RIDGEWAY ARIZONA OIL CORPORATION 12-15-30 STATE (PERMIT 900)

Mr. Rauzi reported that Ridgeway plugged and abandoned the 12-15-30 well. He notified the current lessee, Hunt Oil, that Ridgeway had plugged the well.

APPEAL BY GARY KIEHNE OF DETERMINATION OF SHUT-IN STATUS FOR RIDGEWAY ARIZONA OIL CORPORATION WELL NUMBER 11-21 STATE (PERMIT 895) AND STATE'S MOTION TO DISMISS.

Dr. Nations reported that the subject matter of the hearing was contained in the Notice of Hearing filed in this matter and in the Appellant's Notice of Appeal. He read an opening statement describing the nature of an administrative hearing, swore in witnesses, and opened

the floor to hear arguments on the State's Motion to Dismiss before hearing testimony from witnesses.

Mr. Cox argued in support of the Motion to Dismiss filed by the State. He argued that the Appellant did not have standing to challenge the Oil and Gas Conservation Commission decision because the Appellant had not been adversely affected by the Commission action; but rather, the Appellant's claim of adverse affect was based on the State Land Department's administrative actions. Mr. Cox further argued that the Appellant did not have standing to appeal because the Appellant's claim was not ripe because the State Land Department had not yet issued a final decision.

Ms. Van Quathem argued that the State's Motion to Dismiss should be denied because the Arizona Administrative Procedure Act provided a party who would be adversely affected by an appealable action an opportunity to respond and present evidence and argument on all relevant issues and that Mr. Kiehne was adversely affected because he was the successor to the state land lease upon which well number 11-21 was located. She further argued that the State's standing and ripeness arguments were based upon discretionary common law court policy that was not applicable in proceedings governed by the Administrative Procedure Act. Ms. Van Quathem indicated the possibility of appeal to the Superior Court if the Motion to Dismiss were granted.

After discussing several questions to Mr. Cox and Ms. Van Quathem to clarify their arguments,

Mr. Cooper moved, seconded by Mr. Jones:

TO GRANT THE MOTION TO DISMISS

Mr. Cooper explained that he moved to grant the Motion to Dismiss because prior action of the Commission was crafted in such a way so as to deal with a matter that the Commission did not have jurisdiction over which was basically who was to be awarded a lease from the State Land Department. He noted that the Commission's prior motion was directed in such a way that it would provide for both possible outcomes of the proceedings in the State Land Department, which the Commission had no jurisdiction over, and tried to preserve the status quo so that the proceedings in the State Land Department could reach an end as to whether the lease would go to Ridgeway or to Mr. Kiehne. Mr. Cooper considered that all the issues on appeal were basically and directly affected solely by the issue of who would be granted the lease from another administrative agency which the Commission had no regulatory authority over and that that was the basis of why he did not believe the Commission had the jurisdiction to hear this matter.

Motion carried unanimously. The Commission Order granting the Motion to Dismiss is presented separately.

CALL TO THE PUBLIC

Ms. Van Quathem requested time to give their presentation at a future meeting, possibly at the renewal of the temporary abandonment. The Commission instructed Mr. Rauzi to include objection by Mr. Kiehne on the agenda item to consider Ridgeway's request to renew temporary abandonment and shut-in status of its wells.

ANNOUNCEMENTS

The Commission scheduled its next meeting at 10:00 a.m. on January 16, 2009, in room 321 at the State Land Department Building in Phoenix.

Mr. Rauzi announced that Katosha Nakai with the law firm of Lewis and Roca LLP had been appointed to replace Robert Wagner. He indicated that he would inform her of the date of the next meeting.

ADJOURNMENT

Ms. Negley moved, seconded by Mr. Jones:

THAT THE MEETING BE ADJOURNED

Motion carried unanimously. Time of adjournment was 11:01 a.m.

APPROVED


J. Dale Nations
Chairman

GUESTS IN ATTENDANCE

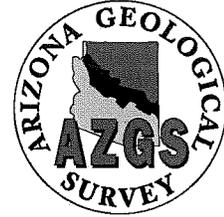
Colin Campbell	Ridgeway Arizona Oil Corporation
Curtis Cox	Assistant Attorney General
Joe Dixon	State Land Department
Gary Kiehne	Self
Christopher Munns	Assistant Attorney General Solicitor General's Office
Barry Portman	Ridgeway Arizona Oil Corporation
Michele Van Quathem	Kiehne
Michael Rice	Self
Mariana Sandoval	Attorney General's Office
Dan W. Snow	Kiehne
Thomas White	Ridgeway Arizona Oil Corporation



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

January 9, 2009

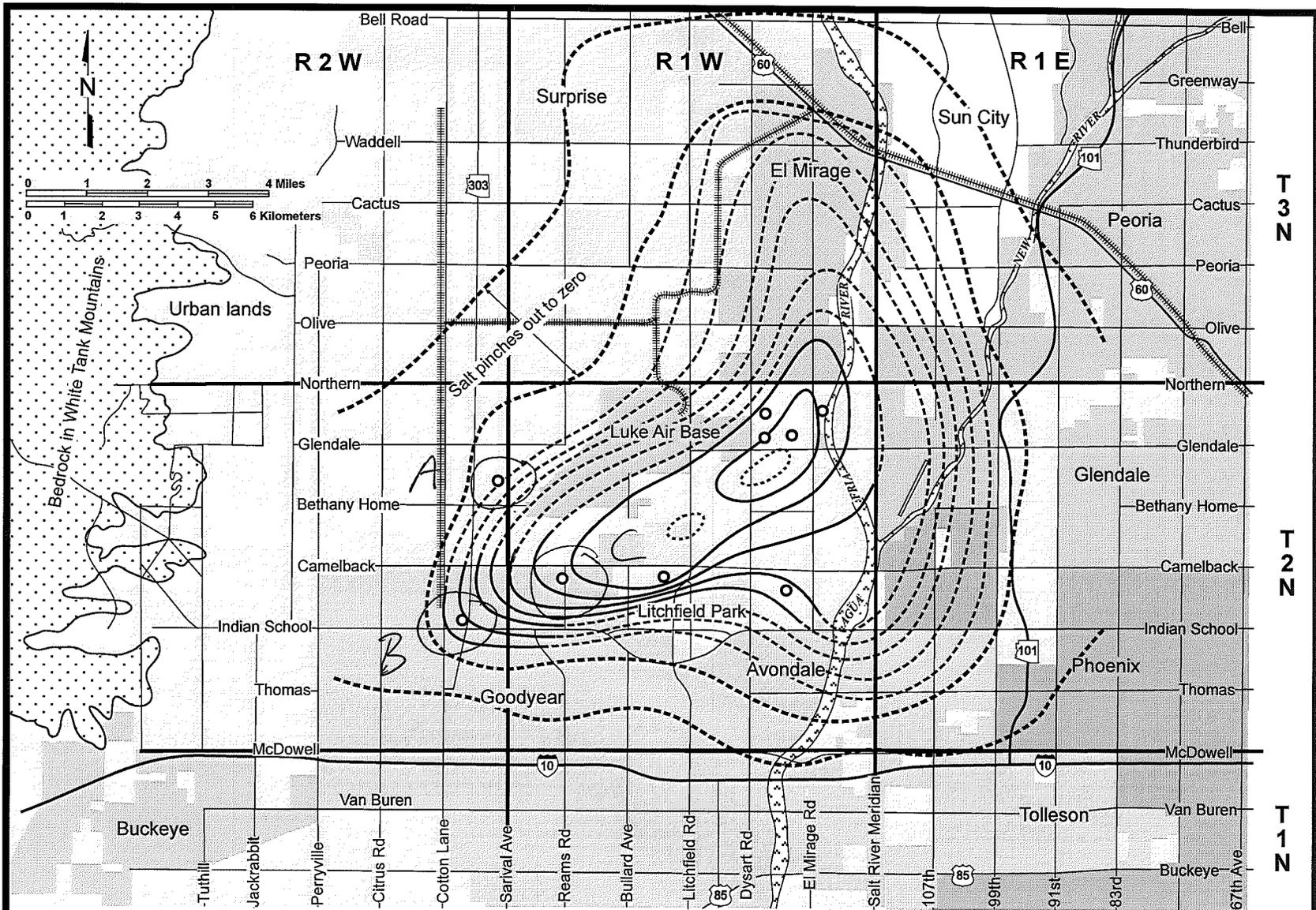
To: Oil and Gas Conservation Commissioners

From: *SLR*
Steven L. Rauzi, Oil and Gas Administrator

Re: Activity Report for the January 16, 2009, Meeting

Two new permits were issued and one well was drilled since your last meeting on Oct 17. One permit was issued to Wind River Resources for a well in northwestern Arizona about 30 miles south of St. George, Utah. The other new permit was issued to APS (Arizona Public Service) for a stratigraphic test of the carbon dioxide storage potential of Devonian rocks underlying the Cholla Power plant near Holbrook, Arizona. Drilling has not started at either location. Wind River Resources drilled its Ft. Pierce 10-1 well to a depth of 5000 ft about 10 miles south of St. George, Utah in December. Wind River may deepen the well after further consideration of logging analysis of Permian and Mississippian units.

