

**CONFIDENTIAL**

Release Date 2-20-96

RIDGEWAY OIL 22-1 STATE  
NW NW 22-12N-29E (885)

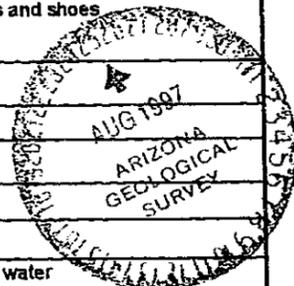


**PLUGGING RECORD**

Operator <b>Ridgeway AZ Oil Corp.</b>		Address & Phone number <b>520-337-3230</b> <b>P. O. Box 1110 St. Johns, AZ 85936</b>	
Federal, State, or Indian Lease No. or lessor's name if fee lease <b>13-53729</b>	Well No. <b>22</b>	Field & Reservoir <b>Well</b>	
Location of Well <b>451 F/NL &amp; 637 F/WL</b>		Sec - Twp - Rge <b>22 T 12N 29E</b>	County <b>Apache</b>
Application to drill this well was filed in name of <b>Ridgeway AZ Oil Corp.</b>	Has this well ever produced oil or gas <b>No</b>	Character of well at completion (initial production): Oil (bbbls/day)	Gas (MCF/day) <b>Dry?</b>
Date plugged <b>8-13-97</b>	Total depth <b>208'</b>	Amount well producing when plugged: Oil (bbbls/day)	Gas (MCF/day) <b>Water (bbbls/day)</b>
Name of each formation containing oil or gas. Indicate which formation open to wellbore at time of plugging	Fluid content of each formation	Depth interval of each formation	Size, kind & depth of plugs used. Indicate zones squeeze cemented, giving amount of cement
<b>None</b>	<b>None</b>	<b>None</b>	<b>86.86 Cu Ft</b> <b>Ready Mix</b>

**CASING RECORD**

Size pipe	Put in well (ft.)	Pulled out (ft.)	Left in well (ft.)	Give depth and method of parting casing (shot, etc.)	Packers and shoes
<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>		
Was well filled with heavy drilling mud, according to regulations?				Indicate deepest formation containing fresh water	



**NAME AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE**

Name	Address	Direction from this well
<b>Ridgeway AZ Oil Corp.</b>	<b>590 S. White Mountain Drive</b>	<b>north east</b>

In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required.

Use reverse side for additional detail.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the *VP* of the *Ridgeway Petroleum Co. 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.

Date *8-21-97*

Signature *[Handwritten Signature]*

Mail completed form to:  
Oil and Gas Program Administrator  
Arizona Geological Survey  
416 W. Congress, #100  
Tucson, AZ 85701

Permit No. *885*

**STATE OF ARIZONA**  
**OIL & GAS CONSERVATION COMMISSION**

Plugging Record  
File One Copy

Form No. 10

APPLICATION TO PLUG AND ABANDON

FIELD Wildcat  
OPERATOR Ridgeway AZ Oil Corp. ADDRESS P. O. Box 1110 St. Johns, AZ 85936  
Federal, State or Indian Lease Number \_\_\_\_\_  
or Lessor's Name if Fee Lease \_\_\_\_\_ State \_\_\_\_\_ WELL NO. 22  
LOCATION 451 F/NL & 637 F/WL Sec 22 T12N R29E Apache County, Arizona

TYPE OF WELL Dry Hole TOTAL DEPTH 218'  
(Oil, Gas or Dry Hole)

ALLOWABLE (If Assigned) NA

LAST PRODUCTION TEST OIL \_\_\_\_\_ (Bbls.) WATER \_\_\_\_\_ (Bbls.)  
GAS \_\_\_\_\_ (MCF) DATE OF TEST \_\_\_\_\_

PRODUCING HORIZON \_\_\_\_\_ PRODUCING FROM \_\_\_\_\_ TO \_\_\_\_\_

1. COMPLETE CASING RECORD.

None

2. FULL DETAILS OF PROPOSED PLAN OF WORK.

Fill 8 3/4" hole with ready mix F-218' to surface. A regulation dry hole marker will be placed @ the well site.

DATE COMMENCING OPERATIONS 7-30-97

NAME OF PERSON DOING WORK Buddy Davis ADDRESS P. O. Box 1110 St. Johns, AZ



Don Riggs Don Riggs  
Signature  
Vice President of Operations  
Title  
P. O. Box 1110 St. Johns, AZ 85936  
Address  
July 23, 1997  
Date

Date Approved 8-5-97  
STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
By: SL Rainey

STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION  
Application to Plug and Abandon  
File Two Copies  
Form No. 9

Permit No. 885

STATE: ARIZONA  
COUNTY: APACHE  
API 02-001-20300  
FIELD: UNNAMED  
WELL CLASS: WO  
OPR: RIDGEWAY ARIZONA OIL

12N-29E 22  
NW NW  
451 FNL 637 FWL  
STATUS: D&A

22-1 STATE

SPUD: 08/17/95 COMP: 08/19/95 ELEV: 6338 GR  
TD: 218 (08/19/95) FM/TD: SAN ANDRES  
CONTR: SMITH WAYNE DRG RIG # 1 (R) (VERTICAL)  
PROJ DEPTH/FM: 2300 FORT APACHE

COMP 8/19/95, D&A. NO CORES OR DSTS.

LOC DESCRIPTION: 1 MI S OF FLD(CO2 GAS DISC) 8 MI SE ST JOHNS, AZ; LAT: 3442906 LONG: 10927017;  
CASING: 9 5/8 @ 120 W/70 SX;  
DRLG COMMENTS: LOST CIRC @ TD, STAKED REPLACEMENT WELL LOG TOPS NOT RPTD  
OPER ADD: DRAWER 3337, FARMINGTON, NM, 87499 PHONE (505) 327-4892;

7-6-95

Re: Ridgeway State 22-1 (885)

Bill Gaches, Ridgeway Az Oil Co. (505) 334-7228

Plan to move in Saturday 7-8

Rig up Sunday 7-9

Spud Monday a.m. 7-10

United Drilling Co. Roswell, NM

Alan: Plan to cut 120' of conv. core

7-13-95

Alan Emendorfer - postponed, prob until 18<sup>th</sup>

8-14-95

Walter Ruck - flying to St. Johns, move in tomorrow, spud Wednesday

8-17-95

location work underway, spud in 2 hr possibly cut tomorrow evening

8-18-95

Made 61 ft last night, drill to 700' cond hole, run logs, cond hole, run CSS, prob cut Sunday evening or possibly Monday. (Don Riggs) @ 7:00pm @ 136' making 28-30 min/ft. prob Monday before logging

8-20-95

@ 212'. Lost cir @ 180' in fractured San Andres ls. Bit bouncing, large calcite xls. Will abandon hole + move away from wash about 600-800' and drill the 22-1X hole. Verbal approval + 10 days to get revised application in.

**SUNDRY NOTICES AND REPORTS ON WELLS**

1. Name of Operator Ridgeway Arizona Oil Company  
 2. OIL WELL  GAS WELL  OTHER  (Specify) \_\_\_\_\_  
 3. Well Name State 22-1  
 Location 451' FNL & 637' FWL  
 Sec. 22 Twp. 12N Rge. 29E County Apache, Arizona.  
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease State Lease #13-53-729  
 5. Field or Pool Name Wildcat Fort Apache

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:			SUBSEQUENT REPORT OF:		
TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>	WATER SHUT-OFF	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	DIRECTIONAL DRILL	<input type="checkbox"/>	FRACTURE TREATMENT	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	PERFORATE CASING	<input type="checkbox"/>	SHOOTING OR ACIDIZING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input checked="" type="checkbox"/>	(OTHER)	<input type="checkbox"/>
(OTHER)	<input type="checkbox"/>				

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Per verbal approval, this location will be moved approximately 45' to the east due to topographic constraints. This will still be within the legal well offset restrictions. A new location plat will be forwarded as soon as possible.

**APPROVED**

By SL Rainey  
 Date 7-3-95

8. I hereby certify that the foregoing is true and correct.

Signed Paul C. Thompson Title Agent Date 6/27/95  
 Paul C. Thompson, P.E.

Permit No. 885

STATE OF ARIZONA  
 OIL & GAS CONSERVATION COMMISSION  
 Sundry Notices and Reports On Wells  
 Form No. 25 File One Copy

**SUNDRY NOTICES AND REPORTS ON WELLS**

1. Name of Operator Ridgeway Arizona Oil Company  
 2. OIL WELL  GAS WELL  OTHER  (Specify) \_\_\_\_\_  
 3. Well Name State #22-1  
451' FNL & 637' FWL  
 Location \_\_\_\_\_  
 Sec. 22 Twp. 12N Rge. 29E County Apache, Arizona.  
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease State Lease #13-53-729  
 5. Field or Pool Name Wildcat Fort Apache

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	(OTHER) _____	ABANDONMENT <input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Ridgeway Arizona Oil Company proposes to change the drilling plan for this well and eliminate the 120' of surface casing. Cement will be circulated to surface on the 7" casing job. All other aspects of the well will be the same.

**APPROVED**

By SK Roush  
 Date 6-29-95

8. I hereby certify that the foregoing is true and correct.

Signed Paul C. Thompson Title \_\_\_\_\_ Agent \_\_\_\_\_ Date 6/22/95  
 Paul C. Thompson

885

Permit No. \_\_\_\_\_

STATE OF ARIZONA  
 OIL & GAS CONSERVATION COMMISSION  
 Sundry Notices and Reports On Wells  
 Form No. 25 File One Copy



# PERMIT TO DRILL

This constitutes the permission and authority from the  
OIL AND GAS CONSERVATION COMMISSION,  
STATE OF ARIZONA,

To: RIDGEWAY ARIZONA OIL CORPORATION  
(OPERATOR)

to drill a well to be known as

22-1 STATE  
(WELL NAME)

located 451' PNL & 637' FWL

Section 22 Township 12N Range 29E, APACHE County, Arizona.

The N 1/2 of NW QTR of said  
Section, Township and Range is dedicated to this well.

Said well is to be drilled substantially as outlined in the attached Application and must be drilled  
in full compliance with all applicable laws, statutes, rules and regulations of the State of Arizona.

Issued this 20 day of MARCH, 1995.

OIL AND GAS CONSERVATION COMMISSION

By Steven L. Rainey  
~~EXECUTIVE DIRECTOR~~

OIL & GAS PROGRAM ADMINISTRATOR

PERMIT 00885

RECEIPT NO. 3074

A.P.I. NO. 02-001-20300

State of Arizona  
Oil & Gas Conservation Commission  
Permit to Drill

FORM NO. 27

**MEMORANDUM TO FILE**

DATE: March 14, 1995

FROM: *SLR* Steven L. Rauzi  
Oil and Gas Program Administrator

SUBJECT: Known and reasonably estimated freshwater aquifers in vicinity of  
RIDGEWAY OIL CORPORATION 22-1 STATE  
NW NW NW Sec. 22, T. 12 N., R. 29 E., Apache County

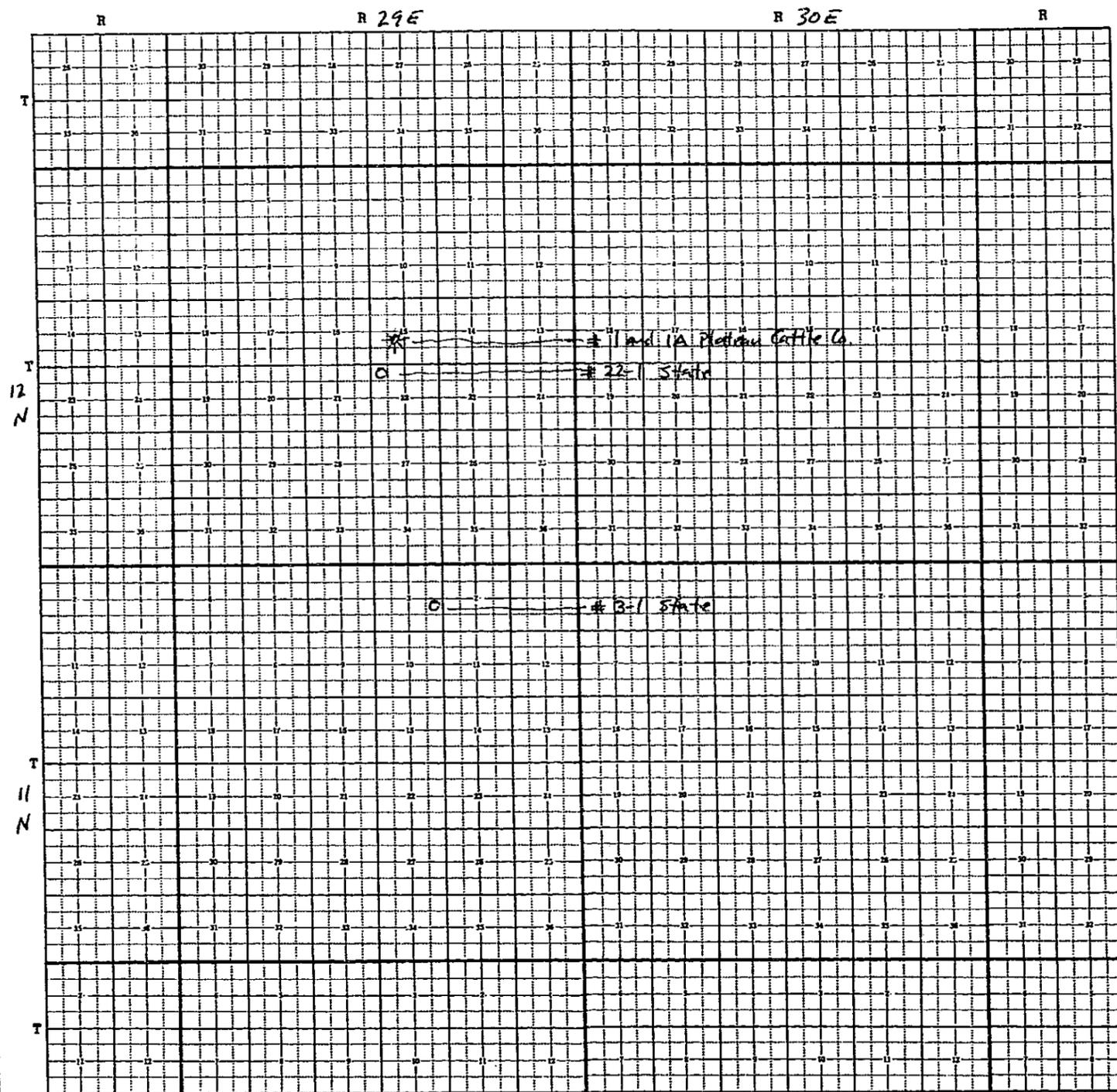
Rick Herther, Basic Data Section, Arizona Department of Water Resources, reported this date that no water wells are registered in sec. 22, T. 12 N., R. 29 E., the vicinity of the subject well. The nearest water wells registered with the Department are in the northeast quarter of section 20 and the northeast quarter of section 23. The well in section 20 is 20 feet deep with a water level reported at a depth of 10 feet. The well in section 23 is registered to Tucson Electric Power, is 800 feet deep, is cased to a depth of 320 feet, and has a water level reported at a depth of 545 feet.

