APPLICATION FOR PERMIT TO DRILL OR RE-ENTER
APPLICATION TO DRILL ☒ RE-ENTER OLD WELL ☐

NAME OF COMPANY OR OPERATOR
Ridgeway Arizona Oil Corp.

Address    City    State    Phone Number
P O Box 1110 St. Johns, AZ 85936    928-337-3230

Drilling Contractor    Pinpoint Drilling    214-908-1502

Address    3401 Bloomfield Hwy, Farmington, NM 87401

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if none lease, name of lessor
Private 2005-10978

Well number    11-3-30    Elevation (ground)    6782.6'

Nearest distance from proposed location to property or lease line:
1327.8 feet

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

Number of acres in lease    4446.14 ac

Number of wells on lease, including this well; completed or drilling to this reservoir:
1

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

Well location (give footage from section lines)
200G F56 + 1328 FEL

Section - Township - Range or Block and Survey
53T11N R30E G+SRW

Dedication per A.A.C. R127-7-104(A)(3)    640 ac

Field and reservoir (if wildcat, so state)
St Johns Gas Unit

County    Apache

Distance in miles and direction from nearest town or post office
N 25°18'E 18.6 miles from Springerville P.O.

Proposed depth:    2200'

Rotary or cable tools:    rotary

Bond status:    on file

Organization Report    On file    X    Or attached

Amount    $50,000

Attached    X

Remarks

API # 02-001-20373

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Field Operations Manager 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    May 11, 2010

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:

Ridgeway Arizona Oil Corp
P.O. Box 1110 St Johns, AZ 85936

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 Mgr

Company  
Ridgeway Arizona Oil Corp

Date  
May 11, 2010

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  
3/10/2010

Registered Land Surveyor  

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&quot;</td>
<td>46#</td>
<td>H-40</td>
<td>0</td>
<td>80'</td>
<td>80'</td>
<td>100</td>
<td>ready-mix</td>
</tr>
<tr>
<td>9 5/8&quot;</td>
<td>36#</td>
<td>J-55</td>
<td>0</td>
<td>1400'+/-</td>
<td>0-1400' +/-</td>
<td>400</td>
<td>class c</td>
</tr>
<tr>
<td>7&quot;</td>
<td>23#</td>
<td>J-55</td>
<td>0</td>
<td>2000' +/-</td>
<td>0=2000' +/-</td>
<td>600</td>
<td>class c</td>
</tr>
</tbody>
</table>