The agenda includes separate items for a request by El Paso Natural Gas to extend the temporary abandonment of its three wells near Luke Air Base and requests by Ridgeway Arizona Oil Corporation to extend temporary abandonment and shut-in status of its wells between St. Johns and Springerville. The agenda item concerning Ridgeway's request to extend shut-in status of its 11-21 well includes objection by Gary Kiehne.



LUKE SALT DEPOSIT

Arizona Geological Survey Map 36

Steven L. Rauzi

August 15, 2002

416 W. Congress, Tucson, AZ 85701

(520) 770-3500 www.azgs.az.gov

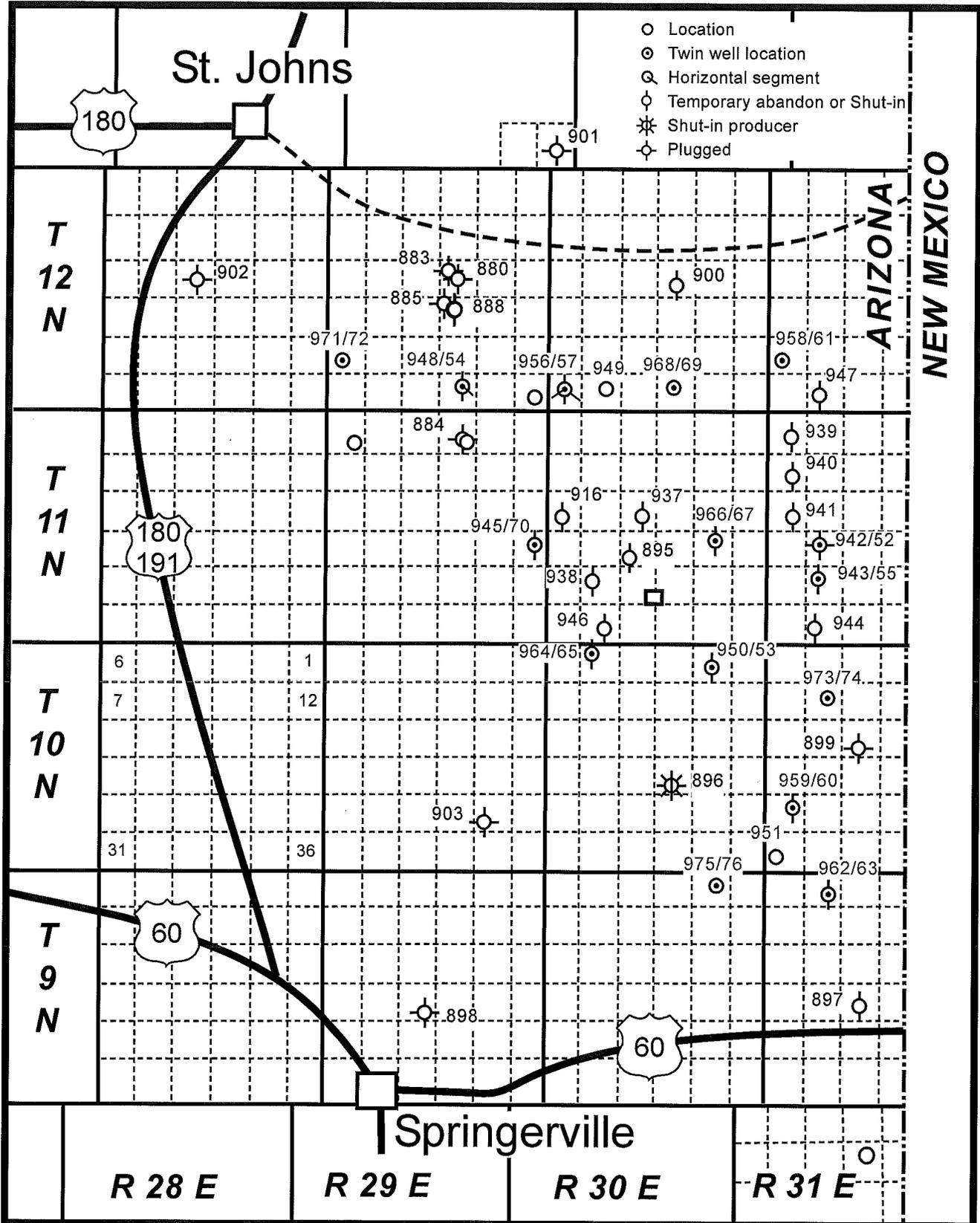
Map showing the depth to the Luke salt deposit in feet. The dashed contours are based on gravity data only and could change if the salt is penetrated by new drilling. The solid contours are based on gravity data plus the depth of salt in deep wells (numbers above the open circles). Drilling data indicate that the salt body is at least 5,000 ft thick within the 1,500 ft depth contour and may be as much as 10,000 ft thick. The depth contours from gravity data are modified from U.S.G.S. Prof. Paper 753 by Eaton, Peterson, and Schumann, 1972. Cultural features are simplified from the Arizona State Land Department Arizona Land Resources Information System (ALRIS), 1997.

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

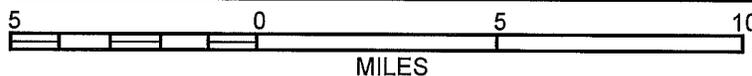
<u>Permit</u>	<u>Well</u>	<u>Location Sec-Twp-Rge</u>	<u>Total Depth</u>	<u>Status and comment</u>
880	1 Plateau Cattle	ne sw 15-12n-29e	2431 ft	Completed as gas 8/1994, plugged 9/1997
883	1A Plateau Cattle	ne sw 15-12n-29e	220 ft	Drilled 11/1994, plugged 11/1997
884	3-1 State	ne se 3-11n-29e	1813 ft	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, plugged 7/2008
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	Drilled & plugged 2/2008, blow out
949	12-32-30 State	sw ne 32-12n-30e	not drilled	Permit expired 7/2008
950	10-02-30 State	sw ne 02-10n-30e	2650 ft	Spudded 1/31/2008
951	10-31-31 State	nw sw 31-10n-31e	not drilled	Permit expired 9/2008
952	11-20-31x State	se nw 20-11n-31e	not drilled	Permit expired 7/2008
953	10-02-30x State	sw ne 02-10n-30e	1899 ft	Spudded 2/27/2008
954	12-34-29x State	nw ne 34-12n-29e	3048 ft	Spudded 2/20/08
955	11-29-31x State	se nw 29-11n-31e	1909 ft	Spudded 3/12/2008
956	12-31-30 State	se nw 31-12n-30e	2814 ft	Spudded 3/1/08
957	12-31-30x State	se nw 31-12n-30e	2622 ft	Spudded 3/16/08
958	12-30-31 State	sw sw 30-12n-31e	not drilled	Permit expired 8/2008
959	10-29-31 State	sw ne 29-10n-31e	4202 ft	Spudded 3/09/08
960	10-29-31x State	sw ne 29-10n-31e	not drilled	Permit expired 8/2008
961	12-30-31x State	sw sw 30-12n-31e	not drilled	Permit expired 9/2008
962	09-05-31 State	nw se 05-09n-31e		Spudded 4/02/08
963	09-05-31x State	nw se 05-09n-31e	2969 ft	Spudded 4/07/08
964	10-05-30 State	nw nw 05-10n-30e	2600 ft	Spudded 3/28/08
965	10-05-30x State	nw nw 05-10n-30e	not drilled	Permit expired 9/2008
966	11-23-30 State	nw ne 23-11n-30e	2550 ft	Spudded 4/23/08
967	11-23-30x State	nw ne 23-11n-30e	not drilled	Permit expired 9/2008
968	12-34-30 State	se nw 34-12n-30e	not drilled	Permit expired 12/2008
969	12-34-30x State	se nw 34-12n-30e	not drilled	Permit expired 12/2008
970	11-24-29x State	sw ne 24-11n-29e	2137 ft	Spudded 4/25/08
971	12-30-29 State	ne sw 30-12n-29e	not drilled	Permit expired 1/2009
972	12-30-29x State	ne sw 30-12n-29e	not drilled	Permit expired 1/2009
973	10-08-31 State	sw ne 08-10n-31e	not drilled	Permitted 8/14/08
974	10-08-31x State	sw ne 08-10n-31e	not drilled	Permitted 8/14/08

01/9/2009

Ridgeway Arizona Oil Corporation Wells



01/09/09



Oil and Gas Conservation Commission Rule Summary

Temporary Abandonment Requirements

Requirement	Rule Numbers [R12-7-...]
The well is not presently being operated	101 (definition)
The well is not capable of production in paying quantities	101
The well has a future beneficial use	125(B)
The applicant has before the determination submitted the following information to the Commission:	
A Sundry Notice with a complete description of the current casing, cementing, and perforation record of the well	125(B)(1)
A Sundry Notice with evidence of casing integrity [the Commission's standard for surface casing includes that it has been "pressure tested for at least 30 minutes to 70% of internal yield pressure or one psi per foot of casing depth, whichever is less"]	125(B)(1) 112(A) 110(C) 111(C)
A Sundry Notice with the stimulation and cement squeeze record	125(B)(2)
A Sundry Notice with complete data on the results of any well tests performed to date	125(B)(2)
A Sundry Notice with lithologic, mud, or wireline log data	125(B)(3) 121(A)
A Sundry Notice with directional survey data	125(B)(3) 121(A)
A Sundry Notice with core description analysis	125(B)(3) 121(A)
A Sundry Notice with stratigraphic or faunal determination	125(B)(3) 121(A)
A Sundry Notice with formation or drill stem test	125(B)(3) 121(A)
A Sundry Notice with formation fluid analysis	125(B)(3) 121(A)
A Sundry Notice with other similar information or survey	125(B)(3) 121(A)