This information plus the information on the depth of the Coconino Sandstone obtained from the No. 1 Plateau Cattle Company well in section 15, T. 12 N., R. 29 E., indicates that surface casing set to 120 feet and intermediate casing set to 700 feet will be sufficient to protect waters in surface alluvium, the Coconino Sandstone, and all other reasonably estimated freshwater aquifers in the vicinity of the subject well.

*file 885*

No. 4B. TOWNSHIP PLAT.—Bradford-Robinson Plat. Co., Mfrs. Robinson's Legal Blanks, 1324-46 Stout St., Denver, Colorado

County Apache State Arizona



Four Township Island plat (1/2" to the mile)

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER		
APPLICATION TO DRILL <input checked="" type="checkbox"/>		RE-ENTER OLD WELL <input type="checkbox"/>
RIDGEWAY ARIZONA OIL CORPORATION		
NAME OF COMPANY OR OPERATOR c/o Walsh Engr. & Prod. Corp. 7415 E. Main Street Farmington, New Mexico 87402		505 327-4892
Address City State		
Drilling Contractor Big A Well Service		
Address P. O. Drawer 3337 Farmington, N.M. 87499		
DESCRIPTION OF WELL AND LEASE		
Federal, State or Indian Lease Number, or if fee lease, name of lessor State Lease #13-53-729	Well number 22-1	Elevation (ground) 6337.99'
Nearest distance from proposed location to property or lease line: 451 feet	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease: First Well on Lease feet	
Number of acres in lease: 2560	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: Name Address		
Well location (give footage from section lines) 451' FNL & 637' FWL	Section-township-range or block and survey Sec. 22, T12N, R29E	Dedication (Comply with Rule 105) N/2 NW/4 80 Acres
Field and reservoir (if wildcat, so state) Wildcat Fort Apache	County Apache County, Arizona	
Distance in miles, and direction from nearest town or post office 5 miles SE of St. Johns, Arizona		
Proposed depth: 2300'	Rotary or cable tools Rotary	Approx. date work will start 4/11/95
Bond Status: On file Amount \$ 25,000	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/>
Remarks:  Ridgeway Arizona proposes to drill this well according to the attached drilling plan.		
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the _____ Agent of the _____ (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.		
		<u>Paul C. Thompson</u> Signature
API # 02-001-20300		3/13/95 Date
Permit Number: <u>885</u> Approval Date: <u>MAR 20 1995</u>	STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Application to Drill or Re-enter File Two Copies	
Approved By: <u>Steven L. Rainey</u>		
Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.		
Form No. 3		

2786

**THOMPSON ENGINEERING & PRODUCTION CORP.** 12-68  
DBA WALSH ENGINEERING & PRODUCTION CORP.  
7415 E. MAIN PH. 505-327-4892  
FARMINGTON, NM 87402

March 13 19 95

95-5A/1022

PAY  
TO THE  
ORDER OF

Arizona Oil Conservation Division

\$ 25.00

Twenty Five and no/100

DOLLARS



**First National Bank**  
First in Farmington and the Four Corners  
Farmington, Aztec, Bloomfield, Shiprock, New Mexico  
Filing Fee for

FOR Ridgeway Arizona Pet. Co. State 22-1 Paul C. Thompson

⑈002786⑈ ⑆102200546⑆ 019417412⑈



WALSH ENGR. & PROD. CORP.  
RIDGEWAY ARIZONA OIL COMPANY  
DRILLING PROGNOSIS

DATE: 3/13/95

WELL NAME: State 22-1  
LOCATION: 451 FNL and 637'FWL  
Section 22, T12N,R29E  
Apache County, Arizona

FIELD: Wildcat

ELEVATION: 6338' GR  
TOTAL DEPTH: 2300'

SURFACE: Fee  
MINERALS: State #13 53729

GEOLOGY: Surface formation - Chinle

A. FORMATION TOPS:

Chinle	Surface	Ft. Apache	1305'
Moenkopi	135'	Granite Wash	2080'
San Andres	150'	Granite	2300'
Glorietta	420'	TOTAL DEPTH	2300'
Supai	600'		

B. LOGGING PROGRAM: Dual Induction, Spectral Density and  
Dual Spaced Neutron from Intermediate TD to 120' and from  
TD to 7" casing point.

C. NATURAL GAUGES: Gauge any noticeable increases in gas  
flow. Record all gauges in Tour book and on morning  
reports.

D. DST. Three DST's are planned in the Ft. Apache. Depths  
will be selected by on-site geologist.

2. DRILLING:

A. MUD PROGRAM: Spud mud for surface. Water and Benex to  
top int. casing point. Saturated salt system from 700'  
to T.D.

B. BOP TESTING: While drill pipe is in use, the pipe rams  
will be tested not less than once each day. The blind  
rams will be tested once each trip. The drum brakes will  
be inspected and tested each tour. All tests and  
inspections will be recorded in the tour book as to time  
and results.

3. MATERIALS:

A. CASING PROGRAM:

<u>CASING TYPE</u>	<u>HOLE SIZE</u>	<u>DEPTH</u>	<u>CASING SIZE</u>	<u>WT &amp; GRADE</u>
Surface	12-1/4"	120'	9-5/8"	36# K55
Intermediate	8-3/4"	700'	7"	20# K55
Production	6-1/4"	2300'	4-1/2"	10.5 K55

Operations Plan  
Ridgeway State 22 #1  
Page #2

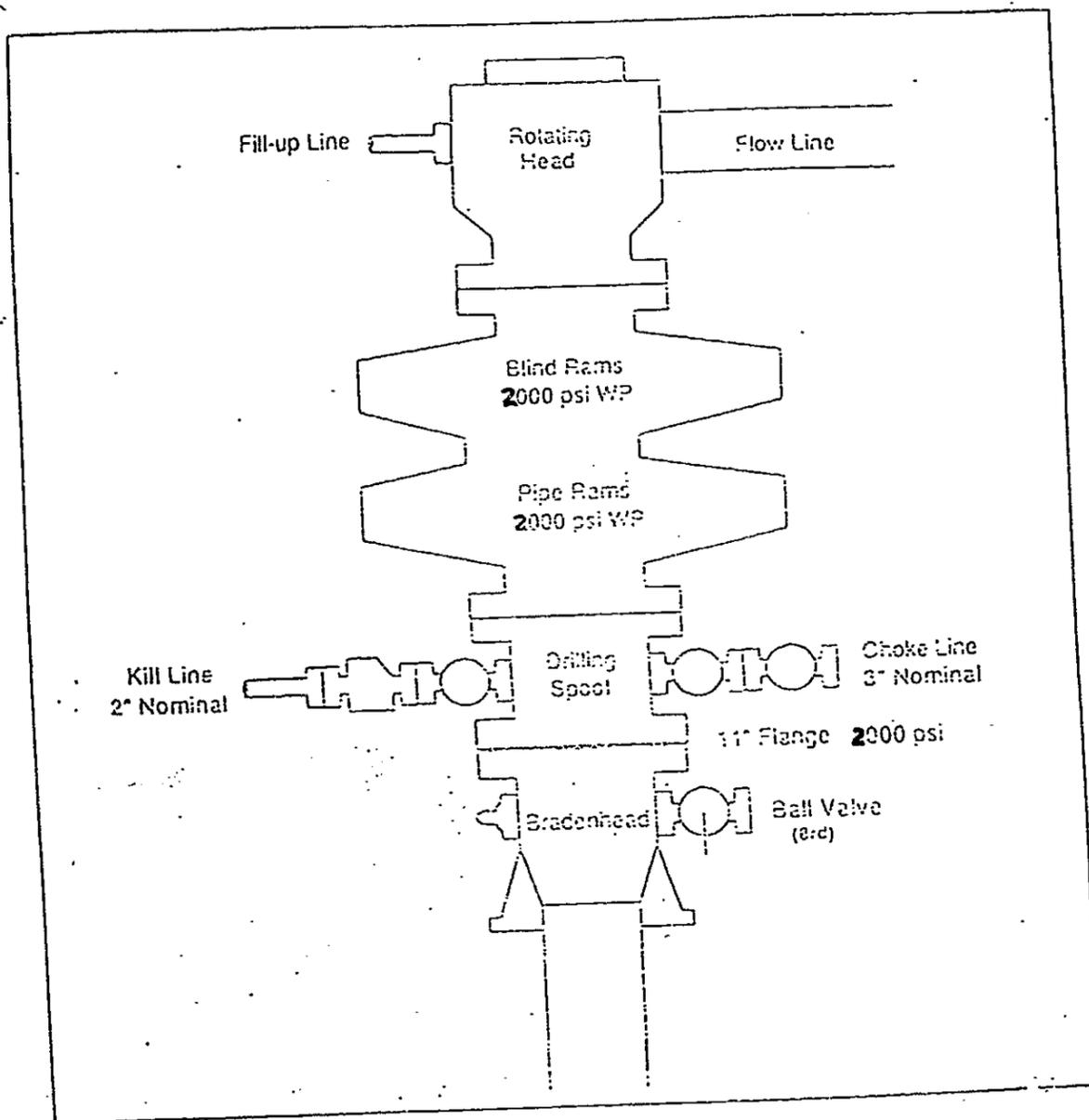
B. FLOAT EQUIPMENT:

1. SURFACE CASING: 9-5/8" notched regular pattern guide shoe.
2. INTERMEDIATE CASING: 7" cement nose guide shoe with a self-fill insert float. Place float one (1) joint above the shoe and eight (8) turbulent centralizers, spaced every other joint, starting with the float collar. Reciprocate pipe while cementing.
3. PRODUCTION: 4-1/2" whirler type cement nose guide shoe with a float collar one (1) joint above shoe. Place 5 centralizers spaced every other joint, starting with float collar. Place turbulent centralizers every third joint above regular centralizers to intermediate casing. Total of 10. Reciprocate pipe while cementing.

C. CEMENTING:

1. SURFACE: Use 70 sx (83 cuft) of Class "G" with 2% CaCl<sub>2</sub> and 1/4# of cello-flake/sx (Yield = 1.18 cuft/sx, weight = 15.6#/gal). Use 100% excess to circulate the surface. WOC 12 hours. Test to 1500#.
2. INTERMEDIATE: Lead: 60 sx (122 cuft) of Class "G" w/2% metasilicate and 1/4# cello-flake/sx (Yield = 2.04 cuft/sx, weight = 12.1#/gal). Tail - 75 sx (89 cuft) of Class "G" with 1/4# cello-flake/sx and 2% CaCl<sub>2</sub>. (Yield = 1.18 cuft/sx, weight = 15.6#/gal). Use 100% excess to circulate to surface. Total volume = 211 cuft. WOC 12 hours. Run a temperature survey after 8 hours if cement is not circulated. Test to 1500#.
3. PRODUCTION: 205 sx (355 cuft) of Class "G" with 4% gel, 6-1/4# fine gilsonite/sx and 0.8% fluid loss (Yield = 1.73 cuft/sx, weight = 13.5#/gal). Use 50% excess to circulate to surface. Run a temperature survey after 8 hours to determine TOC behind the 4-1/2" casing if cement is not circulated.

BOP STACK ARRANGEMENT



All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 600 psi. The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

03/03/85 11:48

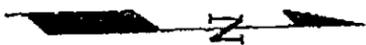
403 26° 5294

RIDGEWAY PETRO

002/002

### WELL PAD LAYOUT

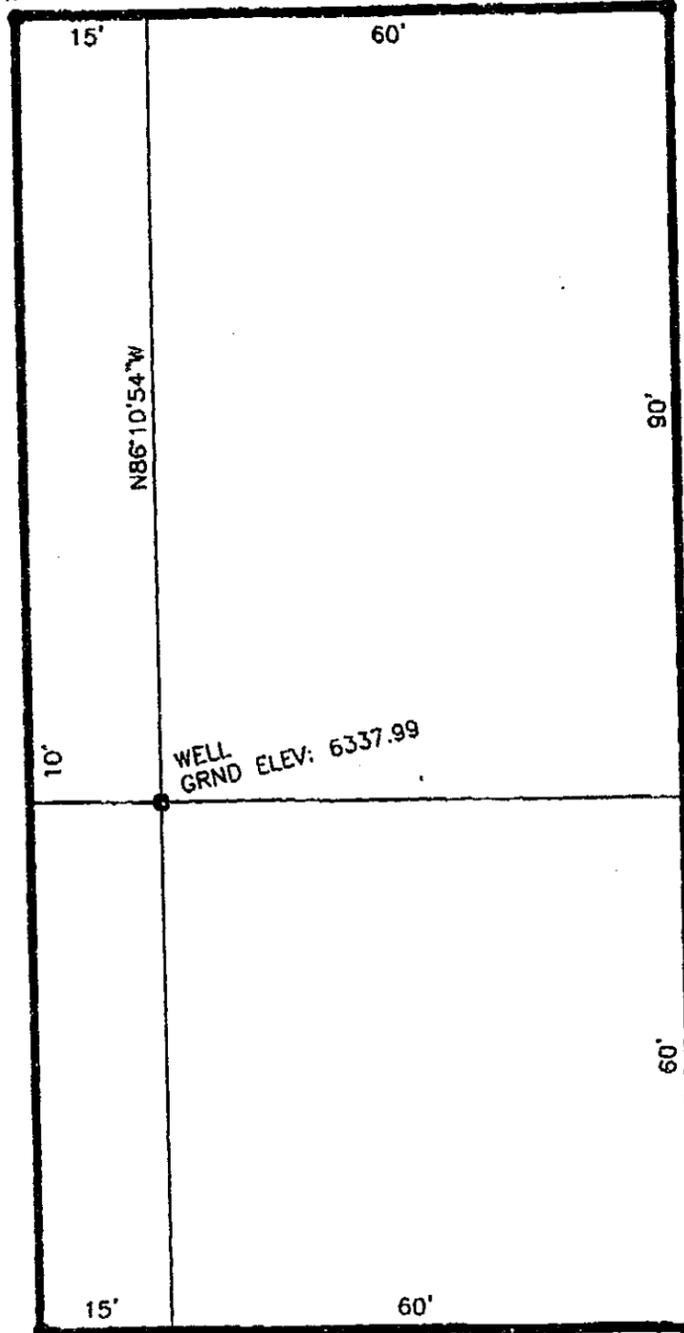
RIDGEWAY ARIZONA OIL CORP.  
RIDGEWAY STATE 22-1  
451' FNL & 637' FWL  
SECTION 22, T12N, R29E, G&SRM  
APACHE COUNTY, ARIZONA



SCALE: 1"=20'

