APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

NAME OF COMPANY OR OPERATOR
Ridgeway AZ Oil Corp.  P O Box 1110 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

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor
13-102725

Well number
State 11-29-30

Elevation (ground)
6920.40

Nearest distance from proposed location to property or lease line:
1556' FNL

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:
none

Number of acres in lease
2064.13

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:
N/A

Name

Address

Well location (give footage from section lines)
1556' FNL + 1728' FNL

Section - Township - Range or Block and Survey
5 S 29 T 11N R 30E G+SRW

Dedication per A.A.C. R 12-7-104(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. N 20°54'44" E 14.2 Miles

Proposed depth:
2200' +/-

Rotary or cable tools
Rotary

Organization Report

Certificate

Bond status
on file

Amount
$50,000.00

Remarks

APL # 02-001-2033

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

Permit Number: 938

Approval Date: 11-2-2006

Approved By: S 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

(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 ☑ 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 AZ Oil Corp.</td>
<td>NW 1/4 S. 29 T111N R30E G+SRM</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 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>13 3/8</td>
<td>450 lb</td>
<td>JS5</td>
<td>0</td>
<td>100'</td>
<td>100'-SURF</td>
<td>130 sacks</td>
<td>Class C</td>
</tr>
<tr>
<td>9 5/8</td>
<td>400 lb</td>
<td>JS5</td>
<td>0</td>
<td>1000'</td>
<td>1000'-SURF</td>
<td>600 sacks</td>
<td>Class C</td>
</tr>
<tr>
<td>5 1/2</td>
<td>150 lb</td>
<td>JS5</td>
<td>0</td>
<td>1750'</td>
<td>1750'-SURF</td>
<td>400 sacks</td>
<td>Class C</td>
</tr>
<tr>
<td>4 3/4 operable</td>
<td></td>
<td></td>
<td></td>
<td>2200'</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>