Hand out by Michele Van Quicken

Shut-In Well Requirements

Requirement	Rule Numbers [R12-7-...]
The well is not presently being operated	101 (definition)
The well is capable of production in paying quantities	101
The well is completed as a producing well	101
The operator has submitted a completion report that includes: certain well information. [R12-7-125(A); R12-7-121]	125(A) 121
The well has a future beneficial use	125(B)
The applicant has before the determination submitted the following information to the Commission:	
A Sundry Notice with a complete description of the current casing, cementing, and perforation record of the well	125(B)(1)
A Sundry Notice with evidence of casing integrity [the Commission's standard for surface casing includes that it has been "pressure tested for at least 30 minutes to 70% of internal yield pressure or one psi per foot of casing depth, whichever is less"]	125(B)(1) 112(A) 110(C) 111(C)
A Sundry Notice with the stimulation and cement squeeze record	125(B)(2)
A Sundry Notice with complete data on the results of any well tests performed to date	125(B)(2)
A Sundry Notice with lithologic, mud, or wireline log data	125(B)(3) 121(A)
A Sundry Notice with directional survey data	125(B)(3) 121(A)
A Sundry Notice with core description analysis	125(B)(3) 121(A)
A Sundry Notice with stratigraphic or faunal determination	125(B)(3) 121(A)
A Sundry Notice with formation or drill stem test	125(B)(3) 121(A)
A Sundry Notice with formation fluid analysis	125(B)(3) 121(A)
A Sundry Notice with other similar information or survey	125(B)(3) 121(A)

Requirements to Extend Temporary Abandonment or Shut-In Status

Requirement	Rule Numbers [R12-7-...]
Commission has discretion to require proof of current casing integrity [the Commission’s standard for surface casing includes that it has been “pressure tested for at least 30 minutes to 70% of internal yield pressure or one psi per foot of casing depth, whichever is less”]	125(C) 112 110(C)
Commission has discretion to require the operator to plug any well that fails to meet the casing integrity requirements	125(C)
Commission has discretion to require the operator to conduct a new open flow test	125(C)(3) 150

Initial Multiple Zone Completion Requirements

R12-7-116(A): “Completions to include production from more than one common source of supply from a single well are prohibited except as authorized by the Commission after notice and hearing. After notice and hearing, the Commission shall maintain a list ...”

Requirement	Rule Numbers [R12-7-...]
Commission authorization after notice and hearing	116(A)
Operator shall have filed an application for multiple completion with the Commission and shall have demonstrated the method to be used to keep the production streams separate. The application shall be accompanied by:	116(B)
An electrical log or other acceptable log with tops and bottoms of formations or producing zones and perforated intervals shown and marked	116(B)(1)
A diagrammatic sketch of the multiple completions installation indicating make, type, and setting depths of packer or packers	116(B)(2)
A plat showing the location of the well and all offset wells and the names and addresses of operators of all and	116(B)(3)
Proof of mailing of application for multiple completion of all offset operators	116(B)(4)

R12-7-116(E): “Every operator of a multi-completed well shall operate, produce, and maintain the well to prevent commingling of production from the separate sources of supply. The Commission may require any multi-completed well to be tested at any time to demonstrate the effectiveness of the separation of sources of supply. These tests may be witnessed by representatives of the Commission and by offset operators.”

Sequence of Notices & Reports

895

RGW well 11-21 located in Apache Co Arizona

The following slides are chronological order of
Sundry notices and Completion reports filed
with the Az Oil & Gas Com.

Handed out by Michele Van Quathem @ 1-16-09 OGCC mtg

8-5/8"
Surface Csg
Set @ 817'

Sundry Notice filed 7-28-1997

895

Well spudded 2-22-97 with no completion work
Reported as of this date notice.

11-21 Well drilled to TD of 2410' on 3-5-1997

7-7/8 hole drilled 4-1/2" casing set w/ 600 sxs (this info not reported till 9-18-97)

Sundry Notice filed 8-22-1997

895

Granite Wash perfs 2268'-2381' fraced with 75000#
sand with well reported dead next AM, swab test well with a
slight blow of CO2 and no flow test all reported to
happen on 7-29-1997

←
11-21 Well drilled to TD of 2410' on 3-5-1997

8-5/8"
Surface Csg
Set @ 817'

Sundry Notice filed 9-18-1997

895

Well status report requesting temporary Abandonment, status is as perfed below

Granite Wash perfs 2268'-2381' fraced with 75000#
sand with well reported dead next AM, swab test well with a
slight blow of CO2 and no flow test all reported to
happen on 7-29-1997

11-21 Well drilled to TD of 2410' on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386'

8-5/8"
Surface Csg
Set @ 817'

Sundry Notice filed 10-15-1997 (REC 10-17-97)

895

Schlumberger BHP test start 9-12-1997 FL@1100'

Schlumberger BHP test ended well swab 25 bbl thru TBG @ 2200'
well flow gas cut H2O 9-18-1997

Well reported flowing CO2 with mist LD TBG well SI 9-19-1997

Request Temp Abandonment 9-18-97

← Granite Wash perms 2268'-2381' fraced with 75000# 7-29-1997

11-21 Well drilled to TD of 2410'on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386'

8-5/8"
Surface Csg
Set @ 817'

Sundry Notice filed 10-15-1997 (REC 10-17-97)

895

STAR report states flow rates per RGW and additional perforating occurring during early part of the pressure buildup(This report is not filed with the AZ till 3-30-2006)

Schlumberger BHP test start 9-12-1997

Schlumberger BHP test ended well swab 25 bbl thru TBG @ 2200'
well flow gas cut H2O 9-18-1997

Well reported flowing CO2 with mist LD TBG well SI 9-19-1997

Request Temp Abandonment 9-18-97

Granite Wash perms 2268'-2381' fraced with 75000# 7-29-1997

11-21 Well drilled to TD of 2410'on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386'

8-5 / 8"
Surface Csg
Set @ 817'

Sundry Notice filed 10-15-1997 (REC 10-27-97)

895

STAR report states flow rates per RGW
and additional perforating occurring during
early part of the pressure buildup(This report
is not filed with the AZ till 3-30-2006)

Schlumberger BHP test start 9-12-1997

Schlumberger BHP test ended well swab 25 bbl thru TBG @ 2200'
well flow gas cut H2O 9-18-1997

Well reported flowing CO2 with mist LD TBG well SI 9-19-1997

Request Temp Abandonment 9-18-97

(added 600 sxs 50/50 POZ cmt circ to surf)

Granite Wash perms 2268'-2381' fraced with 75000# 7-29-1997

11-21 Well drilled to TD of 2410'on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386' w/ 600 sxs 50/50 POZ cmt circ to surf

8-5/8"
Surface Csg
Set @ 817'

Sundry Notice filed 11-3-1997
NOTICE filed as an intent to do

895

← Perf 1715'-1744'

Schedule frac to be 11-6-1997 on interval
1964' to 1787' (**perf interval is not recorded**)

← Set wireline plug @ 2100'

← Granite Wash perms 2268'-2381' fraced with 75000# 7-29-1997

11-21 Well drilled to TD of 2410' on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386' w/ 600 sxs 50/50 POZ cmt circ to surf

8-5/8"
Surface Csg
Set @ 817'

895

Sundry Notice filed 12-3-1997

NOTICE filed as work done

Result of Frac is that well does not flow
back and is shutin

← Perf 1715'-1744' (status unknown)

Frac w/ 55M# sand on unknown interval 11-26-97

Frac intended to be done on 1964'-1787' perfs(unknown)

← Set wireline plug @ 2100' ← (STATUS unknown)

← Granite Wash perfs 2268'-2381' fraced with 75000# 7-29-1997

11-21 Well drilled to TD of 2410'on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386' w/ 600 sxs 50/50 POZ cmt circ to surf