6334.03

6333.93

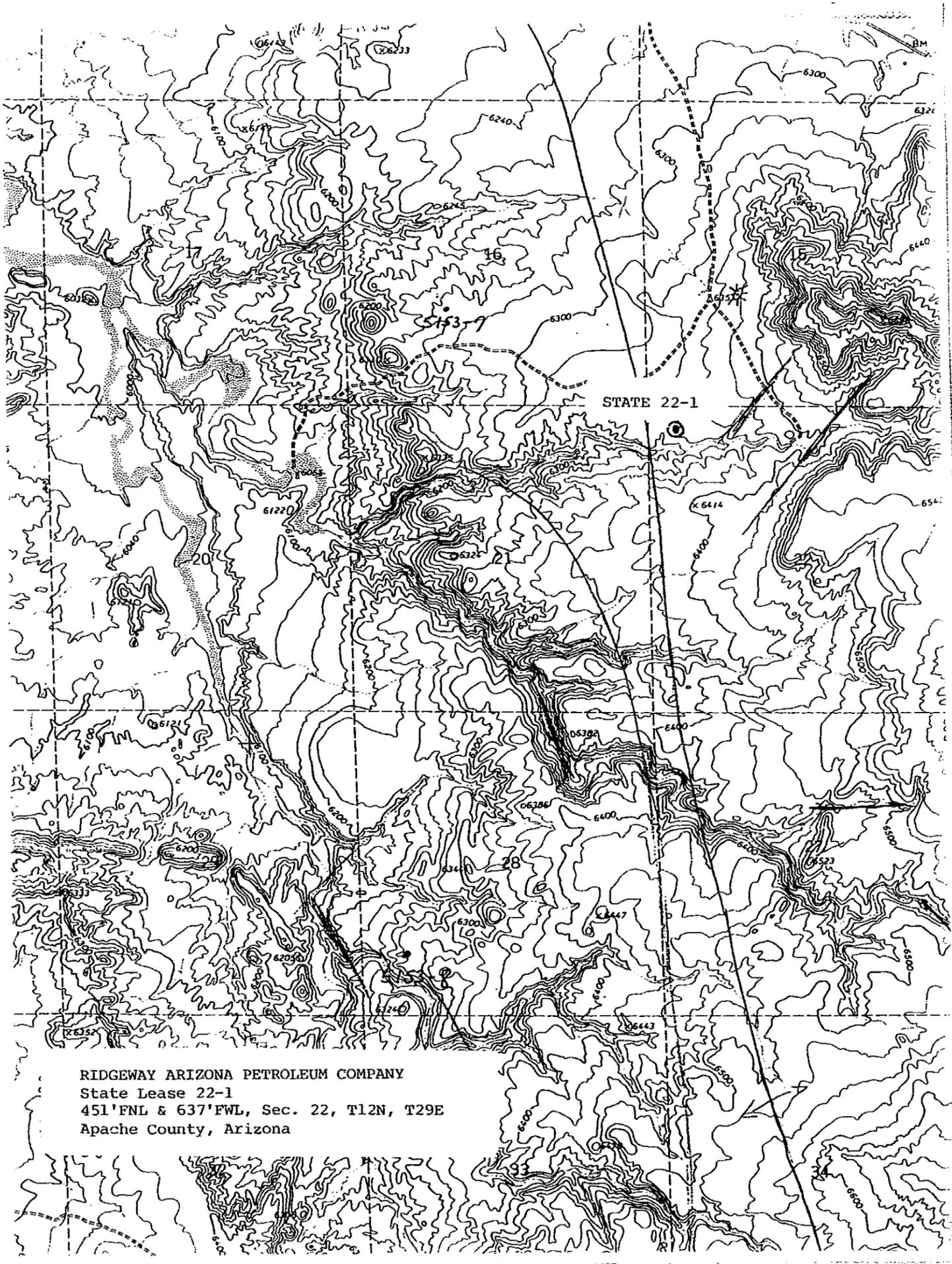


NO MUD PIT SHOWN  
PAD ON SOLID SANDSTONE

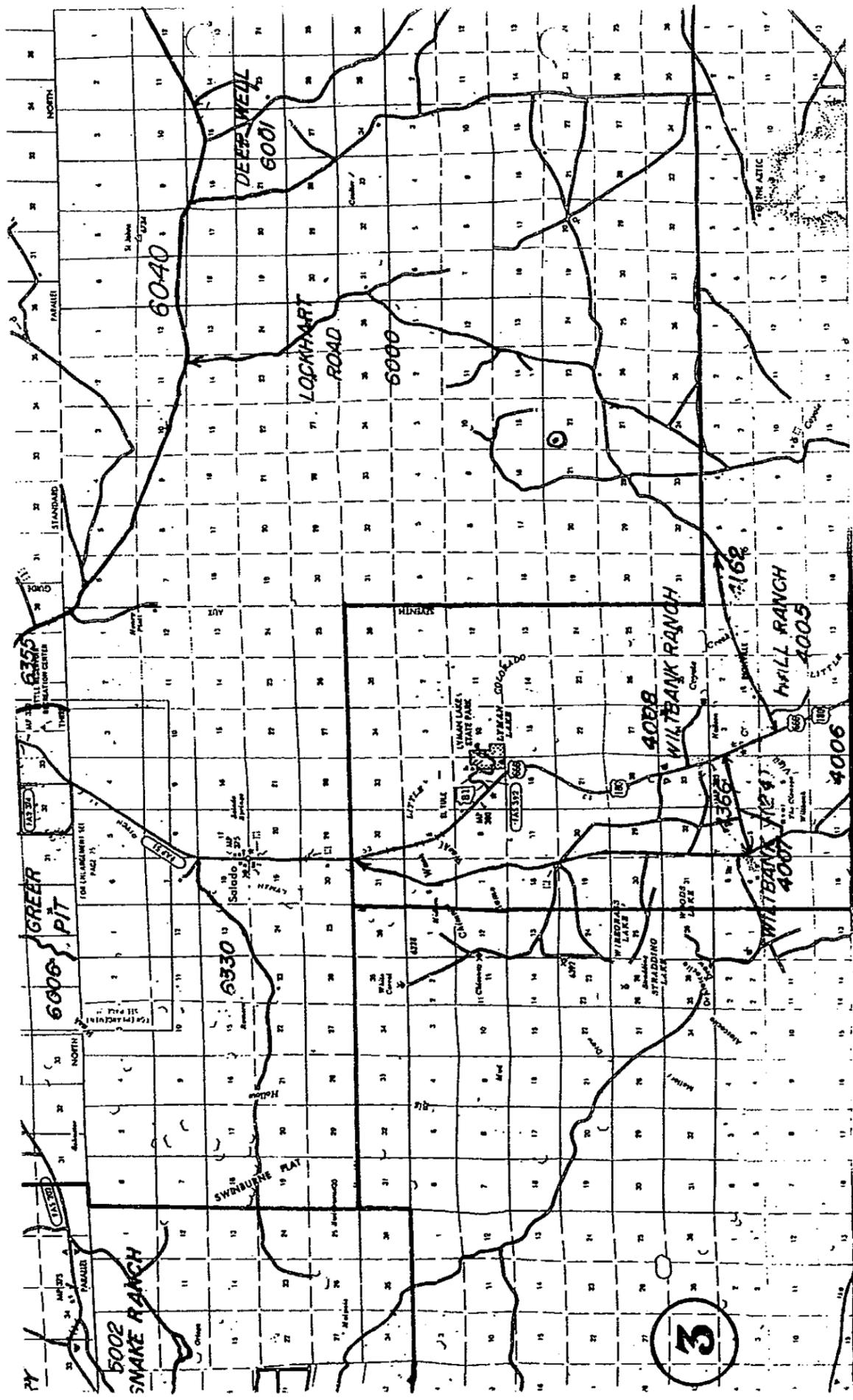
WELL  
GRND ELEV: 6337.99

6336.95

6342.53



RIDGEWAY ARIZONA PETROLEUM COMPANY  
State Lease 22-1  
451' FNL & 637' FWL, Sec. 22, T12N, T29E  
Apache County, Arizona



**ORGANIZATION REPORT**

Full Name of the Company, Organization, or Individual  
**RIDGEWAY ARIZONA OIL CORPORATION**

Mailing Address and Phone Number  
**1080,700 - 4th Ave. SW Calgary, Alberta, Canada T2P-3J4**

Plan of Organization (State whether organization is a corporation, joint stock association, firm or partnership, or individual)  
**Corporation**

Purpose of Organization (State type of business in which engaged)  
**Oil & Gas Exploration and Production**

If a reorganization, give name and address of previous organization  
**Newco**

(1) State where incorporated	(2) Name and mailing address of state agent	(3) Date of permit to do business in state
Arizona State Corp.	Don Riggs PO Box 1110 St. Johns, AZ 85936	May 16, 1994
Principal Officers or Partners (if partnership) NAME	TITLE	MAILING ADDRESS
Walter B. Ruck	President	2604 Signal Ridge View SW Calgary Alberta T3H 3G1
Don R. Riggs	Vice President	PO Box 1110 St. Johns, AZ 85936
E. Maxine Robertson	Secretary	872 Queensland Dr. SE Calgary, Alberta T2J 6E6

DIRECTORS NAME	MAILING ADDRESS
Walter B. Ruck	As above
Don R. Riggs	As above
E. Maxine Robertson	As above

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Vice-President 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: [Handwritten Signature]

Date: 2-19-97



Mail completed form to:  
 Oil and Gas Program Administrator  
 Arizona Geological Survey  
 416 W. Congress, #100  
 Tucson, AZ 85701

STATE OF ARIZONA  
**OIL & GAS CONSERVATION COMMISSION**

Organization Report  
 File One Copy

Form No. 1



**ROCKY MOUNTAIN GEO-ENGINEERING CO.**

885

WELL SITE GEOLOGY - MUD LOGGING  
2450 INDUSTRIAL BLVD. PHONE (303) 243-3044 GRAND JUNCTION, CO 81505

COMPANY RIDGEWAY ARIZONA OIL CO. LOCATION SEC 22-T12N-29E  
420' FNL, 670' FWL  
WELL RIDGEWAY STATE 22-1 COUNTY APACHE  
FIELD STATE ARIZONA  
ELEVATION GL 6341' KB 6345'  
DRILLING FLUID FRESH WATER/GEL

DEPTH LOGGED 60'  
DATE LOGGED 8-17-95  
ENGINEERS S. PHARES  
DAVID L. HARRIS

DTG - DOWN TIME GAS  
DST - DRILL STEM TEST  
SLM - STEEL LINE MEAS.  
LAT - LOGGED AFTER TRIP  
WOB - WEIGHT ON BIT  
RPM - REVOLUTIONS/MIN.  
PP - PUMP PRESSURE  
O - DEVIATION

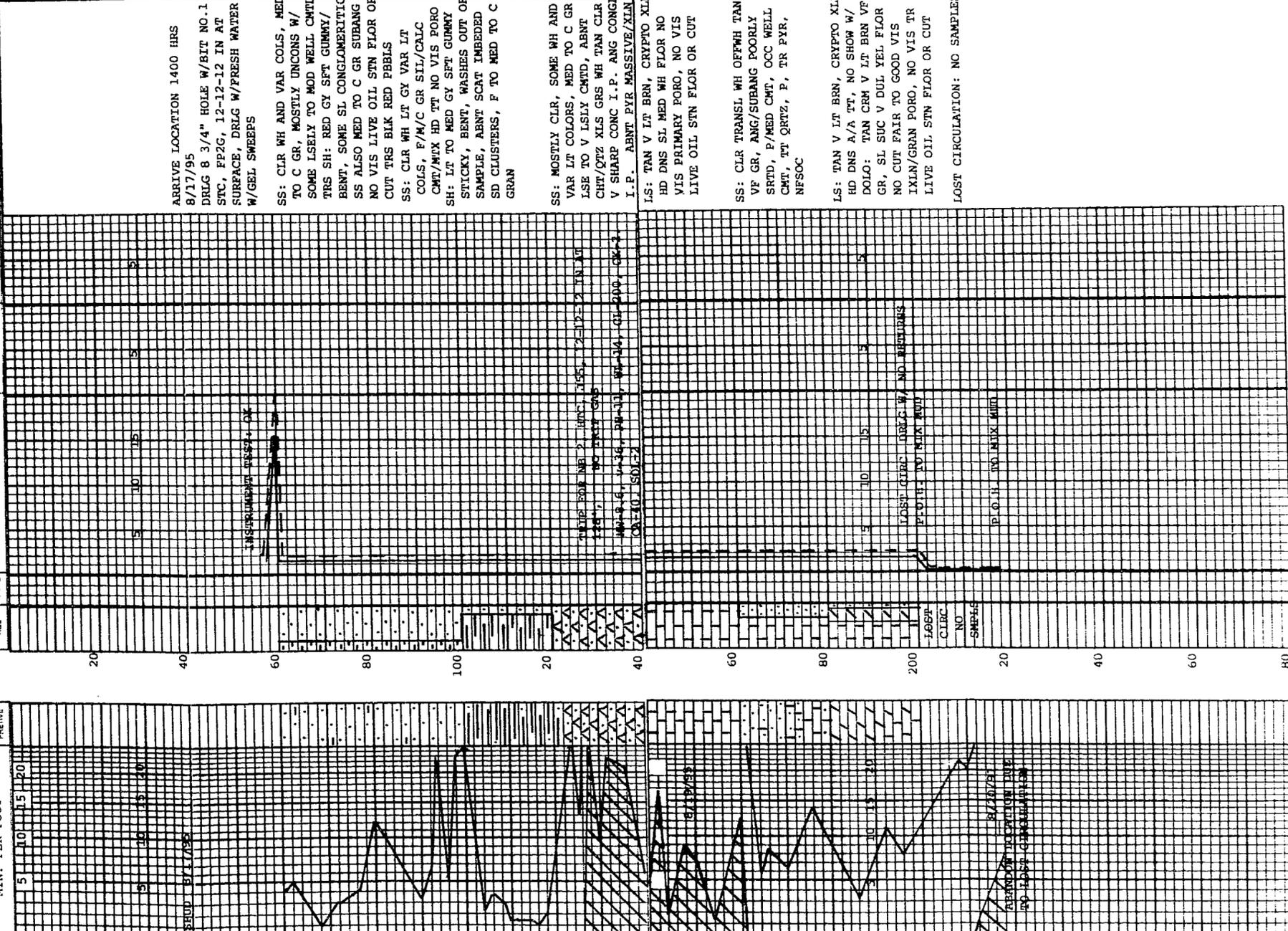
TG - TRIP GAS  
CG - CONNECTION GAS  
NB - NEW BIT  
NR - NO RETURNS  
CO - CIRCULATE OUT  
NS - NO SAMPLE  
RR - RERUN  
CB - CORE BIT  
O - SHOW REPORT

