APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

NAME OF COMPANY OR OPERATOR
Ridgeway Arizona Oil Corp.

Drilling Contractor
Animas Well Drilling Services LLC

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>13-110246</td>
<td>State 12-32-30</td>
<td>6785'</td>
</tr>
</tbody>
</table>

Nearest distance from proposed location to property or lease line:
1402 feet

Number of acres in lease:
1266.86

Number of wells on lease, including this well, completed in or drilling to this reservoir:
0

Well location (give footage from section lines)
1402' E 1562' N L 32 T 12N R 30E S 32

Field and reservoir (if wildcard, so state)
Wildcat

Distance in miles and direction from nearest town or post office
N 16° 28' E 19.20 miles from Springerville P.O.

Proposed depth:
3000'

Bond status:
on file

Organization Report

Filing Fee of $25.00

Remarks

API # 02-001-20342

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
10-09-07

Permit Number:
949

Approval Date:
1-10-2008

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 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></td>
<td>NE 1/4 5-32 T12N R30E G+5 Rm</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

Position

Company

Date

10-9-07

**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&quot;</td>
<td>43#</td>
<td>24#</td>
<td>0</td>
<td>60'</td>
<td>0-60</td>
<td>100</td>
<td>C</td>
</tr>
<tr>
<td>8 3/8&quot;</td>
<td>24#</td>
<td>15 3/4#</td>
<td>0</td>
<td>1500</td>
<td>0-1500</td>
<td>250</td>
<td>C</td>
</tr>
<tr>
<td>5 1/2&quot;</td>
<td>15 3/4#</td>
<td>0</td>
<td>0</td>
<td>2500</td>
<td>0-2500</td>
<td>400</td>
<td>C</td>
</tr>
</tbody>
</table>