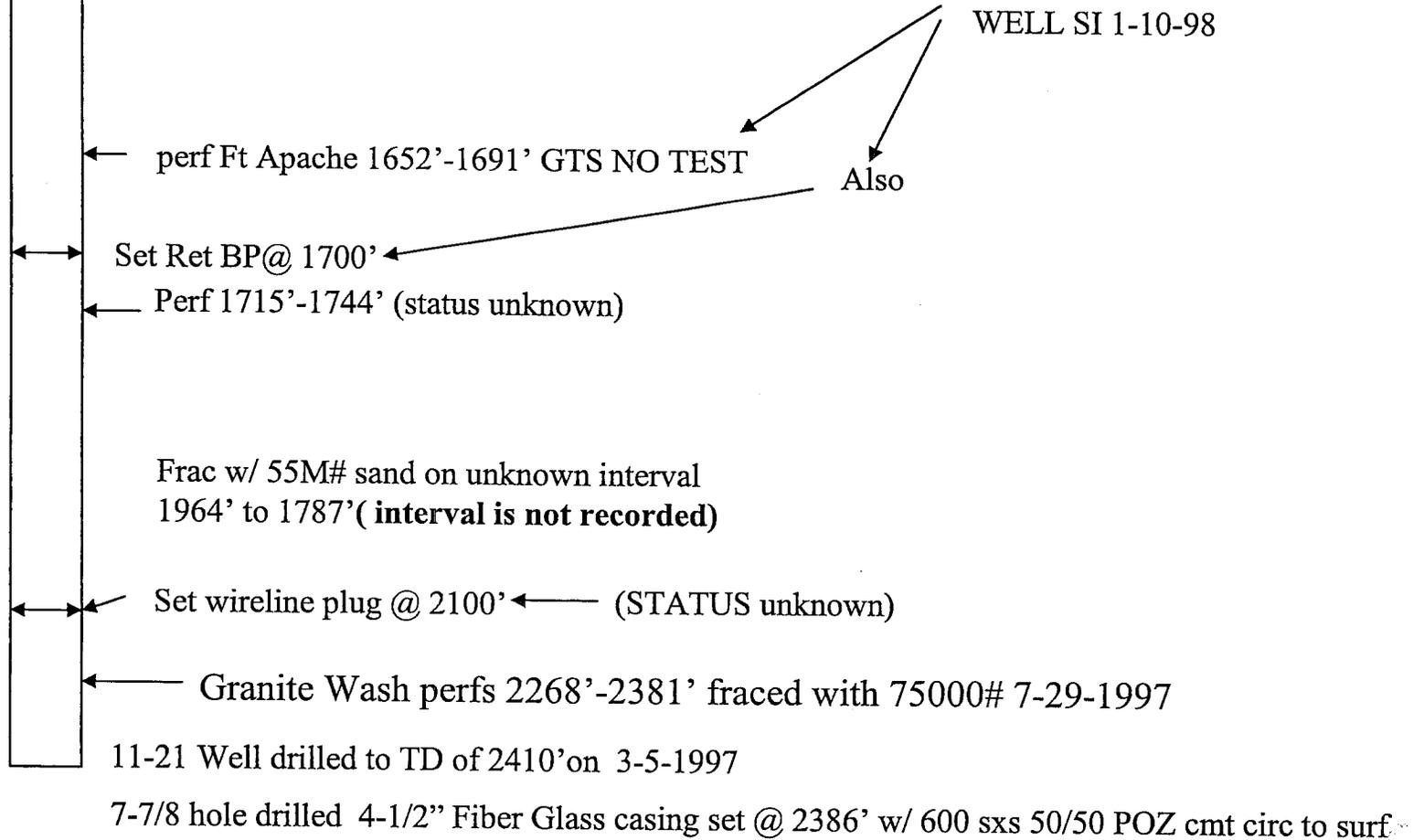
8-5/8"
Surface Csg
Set @ 817'

895

Sundry Notice filed 1-12-1998

NOTICE filed as work done

WELL SI 1-10-98

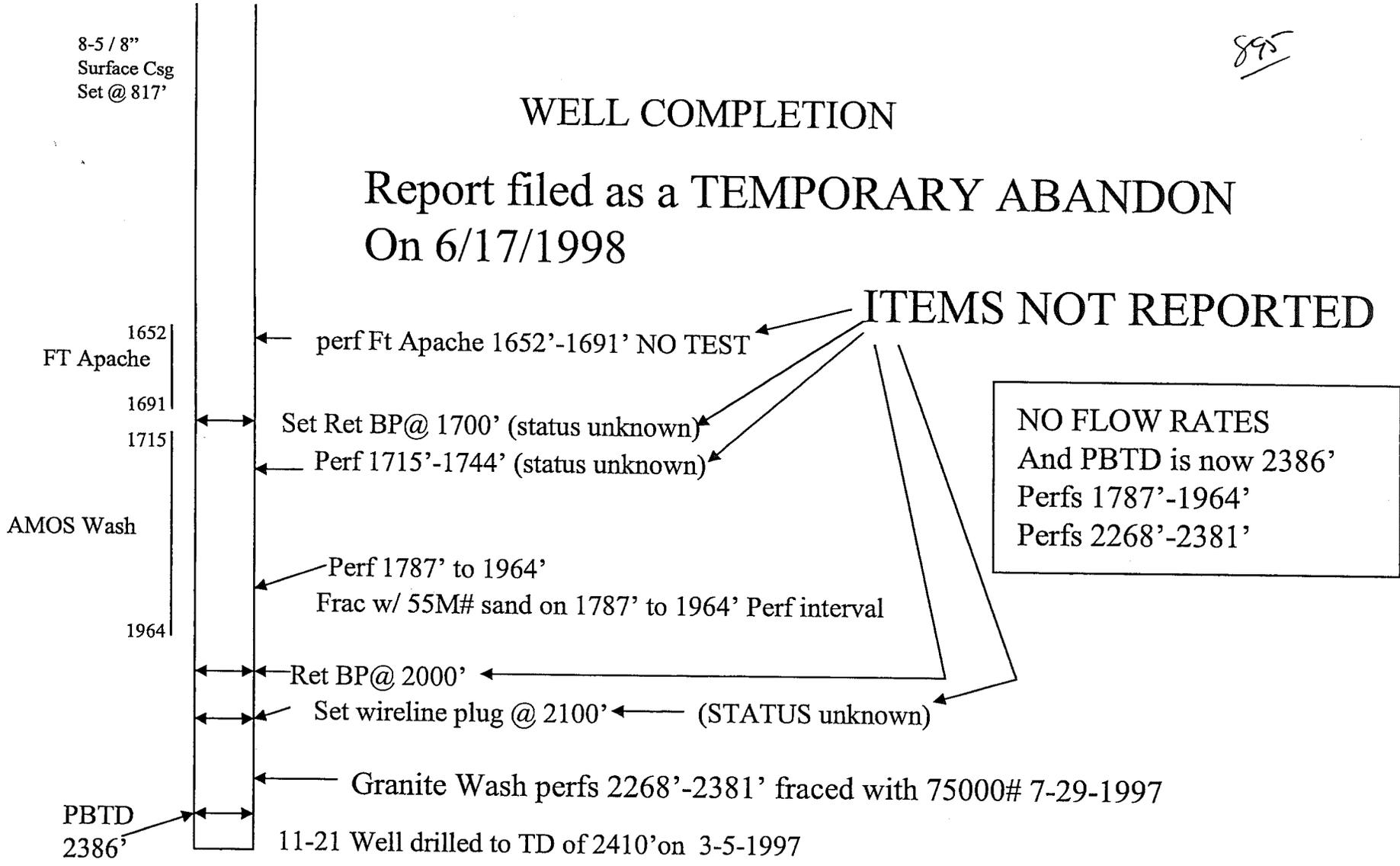


895

8-5/8"
Surface Csg
Set @ 817'

WELL COMPLETION

Report filed as a TEMPORARY ABANDON On 6/17/1998



7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386' w/ 600 sxs 50/50 POZ cmt circ to surf

8-5/8"
Surface Csg
Set @ 817'

Sundry Notice filed 10-6-1998

895

NOTICE filed as work TO BE done
PROPOSED to Start 11/25/1998

← perf Ft Apache 1652'-1691' NO TEST

← Set Ret BP@ 1700'

← Perf 1715'-1744' (status unknown)

← Perf 1787' to 1964'

Frac w/ 55M# sand on 1787' to 1964' Perf interval

← Set wireline plug @ 2100' ← (STATUS unknown)

← Granite Wash perms 2268'-2381' fraced with 75000# 7-29-1997

11-21 Well drilled to TD of 2410'on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386' w/ 600 sxs 50/50 POZ cmt circ to surf

Work to be done
Is Swab & flow test well

8-5 / 8"
Surface Csg
Set @ 817'