COAL  
ANHY. GYP  
SILTSTONE

DOLOMITE  
CHERT  
SALT

SHALE  
SANDSTONE  
LIMESTONE

CHROMATOGRAPH HYDROCARBONS IN PPM  
M = 1000 PPM  
TOTAL GAS --- METHANE --- ETHANE --- BUTANE ---  
PROPANE --- PENTANE ---



ARRIVE LOCATION 1400 HRS  
8/17/95  
DRUG 8 3/4" HOLE W/BIT NO.1  
STC, FP2G, 12-12-12 IN AT  
SURFACE, DRIG W/FRESH WATER  
W/GEL SWEEPS

SS: CLR WH AND VAR COLS, MED  
TO C GR, MOSTLY UNCONS W/  
SOME LSELY TO MOD WELL CMTD  
TRS SH: RED GY SFT GUMMY/  
BENT, SOME SL CONGLOMERATIC  
SS ALSO MED TO C GR SUBANG  
NO VIS LIVE OIL STN FLOR OR  
CUT TRS BLK RED PEBLS  
SS: CLR WH LT GY VAR LT  
COLS, F/M/C GR SIL/CALC  
CMT/MTX HD TT NO VIS PORO  
SH: LT TO MED GY SFT GUMMY  
STICKY, BENT, WASHES OUT OF  
SAMPLE, ABNT SCAT IMBEDDED  
SD CLUSTERS, F TO MED TO C  
GRAN

SS: MOSTLY CLR, SOME WH AND  
VAR LT COLORS, MED TO C GR  
LSE TO V LSELY CMTD, ABNT  
CMT/OTZ XLS GRs WH TAN CLR  
V SHARP CONC I.P. ANG CONGL  
I.P. ABNT PYR MASSIVE/XLN

IS: TAN V LT BRN, CRYPTO XLN  
HD DNS SL MED WH FLOR NO  
VIS PRIMARY PORO, NO VIS  
LIVE OIL STN FLOR OR CUT

SS: CLR TRANSL WH OFFWH TAN,  
VF GR, ANG/SURANG POORLY  
SRTD, P/MED CMT, OCC WELL  
CMT, TT QRTZ, P, TR PYR,  
NFSOC

LS: TAN V LT BRN, CRYPTO XLN  
HD DNS A/A TT, NO SHOW W/  
DOLO: TAN CRM V LT BRN VF  
GR, SL SUC V DUL YEL FLOR  
NO CUT FAIR TO GOOD VIS  
IXLN/GRAN PORO, NO VIS TR  
LIVE OIL STN FLOR OR CUT

LOST CIRCULATION: NO SAMPLES



# ROCKY MOUNTAIN GEO-ENGINEERING CO.

# 885

WELL SITE GEOLOGY - MUD LOGGING  
2450 INDUSTRIAL BLVD. PHONE (303) 243-3044 GRAND JUNCTION, CO 81505

COMPANY RIDGEWAY ARIZONA OIL CO. LOCATION SEC 22-T12N-29E  
420' FNL, 670' FWL  
WELL RIDGEWAY STATE 22-1 COUNTY APACHE  
FIELD STATE ARIZONA  
ELEVATION GL 6341' KB 6345' DRILLING FLUID FRESH WATER/GEL

DEPTH LOGGED 60'  
DATE LOGGED 8-17-95  
ENGINEERS S. PHARES  
DAVID L. HARRIS

DTG - DOWN TIME GAS  
DST - DRILL STEM TEST  
SLM - STEEL LINE MEAS.  
LAT - LOGGED AFTER TRIP  
WOB - WEIGHT ON BIT  
RPM - REVOLUTIONS/MIN.  
SPM - STROKES/MIN.  
PP - PUMP PRESSURE  
O - DEVIATION

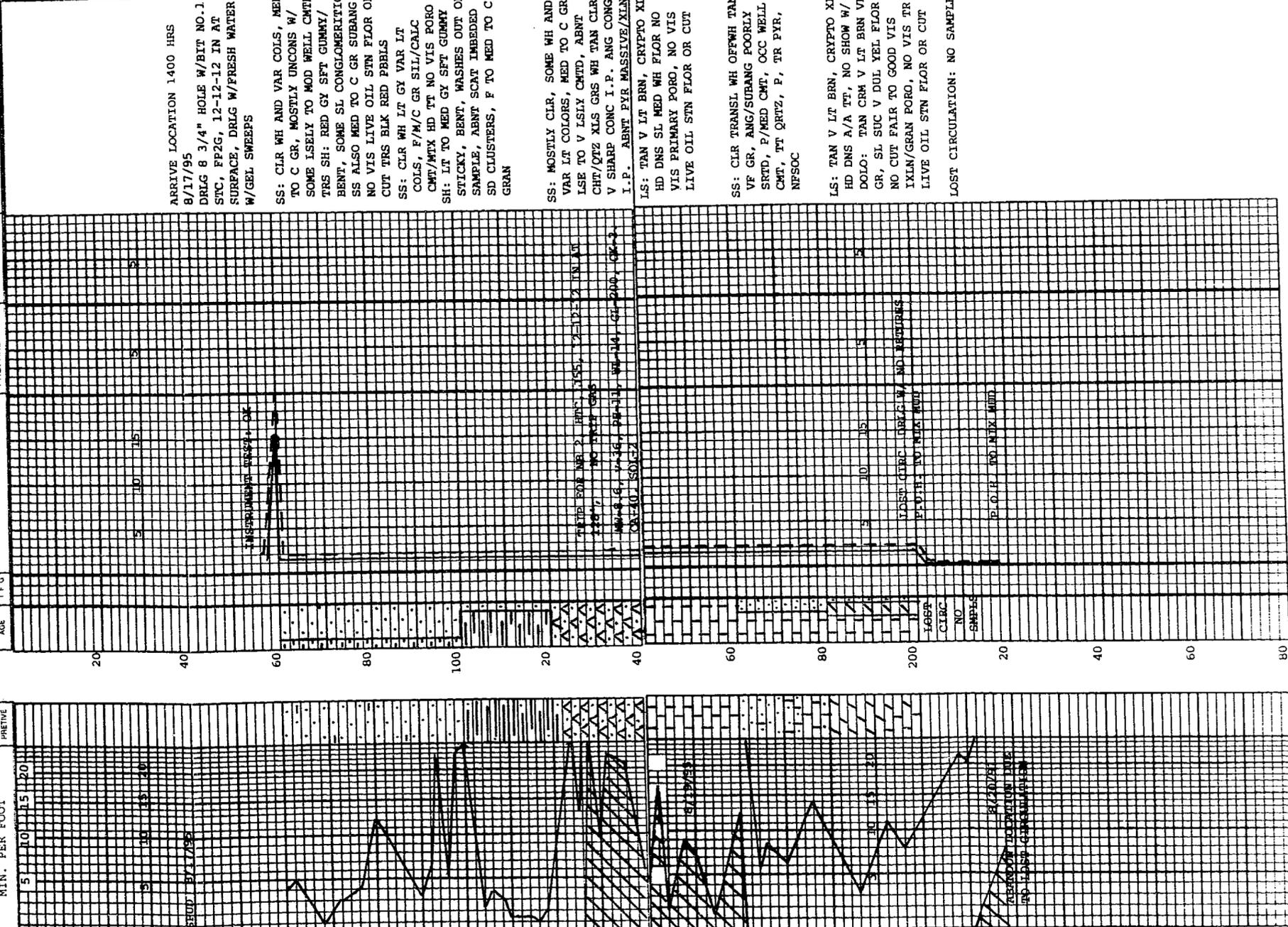
TG - TRIP GAS  
CG - CONNECTION GAS  
NB - NEW BIT  
NR - NO RETURNS  
CO - CIRCULATE OUT  
NS - NO SAMPLE  
RR - RERUN  
CB - CORE BIT  
O - SHOW REPORT

COAL  
ANHY-GYP  
SILTSTONE

DOLOMITE  
CHERT  
SALT

SHALE  
SANDSTONE  
LIMESTONE

CHROMATOGRAPH HYDROCARBONS IN PPM  
M = 1000 PPM  
ETHANE  
PROPANE  
METHANE  
BUTANE  
PENTANE



ARRIVE LOCATION 1400 HRS  
8/17/95  
DRLG 8 3/4" HOLE W/BIT NO.1  
STC, FP2G, 12-12-12 IN AT  
SURFACE, DRLG W/FRESH WATER  
W/GEL SWEEPS

SS: CLR WH AND VAR COLS, MED  
TO C GR, MOSTLY UNCONS W/  
SOME ISELY TO MOD WELL CMTD  
TRS SH: RED GY SFT GUMMY/  
BENT, SOME SL CONGLOMERATIC  
SS ALSO MED TO C GR SUBRANG  
NO VIS LIVE OIL STN FLOR OR  
CUT TRS BLK RED PBBLs

SS: CLR WH LT GY VAR LT  
COLS, F/M/C GR SIL/CALC  
CMT/MTX HD FT NO VIS PORO  
SH: LT TO MED GY SFT GUMMY  
STICKY, BENT, WASHES OUT OR  
SAMPLE, ABNT SCAT IMBEDED  
SD CLUSTERS, F TO MED TO C  
GRAN

SS: MOSTLY CLR, SOME WH AND  
VAR LT COLORS, MED TO C GR  
LSE TO V LSLY CMTD, ABNT  
CMT/OTZ XLS GRS WH TAN CLR  
V SHARP CONC I.P. ANG CONGL  
I.P. ABNT PYR MASSIVE/XLN

LS: TAN V LT BRN, CRYPTO XLN  
HD DNS SL MED WH FLOR NO  
VIS PRIMARY PORO, NO VIS  
LIVE OIL STN FLOR OR CUT

SS: CLR TRANSL WH OFFWH TAN,  
VF GR, ANG/SURANG POORLY  
SNTD, P/MED CMT, OCC WELL  
CMT, TT ORTZ, P, TR PYR,  
NFSOC

LS: TAN V LT BRN, CRYPTO XLN  
HD DNS A/A TT, NO SHOW W/  
DOLO: TAN CRM V LT BRN VF  
GR, SL SUC V DUL YEL FLOR  
NO CUT FAIR TO GOOD VIS  
YXLN/GRAN PORO, NO VIS TR  
LIVE OIL STN FLOR OR CUT

LOST CIRCULATION: NO SAMPLES

Operator Ridgeway Arizona Oil Corporation

Bond Company: Bank One Arizona Amount: \$25,000\*

Bond No.: CD#4002111 (\$10,000) Date approved: 07/07/94  
CD#4002112 (\$15,000) Date approved: 11/28/94

\* Two separate CD's to make up one blanket bond. These 2 CD's are not to be released until all wells covered by the blanket bond have been plugged and abandoned.

Permits covered by this bond:

883  
884  
885 ✓  
888  
890  
891  
892  
893  
895  
896  
897  
898  
899  
900  
901  
902  
903  
904

R R R E  
RIDGEWAY AZ OIL CORP.

August 21, 1997

Oil & Gas Program Administrator  
Arizona Geological Survey  
416 W. Congress, #100  
Tucson, AZ 85701

*file 885*

Attn: Mr. Steve Rauzi

RE: Application to Plug & Abandon  
Plugging Record

Dear Mr. Rauzi:

Enclosed you will find the Application to Plug and Abandon for Well No. Plateau  
Cattle for your execution. Also enclosed is the Plugging Record for Well No. 22.

If you have any questions regarding this matter, please advise.

Sincerely,

*Ctanner*

Carmen Tanner  
Office Manager

Enclosures

CT:ct

Cc: Don Riggs  
Well No. Plateau Cattle  
Well No. 22



## Ridgeway expands drilling to 12 wells



Photo by Art Harrington

Ridgeway Petroleum president Walter B. Ruck, (rt.) has announced the company will drill 12, instead of 10, delineation wells. Don Riggs, manager of Ridgeway Arizona, is also pictured.

ST. JOHNS — Walter B. Ruck, president of Ridgeway Petroleum, announced Thursday in St. Johns that the Calgary-based company's 10-well delineation drilling program has been expanded to 12 wells. The company's president and chairman of the board was in Arizona to meet with staff and to personally check on the progress being made in defining the company's highly-successful CO<sub>2</sub> discovery in southern Apache County.

"Every CO<sub>2</sub> field has been discovered by accident," he said. "We initially came here searching for oil." The tip-off for Ridgeway had been the published results of the geothermal drilling done several years ago at Alpine, which had been funded by the United States Department of Energy. While Ruck still believes oil may be found in the area, the company's initial drilling discovered a vast reservoir of carbon dioxide gas instead. Ruck explained that it seems to be found where there has been contact between volcanic deposits and wet

limestone. "The fields are typically very large when you find them," he said. "But you may drill hundreds of wells searching for the gas and never find it." So far the gas has been found in every well Ridgeway has drilled here.

California petroleum and food industries all need CO<sub>2</sub> badly, Ruck explained, since no natural reservoirs of it have ever been discovered there. The demand is such that there appears to be substantial interest in constructing a pipeline which would likely carry the liquefied and pressurized gas from southern Apache County to Bakersfield, Cal. Ruck estimates it would cost between \$200-250 million to build such a pipeline.

The Arizona Oil and Gas Commission has decided to hold its annual meeting on June 13 in St. Johns at Ridgeway's offices. According to Ruck, the meeting is kind of snowballing. At least four pipeline companies have notified him they plan to come,

along with representatives of a number of major oil companies. Ruck expects some important decisions about the future of Ridgeway's project may be made at that time.

Ruck cautioned, "We're not a panacea for the area." He noted that the local unemployment rate will not be reduced much by the CO<sub>2</sub> development, since most of the work is so specialized it requires bringing in highly-trained and experienced personnel. On the other hand, he admitted, he believes the development will ultimately be good for the area. It is already infusing money into the local economy. The company now has a large drilling rig and a service rig, or completion unit, in addition to all of the other well services which have come in to assist in the exploration. "It is also an environmentally clean industry, when compared to other oil and gas exploration," he said.

What about the helium content? According to Ruck, it has been significant, testing between .65 and .70 percent. By comparison, he said, most of the helium being commercially extracted tests at less than .30 percent. Consequently, the construction of a helium extraction plant is still a possibility, he said, "But it would be expensive — probably \$35-40 million." Interestingly enough, the United States produces 95 percent of the world's helium.

The president said the company will be going to faster air drilling for the remainder of the planned wells. He said the down side is that it is impossible to core or to get the quality of samples which can be obtained by mud drilling. "We did enough coring and drill-stem testing on the first wells, though, that we can stand the air drilling on the remaining wells," he said.

The wells drilled thus far have ranged from 1,800 to 3,150 feet. "As we go further north," Ruck said, "the wells may go down to 4,500." The required depth can vary as much as 450 feet, due to surface elevation differences. All of the wells are now being taken down to the granite.

# Stock soars on drilling discoveries

Art Harrington  
The Observer

file 885

**APACHE COUNTY** — Southern Apache County is making international news with the discovery of its vast CO<sub>2</sub> resources. Consequently the stock of developer Ridgeway Petroleum Corporation continues to climb.

Drilling by Aztec Well Service, contracted by Ridgeway, began on February 12 to prove up the carbon dioxide gas reserves which had been estimated at four-to-five trillion cubic feet. The huge rigs have lost no time in completing seven wells and are now working on the eighth.

According to information *The Observer* has been able to discover, the company has hit CO<sub>2</sub> in each of the wells drilled. This would seemingly indicate widespread deposits, since drilling thus far has been reported in areas from north of St. Johns to just northeast of Springerville.

The discovery has not escaped the attention of the stock market. Ridgeway Petroleum stock (symbol RGW) has moved this year from a low of \$.92 per share to a high of \$7.35 (Canadian). On Friday it closed at \$5.55, having traded as high as \$5.75 that day.

On Monday trading of the stock on the Vancouver exchange was temporarily halted. It was resumed after the company announced a blowout on the #6 well had been contained. With that being an indicator of an even greater reservoir, the stock closed on Monday at \$6.00.

Ridgeway was incorporated February 22, 1980 as Brent West Minerals. It continued doing business under that name until February 26, 1990, when it became Ridgeway Petroleum Corp. Its

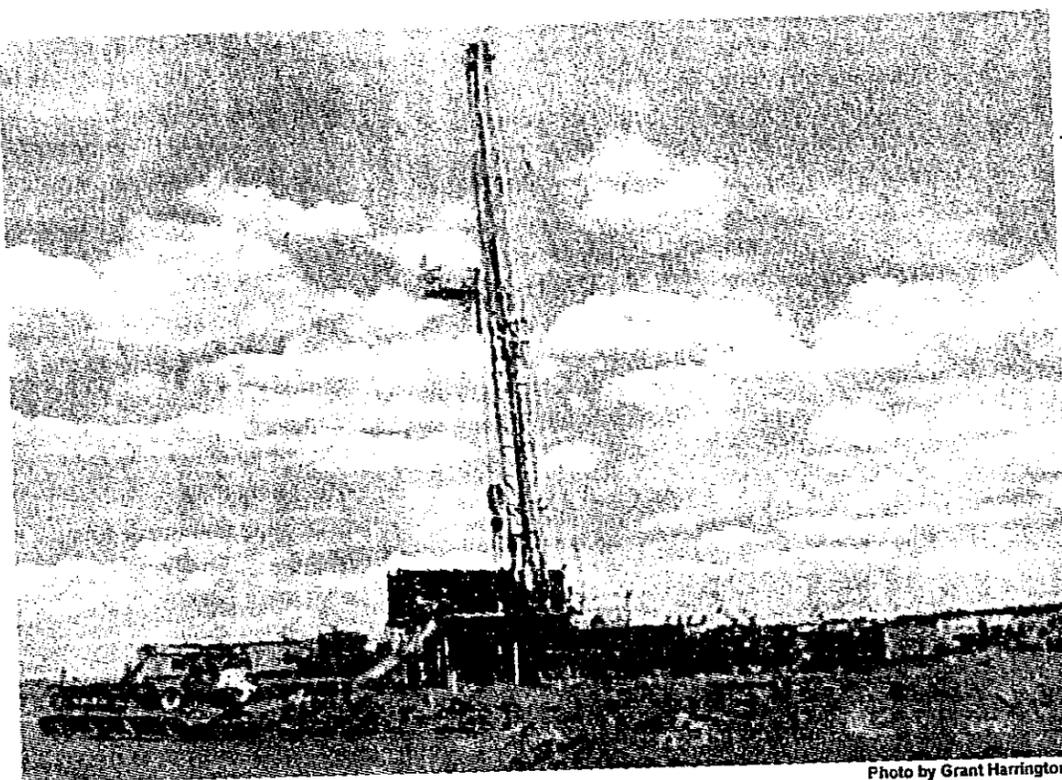


Photo by Grant Harrington

Drilling in southern Apache County has revealed immense deposits of CO<sub>2</sub>. Ridgeway Petroleum, the developer, has realized spectacular increases in its stock since the news of the discoveries has reached investors. The rig pictured above costs over \$1 million dollars. It has a crew of eight which man it with 12-hour shifts, so the rig can keep drilling 24-hours a day.

home office is in Calgary, Alberta, Canada. The primary business of the company is the extraction of oil and gas, with a secondary interest in diamonds. As of May 2, 11,061,829 of its authorized 25,000,000 shares had been issued. The volume traded on that day was 12,700.

Ridgeway President Walter Ruck also announced on May 2 that a 4,800,000 special warrant brokered private placement through Yorkton Securities had closed. Gross proceeds of \$16,800,000 were received, of which approximately \$10 million was being held in escrow, pending the advancement of the company's previously announced transaction involving Arizona Resources In-

dustries.

Is there a market for such CO<sub>2</sub> resources? Without a doubt. The largest consumer of CO<sub>2</sub> is the petroleum industry, which uses the gas to help force otherwise unretrievable oil deposits into collectable pools. The Permian Basin in west Texas and eastern New Mexico, for example, uses in excess of 1.4 billion cubic feet per day in its oil recovery operations. The hundreds of other uses for CO<sub>2</sub> include a diversity ranging from food processing, carbonation of beverages and water purification, to flash freezing.

How would the product be moved? According to information *The Observer* has been able to glean, resources of two trillion cubic feet would justify the construc-

tion of a pipeline to oilfields in California or Texas. The company has apparently proven with its wells drilled thus far that more than adequate reserves exist to begin planning for a pipeline.

Our information also indicates that a number of major players in the industry are actively involved in bidding on the gas. Names such as Chevron and Cal Resources continue to surface.

Also previously reported has been the discovery of helium, along with the CO<sub>2</sub>. While the quantity of helium has yet to be determined, *The Observer* understands Ridgeway is also evaluating the possibility of building a helium extraction plant in southern Apache County.



Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

416 W. Congress, Suite 100  
Tucson, Arizona 85701  
(520) 770-3500



Larry D. Fellows  
Director and State Geologist

March 25, 1997

Mr. Don Riggs  
Ridgeway Arizona Oil Corporation  
P.O. Box 1110  
St. Johns, Arizona 85936

*file 885*

Dear Mr. Riggs:

A copy of the amended application to drill the 9-22-29 well showing the amended location and elevation is enclosed for your file.

I have also enclosed a copy of R12-7-121, *Well Completion and Filing Requirements* and a check list showing the current compliance status of your wells. Let me know if you disagree with anything on the list.

Sincerely,

Steven L. Rauzi  
Oil & Gas Program Administrator

Enclosures

RIDGEWAY ARIZONA OIL CORPORATION

Compliance status of wells as of 3/25/97

Well	Permit	Drilling Summary	Completion Report	Samples	Logs	Core Analyses	DST Report	Gas Analyses	Well Signs	Application to P&A	P&A Record	Comments
1 Plateau Cattle	880	On file	On file	On file	On file	n/a	On file	On file	DUE	DUE		SI 8/94
1A Plateau Cattle	883	On file	On file	n/a	n/a	n/a	n/a	n/a	DUE	DUE		TA 11/94, Needs P&A
22-1 State	885	On file	<u>DUE</u>	On file	On file	n/a	n/a	n/a	<u>DUE</u>	<u>DUE</u>		TA 8/95, Needs P&A
3-1 State	884	On file	On file	On file	On file	n/a	n/a	On file	DUE			SI 9/95
22-1X State	888	PENDG	PENDG	PENDG	On file	PENDG	PENDG	PENDG	DUE	n/a		SI 2/97, WOCT
11-21 State	895	PENDG	PENDG	PENDG	PENDG	PENDG	PENDG	PENDG	DUE	n/a		SI 3/97, WOCT
9-21 State	897	PENDG	PENDG	PENDG	PENDG	PENDG	PENDG	PENDG	DUE	n/a		SI 3/97, WOCT
10-22 State	896	PENDG	PENDG	PENDG	PENDG	PENDG	PENDG	PENDG	DUE	n/a		DRLG 3/97



Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

416 W. Congress, Suite 100  
Tucson, Arizona 85701  
(520) 770-3500



Larry D. Fellows  
Director and State Geologist

September 26, 1996

Mr. Walter B. Ruck, President  
Ridgeway Arizona Oil Corporation  
1080, 700-4th Avenue S.W.  
Calgary, Alberta T2P 3J4

Re: Expiration of State Drilling Permits  
Ridgeway 35-1 State, Permit 890  
Ridgeway 10-1 State, Permit 891  
Ridgeway 11-1 State, Permit 892  
Ridgeway 02-1 State, Permit 893

*file P/W 885*

Dear Mr. Ruck:

The referenced drilling permits, issued October 17, 1995, will expire on October 17, 1996. State drilling permits are valid for 180 days from the date of issue and may be extended for an additional 180 days. Since these permits have now been extended for one year from the date of issue, it will be necessary for you to reinstate the permits if you plan to commence drilling after October 17, 1996.

You may reinstate the drilling permits by (1) submitting a new \$25.00 application fee for each permit to be reinstated, and (2) certify in writing that the wells will be drilled in accordance with the drilling prognoses submitted with the original applications. All conditions and notification requirements of the Permits remain in force.

Our records show that ~~two of your wells are not in compliance with State Rules.~~ What are your plans for plugging the 22-1 State (Permit 885) and cementing the annulus of the Plateau Cattle 1A (Permit 883). I understand this could be accomplished by dispatching a cement truck from St. Johns.

Sincerely,

Steven L. Rauzi  
Oil & Gas Program Administrator



Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

416 W. Congress, Suite 100  
Tucson, Arizona 85701  
(520) 770-3500



Larry D. Fellows  
Director and State Geologist

July 29, 1996

Mr. Walter B. Ruck, President  
Ridgeway Arizona Oil Corporation  
1080, 700-4th Avenue S.W.  
Calgary, Alberta T2P 3J4

Re: Expiration of Ridgeway 22-1X State, Permit 888

Dear Mr. Ruck:

I am writing to remind you that the Drilling Permit for the referenced well expires on August 25, 1996. You have until that date to commence drilling in accordance with the conditions of approval issued with the Permit on August 25, 1995.

Should you not commence drilling before August 25, 1996, it will be necessary for you to re-instate the permit. You may re-instate the permit by (1) submitting a new \$25.00 application fee, and (2) certifying in a letter that the well will be drilled in accordance with the drilling prognosis (dated August 24, 1995) submitted with the original application.

I would appreciate your advising me of the status of your plans to plug the 22-1 State (Permit 885) and cement the annulus of the Plateau Cattle 1A (Permit 883).

Please advise if I may be of further assistance.

Sincerely,

Steven L. Rauzi  
Oil & Gas Program Administrator

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**RIDGEWAY PETROLEUM CORP.**

1080, 700 - 4th AVENUE S.W., CALGARY, ALBERTA T2P 3J4  
TELEPHONE: (403) 266-6362 FAX: (403) 262-5294

February 21, 1996

Arizona Geological Survey  
416 W. Congress, Suite 100  
TUCSON, Arizona  
85701

*file 885*

**Attention: Steven L. Rauzi,**  
**Oil & Gas Program Administrator**

Dear Sir:

In response to your letter of February 15, 1996 please find enclosed the following:

1. Gas Analysis 3-1 well Permit 884
2. Mud Logs 3-1 well Permit 884
- 22-1 well Permit 885 ←
3. D.L., S.D.D.S.N., L.S.S. Logs 3-1 well Permit 884

Also enclosed are cross sections by Allan Emmendorfer I thought you might like to have.

Hope to see you soon.

Personal regards,

RIDGEWAY ARIZONA OIL CORP.

Walter B. Ruck,  
President



encl.

/m

P.S. Gas test on 3-1 was by choke size only. Will test with separator in near future.



Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

416 W. Congress, Suite 100  
Tucson, Arizona 85701  
(520) 770-3500



Larry D. Fellows  
Director and State Geologist

February 15, 1996

Mr. Alan P. Emmendorfer, Agent  
Ridgeway Arizona Oil Corporation  
5107 Budding Lane  
Farmington, New Mexico 87402

*file 885*

Dear Mr. Emmendorfer:

This letter will serve as approval of your written request for a six-month extension to State Permits 888, 890, 891, 892, and 893. The new expiration dates will be August 25, 1996, for Permit 888 and October 17, 1996, for Permits 890, 891, 892, and 893.

Outstanding concerns on Ridgeway Arizona Oil Corporation's operations near St. Johns include

1. Plugging State 22-1 (Permit 885) from 218 feet to surface with cement;
2. Cementing open annulus on Plateau Cattle 1A (Permit 883);
3. Filing of washed and dried samples for State 3-1 (Permit 884);
3. Filing of Mud, SDL/DSN, and LSA logs on State 3-1 (Permit 884); and
4. Filing of Test Report and Gas Analysis on State 3-1 (Permit 884).

Washed and dried samples, and copies of all test reports, gas analyses, and all logs run are required pursuant to A.A.C. R12-7-121, a copy of which is enclosed for your information and file.

Please advise if I may be of further assistance.

Sincerely,

Steven L. Rauzi  
Oil & Gas Program Administrator

Enclosure

c Walter B. Ruck



- ◆ Major markets for CO<sub>2</sub> are the Permian Basin in Texas and the light oil fields of California, where gas is injected into producing oil fields to recover additional oil reserves.
- ◆ Helium will be recovered from the gas production and sold into an expanding international market.
- ◆ A steady and growing market for CO<sub>2</sub> is the flash-frozen foods and carbonated beverage industry.
- ◆ A market for CO<sub>2</sub> is being created with industrial Agri-Parks offering tenants lower priced CO<sub>2</sub> saving the cost to liquefy and transport the gas.

#### CORPORATE INFORMATION

Head Office:  
1080, 700-4th Avenue S.W.  
Calgary, Alberta T2P 3J4

Tel: (403) 266-6362  
Fax: (403) 262-5294  
US Toll Free: (800) 347-0294

Stock Symbol: RGW

Stock Exchange: Vancouver

Recent Price: C\$90 - C\$110

Investor Relations Contact:  
Darr Currie  
(604) 983-2515

## RIDGEWAY PETROLEUM CORP.

AND ITS MAJORITY-OWNED SUBSIDIARY ARIZONA RESOURCES INDUSTRIES, INC.

New reserve estimate opens large markets for CO<sub>2</sub>

#### COMPANY OVERVIEW

Ridgeway Petroleum Corp. is a Calgary-based company with holdings in Arizona, Texas, California, Alberta, British Columbia, Saskatchewan and Ontario. Ridgeway Petroleum is the majority owner of Arizona Resources Industries, Inc.

Ridgeway, through Arizona Resources Industries, Inc. has under current ownership more than 291 square miles (186,000 acres) of land in Eastern Arizona containing significant commercial inert gas reserves. The Company's holdings are believed to contain one of the largest, high quality CO<sub>2</sub> and helium gas reserves in North America with possibilities in excess of 6.0 trillion cubic feet and a multi-billion dollar market potential.