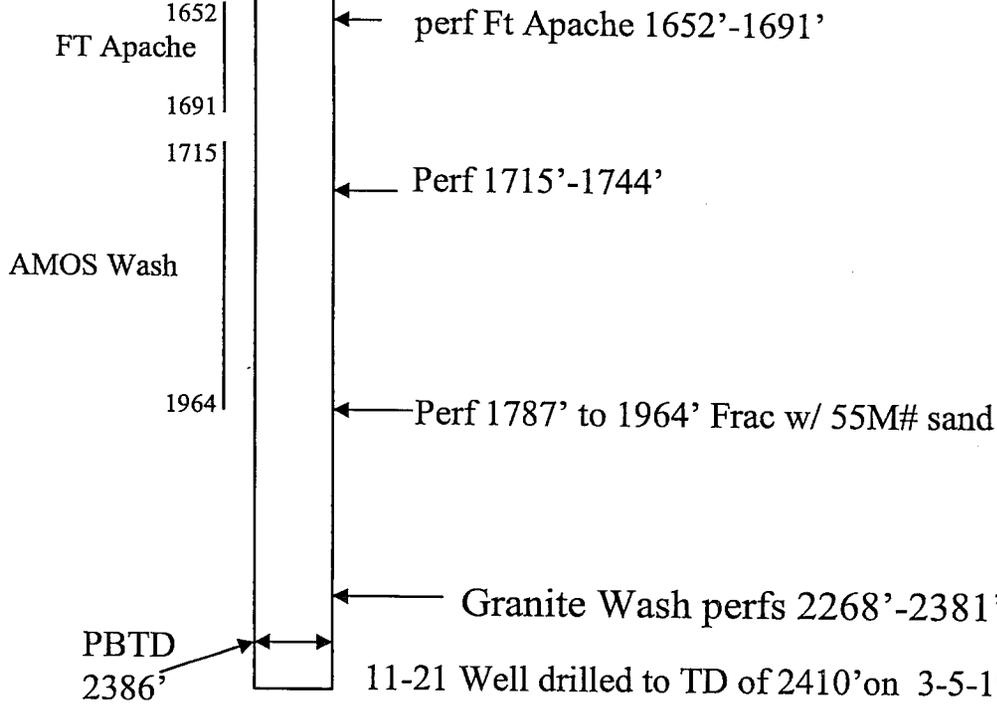
WELL COMPLETION

895

Report filed as a TEMPORARY ABANDON On 10/30/1998

ITEMS NOT REPORTED

NO FLOW RATES



7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386' w/ 600 sxs 50/50 POZ cmt circ to surf

8-5/8"
Surface Csg
Set @ 817'

Sundry Notice filed 11-18-1998

895

NOTICE filed as work TO BE done
PROPOSED to Start 11/18/1998

← perf Ft Apache 1652'-1691'

← Perf 1715'-1744'

← Perf 1787' to 1964' Frac w/ 55M# sand

← Granite Wash perms 2268'-2381' fraced with 75000# 7-29-1997

11-21 Well drilled to TD of 2410'on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386' w/ 600 sxs 50/50 POZ cmt circ to surf

Work to be done
Is flow production
Log and locate water

8-5/8"
Surface Csg
Set @ 817'

Sundry Notice filed 1-4-1999

895

NOTICE filed as work TO BE done
PROPOSED to Start 1/5/1999

← perf Ft Apache 1652'-1691'

← Perf 1715'-1744'

← Perf 1787' to 1964' Frac w/ 55M# sand

← Granite Wash perms 2268'-2381' fraced with 75000# 7-29-1997

11-21 Well drilled to TD of 2410'on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386' w/ 600 sxs 50/50 POZ cmt circ to surf

Work to be done
Is set drillable plug
@ 2000' due to water
Inflow @ 2250'

8-5/8"
Surface Csg
Set @ 817'

895

Sundry Notice filed 5-11-1999

NOTICE filed as work TO BE done
PROPOSED to Start 5/11/1999

← perf Ft Apache 1652'-1691'

← Perf 1715'-1744'

← Perf 1787' to 1964' Frac w/ 55M# sand

← Granite Wash perfs 2268'-2381' fraced with 75000# 7-29-1997

11-21 Well drilled to TD of 2410'on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386' w/ 600 sxs 50/50 POZ cmt circ to surf

Work to be done
Is flow test well for
15 days (what zone?)
Was drill plug set @2000'

8-5/8"
Surface Csg
Set @ 817'

Sundry Notice filed 5-7-2004

895

NOTICE filed as work done
During flow test 5/17/99 thru 5/21/99

← perf Ft Apache 1652'-1691'

← Perf 1715'-1744'

← Perf 1787' to 1964' Frac w/ 55M# sand

← DRILL PLUG 2000' UNKNOWN ←

← Granite Wash perfs 2268'-2381' fraced with 75000# 7-29-1997

11-21 Well drilled to TD of 2410'on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386' w/ 600 sxs 50/50 POZ cmt circ to surf

No recorded volumes
of water or CO2 but sent
in water samples
(what zones?)

8-5/8"
Surface Csg
Set @ 817'

WELL COMPLETION

895

Report filed as a GAS WELL
On 5/21/2008

ITEMS NOT SUPPORTED

FLOW RATE

Is reported to be
1.96 MCF/day on
9-12-1997

no supporting
documentation is
recorded.

PBTD
2386'

← perf Ft Apache 1652'-1691'

← Perf 1715'-1744'

← Perf 1787' to 1964' Frac w/ 55M# sand

← Granite Wash perms 2268'-2381' fraced with 75000# 7-29-1997

11-21 Well drilled to TD of 2410' on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386' w/ 600 sxs 50/50 POZ cmt circ to surf

8-5 / 8"
Surface Csg
Set @ 817'

WELL COMPLETION

895

Report filed as a GAS WELL
On 6/18/2008

ITEMS NOT SUPPORTED
FLOW RATE

Is reported to be
1.96 MCF/day &
10.29 MMCF over
126 hours on 9/12/97
no supporting
documentation is
recorded.

1960
STAR

← perf Ft Apache 1652'-1691'

← Perf 1715'-1744'

← Perf 1787' to 1964' Frac w/ 55M# sand

← Granite Wash perms 2268'-2381' fraced with 75000# 7-29-1997

PBTD
2386'

11-21 Well drilled to TD of 2410' on 3-5-1997

7-7/8 hole drilled 4-1/2" Fiber Glass casing set @ 2386' w/ 600 sxs 50/50 POZ cmt circ to surf

January 12th, 2009

To: Barry Portman, Operations Manager

From: Jim Skurner, Reservoir Manager

895

Re: Pressure Transient Analysis – AZ 11-21-30 Granite Wash Well

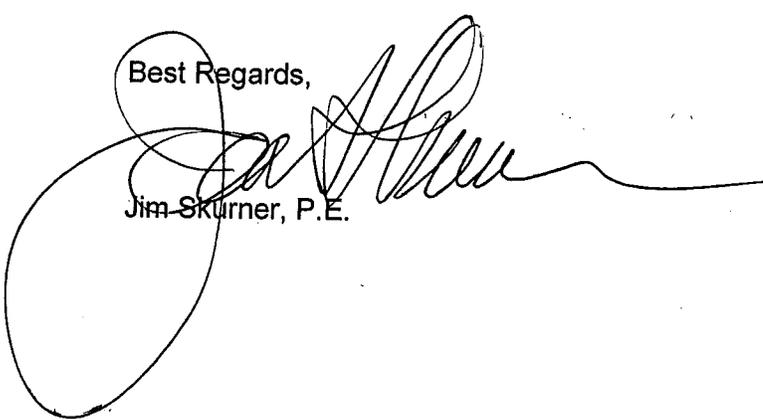
Barry,

Please find enclosed the recent analysis, by Data Retrieval Corp (DRC), of the St. Johns Dome AZ 11-21-30 Granite Wash pressure transient build-up test. From the test data, they estimate the reservoir permeability X net pay (KH) to equal 14,240 md-ft. This estimate is similar to, and in the same order of magnitude, of the AZ 11-23-30 and AZ 11-29-31 Granite Wash wells. Both wells are in the same general area of the AZ 11-21-30 well, were drilled, cased and completed in 2008 and tested at a rate of 2.1 MMCFPD and 1.4 MMCFPD respectively. As a point of reference, a commercial tight gas reservoir would have a KH value several orders of magnitude less than the AZ 11-21-30 Granite Wash well exhibits.

943

966

Best Regards,


Jim Skurner, P.E.



Handed out by Barry Portman at 1-16-09 OGCC mtg



TEST DATA SUMMARY

COMPANY : Enhanced Oil Resources **WELL NAME** : AZ 11-21-30 895
ENGINEER : Jim Skurner **FIELD** : Granite Wash
TEST TYPE : Build Up **TEST DATE** : 12Sep1997 - 17Sep1997
LOCATION : Arizona

WELL DATA

TUBING SIZE	:	4.500	IN.	WELL-HEAD TEMP.	:	70	°F
TUBING ID	:	3.960	IN.	BOTTOM-HOLE TEMP.	:	98	°F
TUBING LENGTH	:	2,396	FT.				
T.V.D.	:	2,332	FT.	POROSITY	:	28	%
NET PAY (TVT)	:	160	FT.	WATER SATURATION	:	10	%

FLUIDS DATA

GAS GRAVITY (SEP.)	:	1.520		MOL % CO2	:	98.400	
OIL/GAS RATIO	:	0.0	BBL/MMCF	MOL % N2	:	1.600	
OIL API GRAVITY	:	n/a		MOL % H2S	:	0.000	
H2O/GAS RATIO	:	0.0	BBL/MMCF				
H2O GRAVITY	:	n/a					

TEST SUMMARY

WHP AT SHUT-IN	:	N/A	PSIA	SAMPLE RATE	:	5	SECONDS
BHP AT SHUT-IN	:	528	PSIA	SAMPLE WINDOW	:	0.0	PSI
				SPIDR S/N	:	ASCII	
FINAL SHUT-IN WHP	:	N/A	PSIA				
FINAL SHUT-IN BHP	:	583	PSIA	FLOW RATE	:	1,960	MCF/D



ESTIMATED RESERVOIR PROPERTIES

AZ 11-21-30 (Build Up)