Arizona Resources Industries, Inc.'s gas discovery and strategic location will allow the company to pursue three distinct and lucrative business opportunities.

The Company has received preliminary commitments from major companies to purchase and participate in each of the following business sectors.

#### PETROLEUM INDUSTRY

The largest bulk user of CO<sub>2</sub> gas is the petroleum industry, where CO<sub>2</sub> is used for "Enhanced Oil Recovery" (EOR). CO<sub>2</sub> gas is injected into producing oil zones to vastly reduce oil viscosity and increase movement of "in-place-oil," resulting in substantial increases in the percentage of recoverable oil from these producing zones.

Petroleum industry demand for CO<sub>2</sub> gas for this purpose continues to increase, while available reserves are declining. Petroleum companies are aggressively seeking additional sources for CO<sub>2</sub> supply. Ridgeway has already received a letter of interest from one major oil company that could yield in the range of \$100,000 per day in gross revenue in bulk CO<sub>2</sub> gas alone.

#### LIQUEFIED GAS INDUSTRY

The quality and quantity of Ridgeway's CO<sub>2</sub> and helium gas reserves offer significant commercial and industrial business opportunities. The Company's food quality CO<sub>2</sub> can be used readily in the food growing and beverage industry. Also CO<sub>2</sub> gas is used extensively in the food processing industry.

#### NEWS RELEASE

##### RIDGEWAY PETROLEUM CORP. - "ARIZONA PROJECT"

Ridgeway Petroleum Corp. (RGW) has been informed that Arizona Resources Industries, Inc. (ARI), its majority owned American subsidiary, has signed, together with Everen Securities Inc. (ESI), a retention agreement whereby Everen has agreed to act as the Company's exclusive adviser and agent in respect to the financing of the exploration and development of the "Arizona Project."

The project involves the exploitation of a CO<sub>2</sub>/helium discovery made by Ridgeway Petroleum Corp. in 1994, located in Apache County, Arizona adjoining the New Mexico state line.

Everen Securities Inc. is based in Chicago, Illinois and is a member of the New York Stock Exchange and other principal exchanges.

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Blue rig of L & B Speed Drill, Farmington, N.M., drilled the 1 Alpine Federal, a helium/carbon dioxide discovery near Arizona's Chalk Buttes.

The location of the Company's operation will allow it to effectively compete for considerable market share in the dynamic markets of Southern California and Las Vegas, Nevada, as well as Arizona, New Mexico, Colorado and Texas.

#### HELIUM

Helium content in the Arizona gas reserves is more than twice that of the average well content. The helium gas reserves, coupled with expanding helium gas utilization and resulting increases in demand, offer sizable national and international sales and profit potential.

Helium is a specialized inert gas which is exceedingly light. Historically, it is noted for its lifting capabilities with the very appreciable benefit of being non-flammable. Those same qualities are applied today for other specialized and high-tech uses as cryogenics, welding, pressurizing and purging, controlled atmospheres and leak detection.

#### AGRI-PARK DEVELOPMENT

"Controlled Environment Agriculture" (CEA) utilizes CO<sub>2</sub> gas in commercial greenhouse environments. Ridgeway Industries Inc. was created to develop the parks, attract the tenants and market the CO<sub>2</sub>. The Company's strategic location, between two (2) major power generating stations, offers tremendous cost advantages in access to cost efficient steam, water, power and property.

The company has conducted extensive engineering studies and plans to develop the Agri-Park in 25 and 50 acre parcels, with participation from major industry growers in the hydroponic and floriculture industry. The Company plans to lease sites and sell CO<sub>2</sub> gas, water and steam to tenants as well as participate on a production override basis.

#### LABORATORY RESULTS INDICATE HIGH QUALITY CO<sub>2</sub>

Gas analysis from the U.S. Bureau of Mines and Laboratory in Amarillo, Texas indicates the following properties:

10%	Nitrogen
89%	CO <sub>2</sub>
.7%	Helium
.1%	Methane
.1%	Argon
99.9%	

Lack of any identification of the presence of H<sub>2</sub>S tends to confirm the food quality of the CO<sub>2</sub>.



#### COMPANY HISTORY

Ridgeway Petroleum Corp. was founded in 1980 and currently has holdings in Arizona, Texas, British Columbia, Alberta, Saskatchewan and Ontario. Walter B. Ruck, a 35-year oil patch veteran, has been President and Chief Executive Officer since 1986.

In 1995, Ridgeway became majority owner of Arizona Resources Industries, Inc. by selling to ARI its two wholly-owned subsidiaries, Ridgeway Arizona Oil Corp and Ridgeway Industries, Inc., for guaranteed notes and shares.

Mr. Ruck is Director and Chairman of the Board of ARI and Director of Ridgeway Arizona Oil Corp. and Ridgeway Industries, Inc.

Other ARI directors are Michael Skellern, President and Chief Operating Officer; Robert Gove, Chief Financial Officer; James C. Pietsch; H.J. Platt; and Danny Ainge.

### NEWS RELEASE

#### LAND POSITION INCREASED TO COVER POTENTIAL 6.4 TRILLION CUBIC FEET OF CO<sub>2</sub>/HELIUM GAS RESERVE

Calgary, Alberta - Arizona Resources Industries, Inc. has massively expanded its lease holdings in Apache County, Arizona. The 144,000 acre expansion, announced by Ridgeway Petroleum Corp., majority owner of ARI, brings total holdings in the area to 186,000 acres.

New geological information, interpretation and consultation with the Arizona Geological Survey has strengthened the Company's confidence that the field contains one of the largest high-quality CO<sub>2</sub> and helium reserves in North America. The current objective is to further increase the holdings to more than 250,000 acres.



Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

416 W. Congress, Suite 100  
Tucson, Arizona 85701  
(520) 770-3500



Larry D. Fellows  
Director and State Geologist

October 17, 1995

Memo: Alan Emmendorfer, Geologist & Agent, Ridgeway Arizona Oil Co.  
From: *SP* Steve Rauzi, Oil & Gas Program Administrator  
Subject: Ridgeway wells 22-1X State, 22-1 State, 1A Plateau Cattle, and  
3-1 State  
*file 885*

An approved Sundry report and revised application for permit to drill the 22-1X State well in a location 25 feet from the location on the original application are enclosed.

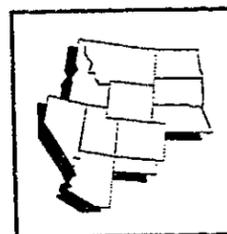
What is the status on the plugging of the 22-1 State and topping off of the open annulus on the 1A Plateau Cattle? My understanding was that the 22-1 State and the annulus on the 1A Plateau Cattle were to be filled with concrete when the 1 Plateau Cattle was squeezed. I received a Sundry Notice reporting the squeeze of the 1 Plateau Cattle, but received nothing to date on the 22-1 State or 1A Plateau Cattle.

I received the completion report and Dual Laterolog for the 3-1 State. I have not received the Mud log, Spectral Density Dual Spaced Neutron log, LSA log, or the washed and dried samples for the 3-1 well. A copy of samples, test reports, and all logs run are required pursuant to A.A.C. R12-7-121.



## ROCKY MOUNTAIN

### REGION REPORT



NEWSLETTER EDITION

Vol. 68, No. 178  
9-15-95

*file 885*

## Remote Exploration Slated for Southwestern Montana Folded Belt

**D**ENVER-BASED BASIN Exploration Inc has applied with the Montana Board of Oil and Gas Conservation for a permit to drill a remote wildcat in the Folded Belt region of southwestern Montana approximately seven miles northwest of Lima.

If approved, the southern Beaverhead County venture would be drilled in se sw 3-13s-9w, approximately 150 miles generally west of the nearest production, at fields on the western flank of the Big Horn Basin. Objectives of the proposed 5100-ft wildcat were not disclosed.

The site is 16 miles north of the Idaho border in the northwest-southeast trending Red Rock Valley (a.k.a. Red Rock Basin) bounded by the Red Rock Hills on the east and the Red Rock and Tendoy faults on the west.

The closest previous drilling is nearly eight miles to the northwest at a 16,000-ft dry hole completed by Amoco Production Co in 1985 in the Red Rock Valley.

Log tops at Amoco's 1 McKnight Canyon, se sw 21-12s-10w, include the Lower Cretaceous Kootenai at 5387 ft, Morrison 5646, Swift 5782, Beaverhead (Paleocene) 5810 (and a

repeated section at 9282 ft), Phosphoria 8512 and Mission Canyon at 14,428 ft. Kelly bushing elevation is 6935 ft. No cores or drillstem tests were reported in Beaverhead or Cretaceous horizons. The Beaverhead formation, comprised of conglomerates, sandstones and limestones, commonly occurs at the surface in the vicinity of Basin's proposed wildcat.

## Eastern Arizona CO<sub>2</sub> Discovery Producing from Fort Apache

**R**IDGEWAY ARIZONA Oil Co tested a carbon dioxide/helium well drilled on the crest of the St. Johns Anticline about 10 miles southeast of St. Johns in eastern Apache County, Arizona, flowing at

the rate of 663,000 cu ft per day.

The 3-1 State 13-53-801, ne se 3-11n-29e, was tested on a 32/64-inch choke through 88 perforated ft in the

*(Please see Arizona, Page 12)*

NEWSLETTER  
DAILY ACTIVITY REPORT

SECTION I  
SECTION II



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*(Arizona, continued from Page 1)*

Fort Apache limestone member of the Permo-Pennsylvanian Supai (Yeso/Abo equivalent) between 1536 and 1676 ft. Flowing tubing pressure was 90 psi. Total depth is 1813 ft (PI 9-13-95).

Ridgeway said preliminary analysis of the gas—performed by the U.S. Bureau of Mines in Amarillo, Texas—indicates it is composed of 89 percent CO<sub>2</sub>; 10 percent nitrogen; 0.7 percent helium; and 0.1 percent each of methane and argon.

The well is four miles south of the company's initial discovery in the

area, which was completed last year at the 1 Ridgeway/Canstar-Plateau Cattle Co, se nw 15-12n-29e. The latter well produced CO<sub>2</sub>, helium and nitrogen from Supai at 1410-79 and 1680-1720 ft.

Ridgeway said it intends to drill five additional wells in the area beginning next month. The company currently has location staked for a 2300-ft Fort Apache test at the 22-1X State, se nw 22-12n-29e, less than a mile south of the 1 Ridgeway/Canstar-Plateau Cattle Co discovery. It's a replacement for the company's 22-1

State in nw nw 22-12n-29e, which was junked and abandoned last month at a depth of 218 ft. Ridgeway has a leasehold of more than 40,000 acres on three surface anticlines in the region.

Plans call for CO<sub>2</sub> from the wells to be utilized for growing hydroponic greenhouse vegetables in industrial parks now under development by Ridgeway Industries Inc. Ridgeway Industries and Ridgeway Arizona Oil both are subsidiaries of Calgary-based Ridgeway Petroleum Corp.



Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

416 W. Congress, Suite 100  
Tucson, Arizona 85701  
(520) 770-3500



Larry D. Fellows  
Director and State Geologist

August 25, 1995

Mr. Walter B. Ruck  
Ridgeway Arizona Oil Corporation  
1080, 700 4th Avenue S.W.  
Calgary, Alberta T2P 3J4

*file 885*

Dear Mr. Ruck:

I am writing to confirm some of the items we discussed when I was in St. Johns earlier this week. These include (1) that the annular space on 1A will be cemented to the surface, (2) that the 22-1 will be plugged with concrete, (3) that signs will be posted at each well location, and (4) that a hearing is required to set special spacing. Regarding our discussion on spacing and unitization, I have enclosed a copy of the Arizona statutes on fieldwide unitization.

You should be aware that A.A.C. R12-7-107 (copy enclosed) sets gas-well spacing at 640 acres. Our record shows that your initial wells were drilled as oil wells on 80-acre spacing. You are now drilling gas wells. As a result, your future wells will need to comply with the 640-acre spacing requirement in R12-7-107 unless special spacing is granted as in the case for the Black Rock Field. I have enclosed a copy of that order (Order 56) for your information. From 50 to 60 days are required before the hearing. This to publish notice in the newspaper, review your exhibits, and prepare background material for the Commissioners.

Sincerely,

*Steven L. Rauzi*

Steven L. Rauzi  
Oil & Gas Program Administrator

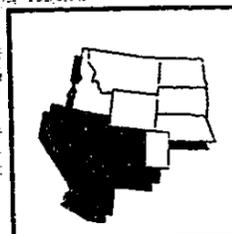
Enclosures

c Walter Ruck, St. Johns, Arizona



# ROCKY MOUNTAIN

## REGION REPORT



FOUR CORNERS EDITION

*file 885*

Vol. 68, No. 162  
8-23-95

### Texaco, Meridian Drilling San Juan Basin Paradox Probes *Ignacio-Blanco Fruitland Producer Flows 9.6 MMCFG/D*

**D**RILLING OPERATIONS are under way at two deep Paradox gas tests on the northern flank of the San Juan Basin, including a 9700-ft wildcat operated by Texaco Exploration & Production Inc about 18 miles southeast of Mancos in southwestern Colorado.

Texaco's 1 Long Hollow, ne nw 15-34n-11w, southwestern La Plata County, is being drilled by Four Corners Drilling's Rig #16 one and a half miles east of several inactive Dakota/Greenhorn gas producers on the northern flank of Ignacio-Blanco field. The drillsite is three and a half miles north-northeast of the nearest previous Paradox production, at an inactive Barker Creek gas discovery (PI 7-12-95).

Two townships to the south, Meridian Oil Inc gauged a flow of 9,664,000 cu ft of gas per day on

completion of a development well in Ignacio-Blanco field. The 17R Ute, ne ne 9-32n-11w, La Plata County, is producing from Fruitland coalbeds through preperforated liner between 2417 and 2717 ft. Total depth is 2720 ft.

Further west in the county, Meridian is using Four Corners' Rig #15 to drill the 30 Ute, nw ne 15-32n-13.5w, a projected 9380-ft Desert

Creek test in Barker Dome field eight miles southwest of the town of Red Mesa. The rig was moved about three miles to the north-northeast after drilling Meridian's 27 Ute, nw sw 16-32n-14w, in the San Juan County, New Mexico, portion of the field. The 27 Ute was drilled to a total depth of 8660 ft to evaluate Barker Creek (Lower Paradox) and at last report was waiting on completion tools.

### Ridgeway Begins Delineation of Eastern Arizona CO<sub>2</sub>/Helium Find

**R**IDGEWAY ARIZONA Oil Co, the U.S. operating subsidiary of Calgary-based Ridgeway Petroleum Corp, has drilling operations under way at an exploratory test in eastern Arizona about eight miles

southeast of St. Johns.