895

Calculated Reservoir Properties

SKIN	30
PRESSURE DROP DUE TO SKIN (Psi)	43
FLOW EFFICIENCY (%)	23
PERMEABILITY (md)	87

Inputs for Calculated Results

RATE PRIOR TO SHUT-IN (Mcf/D)	1,960
MID-TIME SLOPE (Psi/Cycle)	1.7
BHPwf (Psia)	528
BHP* (Psia est. @ $\Delta T=1000$ hrs.)	584
BHP 1hr (Psia)	579
NET PAY (Ft. TVT)	160
POROSITY (%)	28
WATER SATURATION (%)	10
WELL BORE RADIUS (Ft.)	0.35

Figure 1 - Linear

SPIDR Graph of Company: EOR Wellname: AZ 11-21-30
Starting Date/Time: 9/12/1997 00:00:00 Ending Date/Time: 9/18/1997 00:00:00
EOR AZ11-21.MK2

895

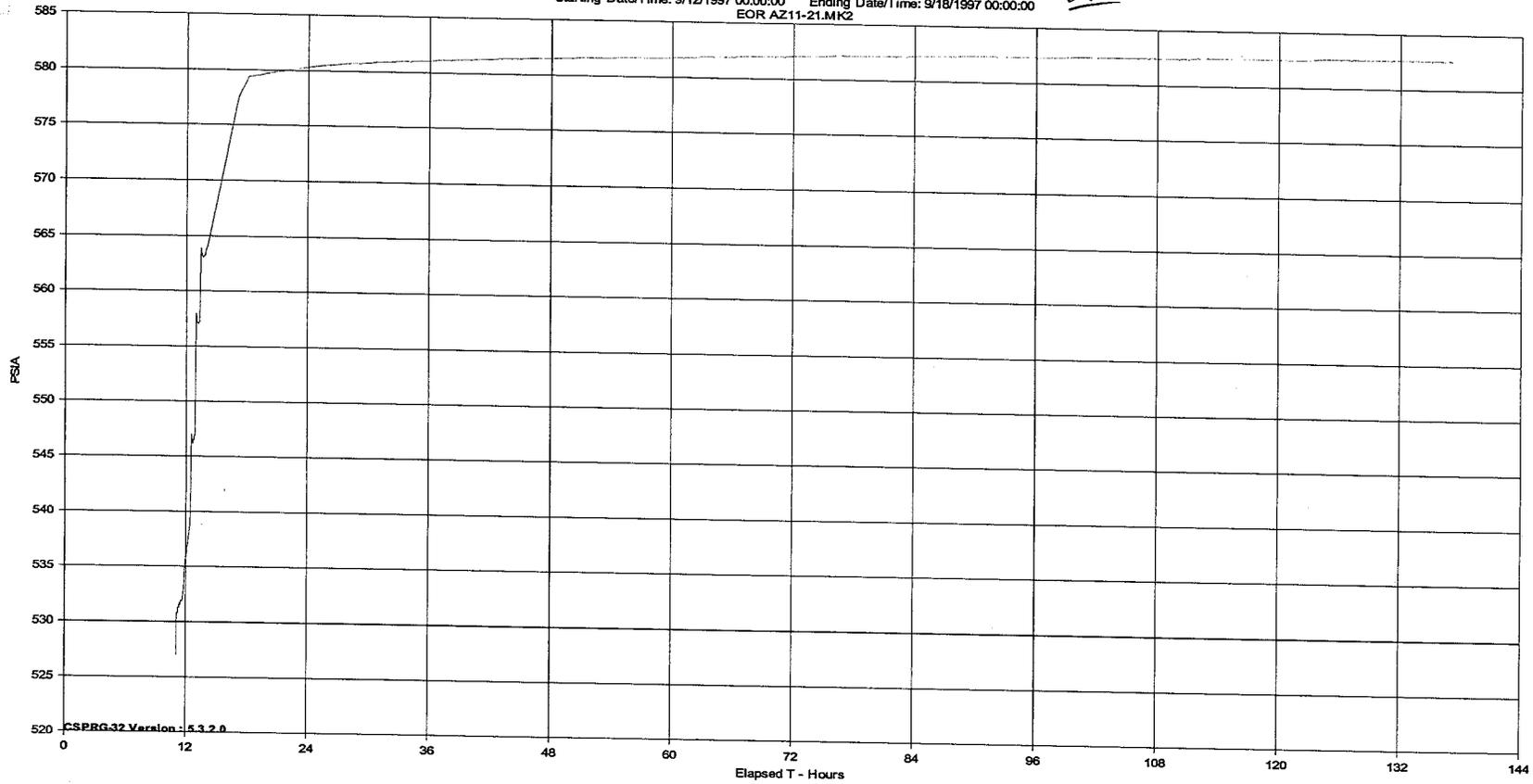
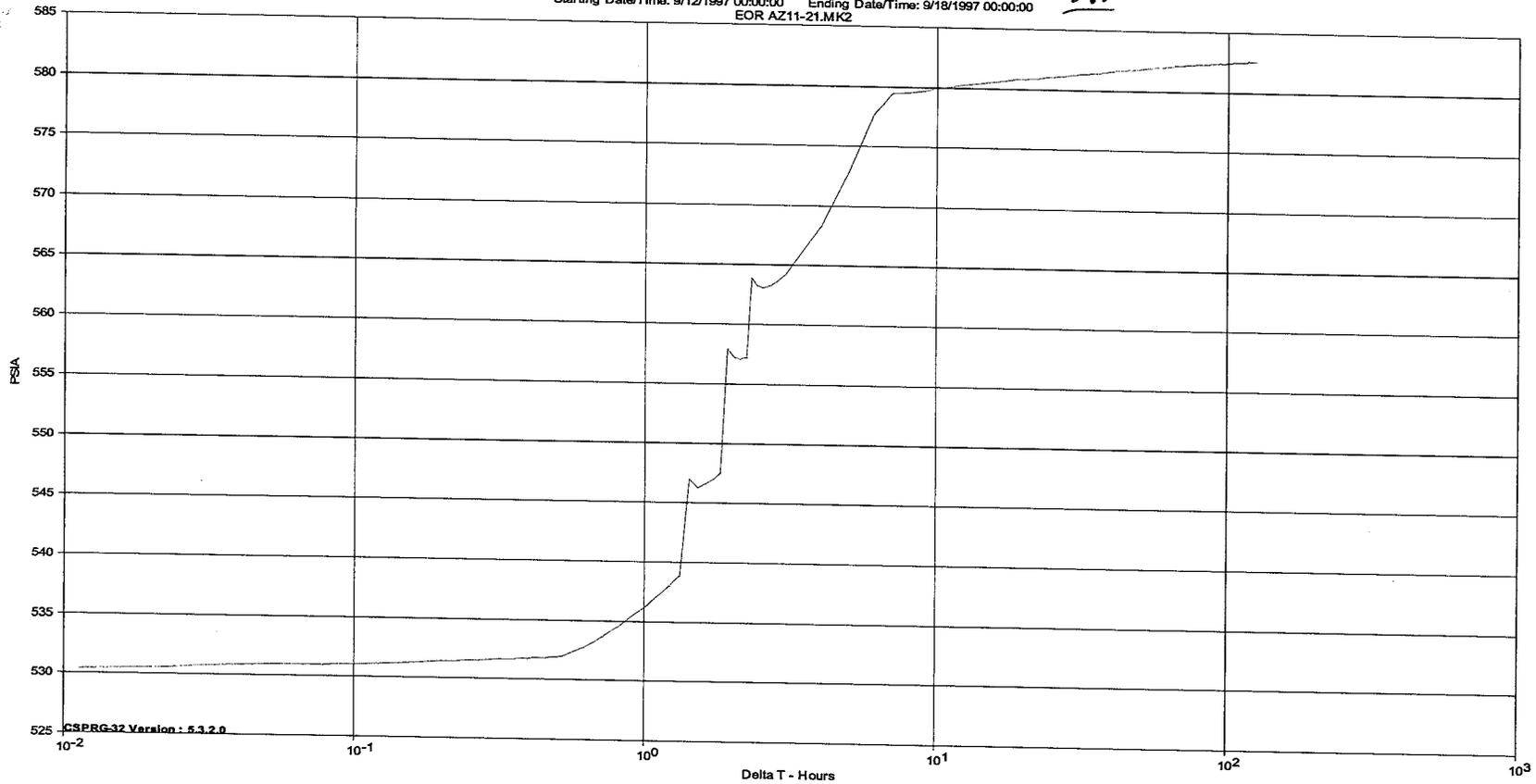


Figure 2 - SemiLog

SPIDR Graph of Company: Enhanced Oil Resources Wellname: AZ 11-21-30
Starting Date/Time: 9/12/1997 00:00:00 Ending Date/Time: 9/18/1997 00:00:00
EOR AZ11-21.MK2

895

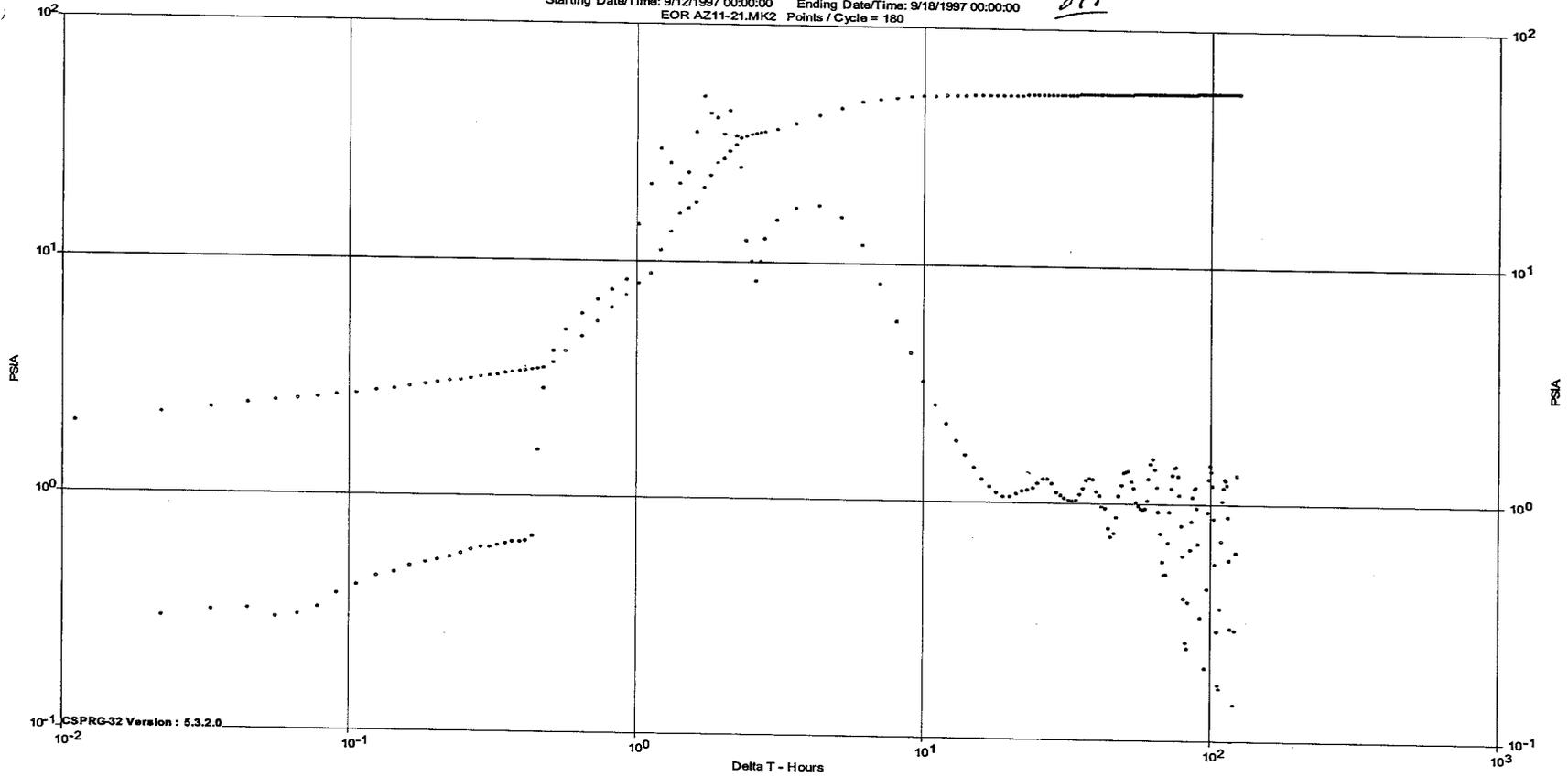


CSPRG-32 Version : 5.3.2.0

Figure 3 - Derivative

SPIDR Graph of Company: Enhanced Oil Resources Wellname: AZ 11-21-30
Starting Date/Time: 9/12/1997 00:00:00 Ending Date/Time: 9/18/1997 00:00:00
EOR AZ11-21.MK2 Points / Cycle = 180

895



CSPRG-32 Version : 5.3.2.0



WELL TEST SUMMARY

Company	Enhanced Oil Resources		
Well Name	AZ 11-21-30		
Lease	Granite Wash	<i>895</i>	
Location	Arizona		
SPIDR s.n.	ASCII		
Active Channels	1		
Start Time	09/12/1997 11:05:05		
End Time	09/17/1997 17:13:30		
Records	180		
Sample Window	0.0 PSI		
Sample Rate	00:00:05 - 720 samples/hr.		

Report Columns				
Column #	Label:			
1	BHP	Max.	582.63	Wednesday, 09/17/1997 17:13:30
	PSIA	Min.	527.04	Friday, 09/12/1997 11:05:05
2	FLOW	Max.	1960.00	Friday, 09/12/1997 11:05:05
	MCF/D	Min.	0.00	Friday, 09/12/1997 11:08:10
3	Delta T	Max.	126.10	Wednesday, 09/17/1997 17:13:30
	Hours	Min.	0.00	Friday, 09/12/1997 11:05:05
4	Elapsed T	Max.	137.22	Wednesday, 09/17/1997 17:13:30
	Hours	Min.	11.08	Friday, 09/12/1997 11:05:05



895

BOTTOM HOLE PRESSURE CONVERSION DATA

Dry Gas Gravity:	1.520	Flowing WHT (F):	70
Percent CO2:	98.400	BHT (F):	98
N2:	1.600	Roughness:	0.0006
H2S:	0.000		

Thermal Decay Properties

Thermal Decay for B.U.: No

Tubing Segment Table

Segment #	Tubing Length (ft)	True Vertical Depth (ft)	Flow Area I.D. (in)
1	2,396	2,332	3.960
Totals	2,396	2,332	

Liquid Loading Table

#	Starting Record Number	Reading Number	Condensate BBL/MMCF	Condensate API Gravity	H2O BBL/MMCF	H2O PPM Chlorides	Gravity H2O	Effective Gas Gravity
1	1	1	0.00	0.00	0.00	0.0	0.00	1.5200
2	181	0	0.00	0.00	0.00	0.0	0.00	0.0000



FLOW RATES

845

S8 Table

Flow Rate	Starting Record Number	Equation	Value
1	1	1960	1960.000
2	3	0	0.000



WELL TEST DATA

Well Name	AZ 11-21-30 645	Sample Window	0.0
Started on	09/12/1997 11:05:05	Sample Rate	5
Ended on	09/17/1997 17:13:30	Max. Interval	00:00:05
Number of Records	180		
Serial Number	ASCII		
Filename	EOR AZ11-21		

Date	Time	Sample	BHP PSIA	FLOW MCF/D	Delta T Hours	Elapsed T Hours
09/12/1997	11:05:05	000001	527.04	1,960.00	0.00000	11.08
09/12/1997	11:07:30	000003	528.43	1,960.00	0.00000	11.13
09/12/1997	11:08:10	000004	530.40	0.00	0.01111	11.14
09/12/1997	11:08:50	000005	530.59	0.00	0.02222	11.15
09/12/1997	11:09:30	000006	530.77	0.00	0.03333	11.16
09/12/1997	11:10:10	000007	530.87	0.00	0.04444	11.17
09/12/1997	11:10:50	000008	530.93	0.00	0.05556	11.18
09/12/1997	11:11:30	000009	530.96	0.00	0.06667	11.19
09/12/1997	11:12:10	000010	530.99	0.00	0.07778	11.20
09/12/1997	11:12:50	000011	531.03	0.00	0.08889	11.21
09/12/1997	11:13:30	000012	531.06	0.00	0.10000	11.22
09/12/1997	11:14:45	000013	531.15	0.00	0.12083	11.25
09/12/1997	11:16:00	000014	531.22	0.00	0.14167	11.27
09/12/1997	11:17:15	000015	531.29	0.00	0.16250	11.29
09/12/1997	11:18:30	000016	531.34	0.00	0.18333	11.31
09/12/1997	11:19:45	000017	531.40	0.00	0.20417	11.33
09/12/1997	11:21:00	000018	531.45	0.00	0.22500	11.35
09/12/1997	11:22:15	000019	531.50	0.00	0.24583	11.37
09/12/1997	11:23:30	000020	531.54	0.00	0.26667	11.39
09/12/1997	11:24:45	000021	531.58	0.00	0.28750	11.41
09/12/1997	11:26:00	000022	531.63	0.00	0.30833	11.43
09/12/1997	11:27:15	000023	531.67	0.00	0.32917	11.45
09/12/1997	11:28:30	000024	531.70	0.00	0.35000	11.47
09/12/1997	11:29:45	000025	531.74	0.00	0.37083	11.50
09/12/1997	11:31:00	000026	531.77	0.00	0.39167	11.52
09/12/1997	11:32:15	000027	531.81	0.00	0.41250	11.54
09/12/1997	11:33:30	000028	531.84	0.00	0.43333	11.56
09/12/1997	11:34:45	000029	531.86	0.00	0.45417	11.58
09/12/1997	11:36:00	000030	531.90	0.00	0.47500	11.60
09/12/1997	11:37:15	000031	531.93	0.00	0.49583	11.62
09/12/1997	11:38:30	000032	531.96	0.00	0.51667	11.64
09/12/1997	11:44:30	000033	532.81	0.00	0.61667	11.74
09/12/1997	11:50:30	000034	533.73	0.00	0.71667	11.84
09/12/1997	11:56:30	000035	534.64	0.00	0.81667	11.94
09/12/1997	12:02:30	000036	535.52	0.00	0.91667	12.04
09/12/1997	12:08:30	000037	536.36	0.00	1.01667	12.14
09/12/1997	12:14:30	000038	537.22	0.00	1.11667	12.24
09/12/1997	12:20:30	000039	538.05	0.00	1.21667	12.34
09/12/1997	12:26:30	000040	538.87	0.00	1.31667	12.44
09/12/1997	12:32:30	000041	546.96	0.00	1.41667	12.54
09/12/1997	12:38:30	000042	546.28	0.00	1.51667	12.64
09/12/1997	12:44:30	000043	546.55	0.00	1.61667	12.74
09/12/1997	12:50:30	000044	547.01	0.00	1.71667	12.84
09/12/1997	12:56:30	000045	547.55	0.00	1.81667	12.94
09/12/1997	13:02:30	000046	557.91	0.00	1.91667	13.04
09/12/1997	13:08:30	000047	557.19	0.00	2.01667	13.14
09/12/1997	13:14:30	000048	557.09	0.00	2.11667	13.24
09/12/1997	13:20:30	000049	557.22	0.00	2.21667	13.34
09/12/1997	13:26:30	000050	563.85	0.00	2.31667	13.44
09/12/1997	13:32:30	000051	563.26	0.00	2.41667	13.54
09/12/1997	13:38:30	000052	563.13	0.00	2.51667	13.64
09/12/1997	13:44:30	000053	563.17	0.00	2.61667	13.74
09/12/1997	13:50:30	000054	563.34	0.00	2.71667	13.84
09/12/1997	13:56:30	000055	563.57	0.00	2.81667	13.94
09/12/1997	14:02:30	000056	563.86	0.00	2.91667	14.04
09/12/1997	14:08:30	000057	564.18	0.00	3.01667	14.14
09/12/1997	15:08:30	000058	568.33	0.00	4.01667	15.14
09/12/1997	16:08:30	000059	572.99	0.00	5.01667	16.14
09/12/1997	17:08:30	000060	577.58	0.00	6.01667	17.14
09/12/1997	18:08:30	000061	579.43	0.00	7.01667	18.14
09/12/1997	19:08:30	000062	579.50	0.00	8.01667	19.14
09/12/1997	20:08:30	000063	579.71	0.00	9.01667	20.14
09/12/1997	21:08:30	000064	579.90	0.00	10.01667	21.14
09/12/1997	22:08:30	000065	580.05	0.00	11.01667	22.14