The 22-1 State 13-53-729, nw nw 22-12n-29e, eastern Apache County, is being drilled by Smith

*(Please see Ridgeway, Page 2)*

NEWSLETTER  
DAILY ACTIVITY REPORT  
WESTERN COLORADO  
UTAH  
NEW MEXICO  
ARIZONA & NEVADA

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SECTION VI



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## Meridian Adds to Horizontal Program in North Dakota's Bowman County

**M**ERIDIAN OIL Inc has scheduled another horizontal Red River test in southwestern North Dakota's Bowman County, this one about 11 miles southwest of Rhame.

The 34-19H Griggs, sw se 19-131n-105w, will be drilled to a total measured depth of about 12,200 ft. It's half a mile east of the Bog Creek field confirmation well (recently incorporated into the new Cedar Hills-Red River "B" pool). That well, Meridian's 14-19H Coates, initially flowed 105 bbls of 41° oil with 25,000 cu ft of gas and 10 bbls of water per day from an open-hole horizontal Red River "B" interval between 9145 and 12,091 ft, total measured depth (PI 6-14-95). True vertical depth is 8946 ft. The top of the Red River "B" zone was logged at 9088 ft (8912 ft true vertical depth) from a kelly bushing elevation of 2891 ft.

The 14-19H Coates was drilled from a surface location 820 ft from the south line and 660 ft from the west line (sw sw) of 19-131n-105w, north-northeastward to a bottom-hole location 1235 ft from the north line and 1477 ft from the west line (ne nw) of the same section. It encountered the top of the producing interval at a loca-

tion 1131 ft from the south line and 737 ft from the west line (sw sw) of the section.

In its first five months on line (December 1994 through April 1995), the 14-19H Coates produced a total of 33,733 bbls of oil, 7,426,000 cu ft of gas and 3,982 bbls of water. It produced an average of 320 bbls of oil,

76,200 cu ft of gas and 41 bbls of water per day in April.

Earlier this year, Meridian said the new field contains original oil in place of 9,005 bbls per acre. The company estimated an ultimate recovery of 230,000 bbls of oil per well under 320-acre spacing and an eight percent depletion drive (PI 1-26-95).

### *(Ridgeway, continued from Page 1)*

Drilling's Rig #1 toward an objective of 2300 ft in the Fort Apache limestone member of the Permo-Pennsylvanian Supai. Ridgeway's plans call for the entire 400-ft thick Fort Apache zone to be cored as a means of increasing the company's reservoir data base.

It's within a mile south of Ridgeway's 1 Ridgeway/Canstar-Platreau Cattle Co, a carbon dioxide/helium discovery drilled about a year ago in se nw 15-12n-29e (PI 8-24-94). That 2431-ft well recovered CO<sub>2</sub> and helium on drillstem tests in two intervals of Supai (Yeso/Abo equivalent) at 1410-79 and 1680-1720 ft.

Ridgeway currently estimates reserves in the St. Johns Anticline gas field at 260 billion cu ft of CO<sub>2</sub> and two billion cu ft of helium.

Upon completion of drilling operations at the 22-1 State, Ridgeway intends to drill a 2500-ft Fort Apache test at the 3-1 State 13-53-801 in ne se 3-11n-29e, about four miles south of the discovery (PI 1-31-95). The latter well will test the top of the surface structure 225 ft updip from the discovery, the company said.

Funding for the two-well drilling program is being provided by Arizona Resources Industries Inc (ARI), while terms of ARI's proposed purchase of "The Arizona Project" are being finalized with Ridgeway Arizona's Calgary-based parent company.

The area is approximately 55 miles south of the Pinta Dome-Navajo Springs area, which has produced nonflammable, helium-bearing gas.

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Rocky Mountain Region Report (USPS 113-170). Price: \$1728 per year. "Northern Edition" Price: \$1464 per year. "Wyoming Edition" Price \$1464 per year. "Four Corners-Intermountain Edition" Price \$1068 per year. "Southeastern Edition" Price \$1068 per year. "Newsletter Edition" Price \$984 per year. Published daily except Saturday, Sunday and national holidays by Petroleum Information Corp, 1675 Broadway, Suite 700, Denver CO 80202. Second Class Postage paid at Denver CO 80202. POSTMASTER: Send address changes to: Rocky Mountain Region Report, P.O. Box 1702, Houston TX 77251-1702.



Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

845 North Park Avenue, #100  
Tucson, Arizona 85719  
(602) 882-4795



Larry D. Fellows  
Director and State Geologist

June 28, 1995

Mr. Paul C. Thompson  
Walsh Engineering & Production Corp.  
7415 East Main  
Farmington, New Mexico 87402

*file 885*

Dear Mr. Thompson:

An approved copy of your Sundry Notice advising of the change in the surface casing program per our earlier telephone discussion.

Let me know if I may be of further assistance.

Sincerely,

Steven L. Rauzi  
Oil & Gas Program Administrator

Enclosure



Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

845 North Park Avenue, #100  
Tucson, Arizona 85719  
(602) 882-4795



Larry D. Fellows  
Director and State Geologist

June 1, 1995

Mr. Walter B. Ruck, President  
Ridgeway Arizona Oil Corporation  
1080, 700-4th Avenue S.W.  
Calgary, Alberta T2P 3J4

*file 885*

Dear Mr. Ruck:

Thank you for telecopying the Gallup newspaper article about your project. Imagine, looking for oil and finding tomatoes (and, of course, a lot of carbon dioxide and helium). There remains, however, the very real possibility of encountering commercial accumulations of good old-fashioned crude oil as drilling in that region continues.

The reference in the article to surplus steam or hot water from the generating station caused me to think of some early geothermal studies done in that region. In fact, the 1992 steam test near Alpine (that encountered bleeding oil from fractures in Supai rocks) was a recent outgrowth of these early studies. Would you use the surplus steam or hot water for heating or in the growing process?

In any event, I am taking the liberty of enclosing three of the resulting items from the early geothermal studies. These include: (1) Open file report 79-2a on the geothermal potential in the Springerville-St. Johns area, (2) Geothermal Resources map of Arizona, and (3) a *Fieldnotes* issue on geothermal potential in Arizona.

Sincerely,

Steven L. Rauzi  
Oil & Gas Program Administrator

Enclosures

Ramah artist sculpts house, Page 8

Phillies, Indians victorious, Page 5

STREVE RAUZI:  
F. Y. I.  
FROM THE  
TOMATO MAN.

Wednesday  
May 31, 1995  
Number 125 Volume 108



# THE TRUTH WILL TOLD Independent

Cardinals win, Page 5  
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## Man seeks oil, finds tomatoes in St. Johns

By Todd Rushton  
Staff Writer

ST. JOHNS, Ark. — When Walter B. Ruck came to St. Johns a couple of years ago, he was a wildcat prospector looking for oil in what appeared to be an overworked area. Instead, he may have found tomes.

"It's a very feasible project," says Joey Grant, director of the St. Johns Chamber of Commerce. "It's talk-

ing an inert material such as sand, gravel or rocks to provide support and insulate a temperature and atmosphere controlled building.

"They're talking about a \$7 million investment to build the production plant," said Grant. "Once it's up and running, it will be a year-round operation."

Ruck, who is based in Calgary, Alberta, Canada, said "As the hydroponics controls of growing plants in nutrient rich solutions, the

side, locating the plants in close proximity to the gas field will provide an economic incentive.

Ruck said having his own supply of carbon dioxide would cut the cost of this gas by 50 percent compared to competitors. Carbon dioxide is a by-product of natural gas processing and is sold to other industries.

The temperature and concentration of carbon dioxide is regularly monitored and controlled.

Man seek

"But, you get absolutely perfect produce, without blemishes or odd shapes.

"You can't do this with watermelon, there's no way to support them," said Grant. "As for corn, for instance, it must be in a field to pollinate."

It all began when Ruck chairman of Ridgeview Petroleum Corp. saw a report in a petroleum magazine about an exploratory well drilled by the New Mexico Bureau of Mines in the snowflake area.

Based on the negative report and on personal observation, Ruck thought the St. Johns area rock formations looked promising for oil. He drilled, hoping to strike it rich. Instead, he came up with hydrogen and lots of carbon dioxide.

An analysis by the U.S. Bureau of Mines in Amarillo, Texas, showed the Ridgeview well contained 91.5 percent carbon dioxide, 7.6 percent nitrogen, 0.65 percent helium and 0.20 percent argon.

The gas is from 1,500 feet to 1,700 feet below ground level in the Super-Fort Apache rock formation. During a 65-day test period last November and December, Ruck's first well produced 31.9 million cubic feet of gas.

The Ridgeview Petroleum Co. has an 80 percent interest in more than 38,000 acres in the St. Johns area. Ridgeview Industries, Inc., a wholly owned subsidiary of Ridgeview Petroleum, is developing the agricultural project.

Thornion, who will be a vice president of Ridgeview Industries, has 30 years of experience in all areas relating to "controlled environment agriculture," as well as greenhouse environmental systems and greenhouse structures.

At Simplex Thornion was directly responsible for the day-to-day production and economic modeling of greenhouse vegetable production at Sunco's greenhouse project in Caldwell, Idaho.

Thornion was an executive board member for Sunco Ltd., a 12-acre greenhouse operation managed by Sunco in Las Vegas, Nev., managed by Thornion. He worked in a development capacity for this and other projects.

Before becoming an independent consultant, Thornion has been a grower, consultant, project manager and developer for various companies, municipalities and state agencies involved in the greenhouse production of flowers and vegetables in Alaska, Texas and Colorado.

A vice president of the Hydroponic Society of America, he regularly speaks publicly on greenhouse ornamental controls, greenhouse top production techniques, environmental controls, greenhouse structures and systems.

Thornion received a Bachelor of Science degree in Physics from Midwestern University, Wichita Falls, Texas. He plans to relocate to St. Johns with his family in the near future.

*file 885*

### Ridgeway Adds to Remote Eastern Arizona Program

**R**IDGEWAY ARIZONA Oil Co, the U.S. operating subsidiary of Calgary-based Ridgeway Petroleum, has staked another exploratory test in a non-producing area of eastern Arizona, this one about eight miles southeast of St. Johns in eastern Apache County.

The 22-1 State 13-53-729, nw nw 22-12n-29e, is projected to 2300 ft in the Fort Apache limestone member of the Permo-Pennsylvanian Supai. It's a mile south of Ridgeway's 1 Ridgeway/Canstar-Plateau Cattle Co, a carbon dioxide/helium discovery in se nw 15-12n-29e (PI 8-24-94). That 2431-ft well recovered CO<sub>2</sub> and helium on drillstem tests in two intervals of Supai (Yeso/Abo equivalent) at 1410-79 and 1680-1720 ft.

The area is approximately 55 miles south of the Pinta Dome-Navajo Springs area, which has produced nonflammable, helium-bearing gas.

### Southern Wind River Basin Discovery Producing from Tensleep

**A**N EXPLORATORY test drilled by Billings-based CENEX Inc in the southern Wind River Basin approximately 25 miles east of Lander in central Wyoming's Fremont County has been completed as a Tensleep oil discovery.

The 4-28 Federal, nw nw 28-33n-95w, produced an average of 147 bbls of oil per day during its first seven days on line in December, according to state figures. No details have been released on the proposed 10,800-ft test.

The discovery offsets to the southwest the 1953 Sand Draw field

opener, a Tensleep producer completed by Sinclair Oil & Gas at the 1 Unit in se sw 21-33n-95w. That well produced only 22,421 bbls of oil with 237,660 bbls of water from 10,734-10,752 ft (PI 8-8-94).

CENEX recently staked location for a horizontal test at the 3-28H Federal in ne nw 28-33n-95w, offsetting the discovery to the east (PI 3-13-95). Objective of that venture was not disclosed, but presumably it will evaluate Tensleep. The area is about two miles northwest of Kirby Draw field, which produces from the Frontier, Dakota and Lakota sands.

Ridgeway has location staked for a 2500-ft Fort Apache test in the area at the 3-1 State 13-53-801 in ne se 3-

11 n-29e, about four miles south of the discovery (PI 1-31-95). No activity has been reported at that site.



Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

845 North Park Avenue, #100  
Tucson, Arizona 85719  
(602) 882-4795



Larry D. Fellows  
Director and State Geologist

March 20, 1995

Mr. Clarence Bigelow  
Apache County Manager  
P. O. Box 428  
St. Johns, Arizona 85936

Re: Ridgeway Arizona Oil Corporation #22-1 State  
Sec. 3, T. 12 N., R. 29 E.  
State Permit #885

Dear Mr. Bigelow:

A copy of the approved application to drill the referenced well in Apache County is enclosed for your information.

This information is provided to the County Manager of the County in which the well is located in accordance with a policy of the **Arizona Oil and Gas Conservation Commission** to keep local governments informed on exploration drilling efforts in Arizona.

The Commission issues a permit to drill pursuant to A.R.S. § 27-516 after it has determined that drilling of the well is in compliance with the rules of the Commission (*Arizona Administrative Code* Title 12, Chapter 7) and that public health and safety, correlative rights, and subsurface resources will not be compromised.

Please do not hesitate to contact me if I may be of any assistance.

Sincerely,

Steven L. Rauzi  
Oil and Gas Program Administrator

Enclosure



Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

845 North Park Avenue, #100  
Tucson, Arizona 85719  
(602) 882-4795



Larry D. Fellows  
Director and State Geologist

March 20, 1995

Mr. Paul C. Thompson  
Walsh Engineering & Production Co,  
7415 East Main St  
Farmington, New Mexico 87402

Re: Ridgeway Arizona Oil Corporation #22-1 State  
Sec. 3, T. 12 N., R. 29 E., Apache County, Arizona  
State Permit #885

Dear Mr. Thompson:

An approved duplicate copy of Ridgeway's Application for Permit to Drill the referenced well, Permit to Drill #885, and filing fee receipt #3074 are enclosed. Samples are required as noted in A.A.C. R12-7-121.

This Permit is issued on the condition that you conduct operations substantially as outlined in the drilling prognosis submitted with the application to drill and that you *notify me at least 48 hours* before you:

- 1) Commence drilling operations;
- 2) Run and cement surface casing; and
- 3) Nipple up and test the BOPE prior to drilling out of the surface casing.

I plan to witness the circulation of cement on the surface casing and the pressure test of the BOPE.

Form 4, *Well Completion Report*, and, should it be necessary, Form 9, *Application to Plug and Abandon*, and Form 10, *Plugging Record* are enclosed. Several Form 25, *Sundry Notices*, are enclosed to provide this office with weekly updates of wellsite drilling and testing activity.

The Oil and Gas Conservation Commission of the State of Arizona looks forward to a successful completion of this well.

Sincerely,

Steven L. Rauzi  
Oil & Gas Program Administrator

Enclosures

From : WEPC (505) 327-4892

Mar. 13. 1995 04:32 PM P01



**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping

7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

March 13, 1995

FAX 602 628-5106

TO: Steve Rauzi

FROM: Paul C. Thompson

REF: APD - Ridgeway Arizona Oil Corp.  
State Lease 22-1

Enclosed is APD filed on the above well for Ridgeway Arizona Oil Corp.