895

09/12/1997	23:08:30	000066	580.20	0.00	12.01667	23.14
09/13/1997	00:08:30	000067	580.31	0.00	13.01667	24.14
09/13/1997	01:08:30	000068	580.42	0.00	14.01667	25.14
09/13/1997	02:08:30	000069	580.51	0.00	15.01667	26.14
09/13/1997	03:08:30	000070	580.59	0.00	16.01667	27.14
09/13/1997	04:08:30	000071	580.66	0.00	17.01667	28.14
09/13/1997	05:08:30	000072	580.71	0.00	18.01667	29.14
09/13/1997	06:08:30	000073	580.77	0.00	19.01667	30.14
09/13/1997	07:08:30	000074	580.82	0.00	20.01667	31.14
09/13/1997	08:08:30	000075	580.87	0.00	21.01667	32.14
09/13/1997	09:08:30	000076	580.91	0.00	22.01667	33.14
09/13/1997	10:08:30	000077	580.96	0.00	23.01667	34.14
09/13/1997	11:08:30	000078	581.02	0.00	24.01667	35.14
09/13/1997	12:08:30	000079	581.06	0.00	25.01667	36.14
09/13/1997	13:08:30	000080	581.10	0.00	26.01667	37.14
09/13/1997	14:08:30	000081	581.15	0.00	27.01667	38.14
09/13/1997	15:08:30	000082	581.20	0.00	28.01667	39.14
09/13/1997	16:08:30	000083	581.25	0.00	29.01667	40.14
09/13/1997	17:08:30	000084	581.29	0.00	30.01667	41.14
09/13/1997	18:08:30	000085	581.31	0.00	31.01667	42.14
09/13/1997	19:08:30	000086	581.35	0.00	32.01667	43.14
09/13/1997	20:08:30	000087	581.38	0.00	33.01667	44.14
09/13/1997	21:08:30	000088	581.41	0.00	34.01667	45.14
09/13/1997	22:08:30	000089	581.44	0.00	35.01667	46.14
09/13/1997	23:08:30	000090	581.46	0.00	36.01667	47.14
09/14/1997	00:08:30	000091	581.50	0.00	37.01667	48.14
09/14/1997	01:08:30	000092	581.53	0.00	38.01667	49.14
09/14/1997	02:08:30	000093	581.56	0.00	39.01667	50.14
09/14/1997	03:08:30	000094	581.60	0.00	40.01667	51.14
09/14/1997	04:08:30	000095	581.64	0.00	41.01667	52.14
09/14/1997	05:08:30	000096	581.65	0.00	42.01667	53.14
09/14/1997	06:08:30	000097	581.68	0.00	43.01667	54.14
09/14/1997	07:08:30	000098	581.69	0.00	44.01667	55.14
09/14/1997	08:08:30	000099	581.73	0.00	45.01667	56.14
09/14/1997	09:08:30	000100	581.73	0.00	46.01667	57.14
09/14/1997	10:08:30	000101	581.74	0.00	47.01667	58.14
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Data Retrieval Corporation

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Houston, TX 77069

CSPRG-32 Version : 5.3.2.0

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09/17/1997	00:08:30	000163	582.51	0.00	109.01667	120.14
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895



BILL REX
Vice President
U.S. Land & Negotiations

HUNT OIL U.S.A., INC.
1900 North Akard Street
Dallas, TX 75201-2300
214-978-8600
Fax: 214-978-8673

January 15, 2009

Arizona Oil and Gas Conservation Commission
Arizona Geological Survey
416 West Congress
Tucson, AZ 85701

Attn: Mr. Steve Rauzi
Oil and Gas Program Administrator

897

Re: Oil and Gas Commission Meeting of January 16, 2009

Ladies and Gentlemen:

After reviewing the Agenda for the meeting regarding Ridgeway Arizona Oil Corporation's request for shut-in status on numerous wells including the 9-21 State (Permit 897), Hunt Oil U.S.A., Inc. would like to make the following statement:

Hunt Oil U.S.A., Inc. believes that the 9-21 well should not be given status of shut-in because it is not completed as a producing well pursuant to the rules of the Oil and Gas Conversation Commission. Based upon the records provided to the Commission, it appears that the zones for which completion reports have been provided are abandoned below a cast iron bridge plug installed by Ridgeway. All attempts at completion work on the well appear to have been completed by Ridgeway in 2000. No activity occurred on the well from September, 2000 until the lease expired on January 18, 2006. The request by Ridgeway to change the status of well from Temporary Abandoned in July, 2008 is:

- 1.) 11 years after well was TD'd in March, 1997
- 2.) 8 years after last work was done on well in September, 2000
- 3.) 2 and ½ years after the lease expired.
- 4.) In our opinion, the well is not completed as a producing well and shut-in, it is a well with a possible producing zone that has been abandoned; further, we believe the well may need to be plugged and abandoned because of its mechanical condition.

After reviewing Ridgeway's letter dated January 8, 2009, whereby they are requesting a one (1) year extension of Shut-In Status for a number of wells including the State 9-21 well (Permit 897):

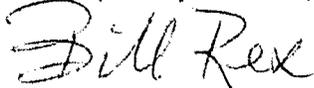
Hunt Oil U.S.A., Inc., respectfully requests that the Oil and Gas Conversation Commission deny, this request for two (2) reasons:

- 1.) The well is not classified correctly as shut-in. As mentioned above, the well is not completed as a producing well; instead, the only reported producing zone has been abandoned.
- 2.) The well and the Arizona State Land Department lease which it is located on are subject to an Administrative Hearing on January 20, 2009, as to the issues of whether the Lease is valid or has expired, and whether a new lease application by Hunt Oil U.S.A., Inc. for this tract is valid.

Handed out by Michelle Van Quathen @ 1-16-09 OACC mtg

If there are any questions with our request, please do not hesitate to contact the undersigned at 214-978-8600 or brex@huntoil.com.

Respectfully submitted,

A handwritten signature in cursive script that reads "Bill Rex".

Bill Rex
Vice President, U.S. Land & Negotiations
Hunt Oil U.S.A., Inc.

897

OGCC Mtg 1-16-2009

<u>Name</u>	<u>Representing</u>
Thomas White -	RAOC
Barry Portman -	"
John Blanchard -	"
Dan Snow -	Snow Oil
Garry Kiehne -	Self
Bob Wagner -	Self
MICHELE VAN QUATHEN -	HUNT / KIEHNE
Greg Gettman -	El Paso Natural Gas
Joe Dixon -	AZ State Land Dept.
Jerry Ellsworth -	SunCo Development