Original copy will follow in the mail.

rr

Enclosure



**RIDGEWAY PETROLEUM CORP.**

1080, 700 - 4th AVENUE S.W., CALGARY, ALBERTA T2P 3J4  
TELEPHONE: (403) 266-6362 FAX: (403) 262-5294

U.S. SUBSIDIARY - RIDGEWAY ARIZONA OIL CORP.

December 12, 1994

Arizona Geological Survey  
State of Arizona  
845 North Park Avenue, #100  
TUSCON, Arizona 85719



Attention: Mr. Steven L. Rauzi  
Oil & Gas Program Administrator

Dear Sir:

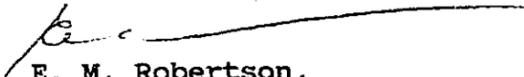
RE: AMENDED ORGANIZATION REPORT

Further to your letter to this office dated November 29, 1994, we are enclosing herewith an amended Organization Report.

We trust your will find this in order but should additional information be necessary please do not hesitate to call.

Yours truly,

RIDGEWAY ARIZONA OIL CORP.

  
E. M. Robertson,  
Secretary

encl.

/m



Fife Symington  
Governor

State of Arizona  
**Arizona Geological Survey**

845 North Park Avenue, #100  
Tucson, Arizona 85719  
(602) 882-4795

November 28, 1994



Larry D. Fellows  
Director and State Geologist

Memo: Blanket Bond File

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

Re: Blanket Bond for Ridgeway Arizona Oil Corporation  
St. Johns Bank One Certificates of Deposit #4002112 & 4002111

Ridgeway Arizona Oil Corporation has posted a \$25,000 blanket bond consisting of two separate certificates of deposit as referenced above. As a result of these two separate certificates of deposit representing a single bond of \$25,000, they should be held in safekeeping together and not released until all wells drilled by Ridgeway Arizona Oil Corporation under its blanket bond, whether productive or not, have been plugged and abandoned.

The \$25,000 blanket bond consists of two separate certificates of deposit because Ridgeway Arizona Oil Corporation initially posted a \$10,000 bond for a single well, the Plateau Cattle Company #1 (permit 880). That well was considered a potential discovery that could lead to the drilling of several confirmation and development wells and a blanket bond was desired. Rather than cash the \$10,000 certificate with a penalty and post a \$25,000 certificate of deposit, Ridgeway posted an additional, and separate, \$15,000 certificate to bring its total bond amount up to the \$25,000 required for blanket bond coverage.

**SECURITIES SAFEKEEPING**  
 1700 WEST WASHINGTON ST. - PHOENIX, ARIZONA 85007

DATE: 11-28-94

STATE AGENCY NO. \_\_\_\_\_

STATE AGENCY ARIZONA GEOLOGICAL SURVEY  
 COMPANY RIDGENAY ARIZONA OIL CORP ✓  
1080 700 4TH AVE SW  
CALGARY, ALBERTA CANADA

State Treasurer's Use Only

DOMESTIC FOREIGN DEPOSIT

C.D. NO.: 4062112 ✓

BANK: BANK ONE, ARIZONA, NA ✓

MATURITY DATE: 11-18-95 ✓

INTEREST RATE: 3.85 % ✓

AMOUNT \$ 15,000.00 ✓

RECEIVED  
 NOV 29 9 30 AM '94  
 STATE TREASURER

C.D. ASSIGNMENT MUST BE ATTACHED UNLESS C.D. IS PAYABLE TO STATE TREASURER

RELEASE

C.D. NO.:

BANK:

MATURITY DATE:

INTEREST RATE: %

AMOUNT \$

STATE TREASURER VALIDATION NO. \_\_\_\_\_

RECEIVED THE ABOVE RELEASE

STATE AGENCY AUTHORIZATION

BY \_\_\_\_\_  
 Authorized Signature Date

BY Edward L. Ramirez  
 Authorized Signature

Bank or Firm

STATE TREASURER AUTHORIZATION,  
 BY Katherine Robertson  
 Authorized Signature

FOR BANK USE ONLY

BANK AUTHORIZATION

Checked by \_\_\_\_\_ Verified by \_\_\_\_\_

BY \_\_\_\_\_  
 Authorized Signature

STATE'S DEPOSITORY BANK

**ASSIGNMENT TO ARIZONA STATE TREASURER  
SECURITY IN LIEU OF CASH DEPOSIT FOR COMPLIANCE WITH  
SECTION 35-155 ARIZONA REVISED STATUTES**

NAME RIDGEWAY ARIZONA OIL CORP.  
 STREET ADDRESS 1080 700 - 4th Ave S.W. Calgary CITY Calgary  
Alberta Canada T2P 3J4 STATE Alberta TELEPHONE NUMBER (403) 266-6362  
 COUNTY \_\_\_\_\_

hereinafter referred to as ASSIGNOR, does hereby assign and transfer to the Treasurer of the State of Arizona, hereinafter referred to as the TREASURER, all right, title and interest of any kind whatsoever, owned or held by Assignor in the principal, but not in the interest hereinafter accruing after the date of this assignment in the insured account of ASSIGNOR so long as such funds remain on deposit in the

whose address is Bank One, Az. FINANCIAL INSTITUTION St. Johns, Az. 85936 Apache  
820 W. Cleveland STREET ADDRESS CITY COUNTY

Arizona, as evidenced by an account in the amount of -----FIFTEEN THOUSAND AND NO/100-----  
 dollars (\$ 15,000.00 ) identified by account number 8157-4865/4002113 which account is insured by the  
 Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. This assignment is given as security for  
 compliance with A.R.S. 27-501 through 27-539, 27-651 through 27-677, and with the Rules of  
 the Oil and Gas Conservation Commission of the State of Arizona.  
 Dated this 19 day of November, 1994, at St. Johns, Arizona.

IMPORTANT - SIGNATURE OF ASSIGNOR  
 This Assignment shall be signed by the  
 Individual Himself

BY: [Signature]  
 NAME OF ASSIGNOR EXACTLY AS SHOWN ABOVE  
 SIGNATURE OF ASSIGNOR

**FIRST ENDORSEMENT - RECEIPT FOR NOTICE OF ASSIGNMENT**

Receipt is hereby acknowledged to the Treasurer of the State of Arizona, hereinafter referred to as the TREASURER, of written notice of the assignment to said Treasurer of the above-identified account. We have noted our records to show the interest of the Treasurer in said account as shown in and by the assignment above. We have retained a copy of this document. We hereby certify that we have not received any notice of lien, encumbrance, hold, claim or other obligation against the above-identified account prior to its assignment to the Treasurer. We further hereby waive any current and future right of set-off against such account. We agree to make payment as required by the Rules and Regulations of the Treasurer adopted in accordance with applicable laws and the law applicable to this institution.

Dated this 19 day of November, 1994, at St. Johns, Arizona  
BANK ONE ARIZONA, N.A. NAME OF FINANCIAL INSTITUTION

BY: [Signature] MANAGER  
 SIGNATURE OF OFFICER OF FINANCIAL INSTITUTION TITLE

Subscribed and sworn before me this 18 day of November, 1994

NOTARY PUBLIC  
 STATE OF ARIZONA  
 County of Apache  
TAMERA S. COCHRAN  
 My Appointment Expires 5-31-98

**SECOND ENDORSEMENT - RECEIPT FOR SECURITY AND DISPOSITION TO PAY EARNINGS**

Receipt is acknowledged of the assignment above and the account identified in the assignment above. The financial institution named in the assignment above is hereby authorized and directed to pay any earnings credited after the date of this assignment on the above-identified account of the above-named assignor.

Dated this 18 day of November, 1994, at St. Johns, Az., Arizona.

ARIZONA STATE TREASURER  
 Treasurer or Authorized Representative  
 By: [Signature]  
 (Prepare in duplicate. Please Type all information)

Attach Original Assignment to Certificates of Deposit and File with State.

STATE OF ARIZONA  
 NOV 21 9 20 AM '94

**SECURITIES SAFEKEEPING**  
 1700 WEST WASHINGTON ST. - PHOENIX, ARIZONA 85007

DATE: 7/7/94

STATE AGENCY NO. \_\_\_\_\_

STATE AGENCY OIL & GAS CONSERVATION COMMISSION

State Treasurer's Use Only

COMPANY RIDGEWAY ARIZONA OIL CORP. ✓  
1080 700 4TH AVENUE S.W.  
CALGARY ALBERTA T2P 3J4

DOMESTIC FOREIGN

DEPOSIT

C.D. NO.: 4002111 ✓

BANK: BANK ONE, ARIZONA, NA ✓

MATURITY DATE: 6/14/95 ✓

INTEREST RATE: 3.3500 % ✓

AMOUNT \$ 10,000.00 ✓

RECEIVED  
STATE TREASURER  
JUL 9 9 12 AM '94

C.D. ASSIGNMENT MUST BE ATTACHED UNLESS C.D. IS PAYABLE TO STATE TREASURER

RELEASE

C.D. NO.:

BANK:

MATURITY DATE:

INTEREST RATE: %

AMOUNT \$

STATE TREASURER VALIDATION NO. \_\_\_\_\_

RECEIVED THE ABOVE RELEASE	STATE AGENCY AUTHORIZATION
BY _____	BY <u>Edmond L. Rainey</u>
Authorized Signature	Authorized Signature
Date	STATE TREASURER AUTHORIZATION
Bank or Firm	BY <u>Katherine's Valencia</u>
FOR BANK USE ONLY	BANK AUTHORIZATION
Checked by _____	BY _____
Verified by _____	Authorized Signature
	STATE'S DEPOSITORY BANK

ASSIGNMENT TO ARIZONA STATE TREASURER  
 SECURITY IN LIEU OF CASH DEPOSIT FOR COMPLIANCE WITH  
 SECTION 35-155 ARIZONA REVISED STATUTES

RIDGEWAY ARIZONA OIL CORP.  
 NAME 1080, 700 - 4th Ave. S.W. Calgary CITY  
 STREET ADDRESS Alberta Canada T2P 3J4 (403) 266-6362 CITY  
 COUNTY STATE TELEPHONE NUMBER

hereinafter referred to as ASSIGNOR, does hereby assign and transfer to the Treasurer of the State of Arizona, hereinafter referred to as the TREASURER, all right, title and interest of any kind whatsoever, owned or held by Assignor in principal, but not in the interest hereinafter accruing after the date of this assignment in the insured account of ASSIGNOR so long as such funds remain on deposit in the

ST. JOHNS BANK ONE  
 FINANCIAL INSTITUTION  
 whose address is 820 West Cleveland, St. Johns, Arizona 85936  
 STREET ADDRESS CITY COUNTY

Arizona, as evidenced by an account in the amount of ---TEN THOUSAND---  
 dollars (\$ 10,000.00 ) identified by account number 81575016 ✓ 4602111 ✓ which account is insured by the  
 Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. This assignment is given as security for compliance  
 with A.R.S. §§ 27-501 through 27-539, §§ 27-651 through 27-677, and with the Rules of the Oil and Gas Conservation Commission.

Dated this 9 day of June, 1994, at St. Johns, Arizona.

IMPORTANT - SIGNATURE OF ASSIGNOR

This assignment shall be signed by the  
 Individual Himself

RIDGEWAY ARIZONA OIL CORP.

NAME OF ASSIGNOR EXACTLY AS SHOWN ABOVE

BY: [Signature]  
 SIGNATURE OF ASSIGNOR

FIRST ENDORSEMENT - RECEIPT FOR NOTICE OF ASSIGNMENT

Receipt is hereby acknowledged to the Treasurer of the State of Arizona, hereinafter referred to as the TREASURER, of written notice of the assignment to said Treasurer of the above-identified account. We have noted in our records to show the interest of the Treasurer in said account as shown in and by the assignment above. We have retained a copy of this document. We hereby certify that we have not received any notice of lien, encumbrance, hold, claim or other obligation against the above-identified account prior to its assignment to the Treasurer. We further hereby waive any current and future right of set-off against such account. We agree to make payment as required by the Rules and Regulations of the Treasurer adopted in accordance with applicable laws and the law applicable to this institution.

Dated this 14 day of JUNE, 1994, at ST JOHNS, Arizona.

BANK ONE ARIZONA, NA  
 NAME OF FINANCIAL INSTITUTION  
 BY [Signature] Customer Service Assistant  
 SIGNATURE OF OFFICER OF FINANCIAL INSTITUTION TITLE

Subscribed and sworn before me this 14 day of JUNE, 1994

[Signature]  
 STATE OF ARIZONA  
 County of Apache  
 YAMEHA S. HERRICK COMMISSION EXPIRES  
 My Appointment Expires May 31, 1998

SECOND ENDORSEMENT - RECEIPT FOR SECURITY AND DIRECTION TO PAY EARNINGS

Receipt is acknowledged of the assignment above and the account identified in the assignment above. The financial institution named in the assignment above is hereby authorized and directed to pay any earnings credited after the date of this assignment on the above-identified account of the above-named assignor.

Dated this \_\_\_ day of \_\_\_, 19\_\_\_, at \_\_\_, Arizona

ARIZONA STATE TREASURER  
 Treasurer or Authorized Representative  
 BY [Signature]  
 (Prepare in duplicate. Please Type all Information)

Attach Original Assignment to Certificate of Deposit and File with State.

RECEIVED  
 STATE TREASURER  
 JUN 14 1994

**Bank One, Arizona, NA**

**Certificate of Deposit  
NON TRANSFERABLE**

4002111

BRANCH ST JOHNS OFFICE

BRANCH NO. 043 DATE 06-14-94

THIS CERTIFIES THAT THERE HAS BEEN DEPOSITED IN THIS BANK

PAY TO RIDGEWAY ARIZONA OIL CORP.

ACCOUNT NO. 81575016

\$ 10,000.00

(UPON  
SURRENDER  
OF THIS  
CERTIFICATE  
PROPERLY  
ENDORSED)

1089-700 4TH AVENUE S.W.  
CALGARY, ALBERTA

00000

THIS CERTIFICATE MATURES IN 365 Days FROM ISSUE DATE ON  
June 14 19 95 INTEREST IS TO BE PAID Monthly  
AT THE RATE OF 3.3500 % PER ANNUM ON AN ACTUAL NUMBER OF DAYS PER YEAR BASIS  
FIRST INTEREST PAYMENT DUE 07-14-94  
 SINGLE MATURITY - INTEREST CEASES AT MATURITY  
 AUTOMATICALLY RENEWABLE - THE CERTIFICATE WILL AUTOMATICALLY RENEW EVERY 365 Days

UNLESS REDEEMED WITHIN 10 CALENDAR DAYS (ONE BUSINESS DAY FOR MATURITIES OF 31 DAYS OR LESS) AFTER ANY MATURITY. THE BANK RETAINS THE RIGHT TO REDEEM THIS CERTIFICATE OR CHANGE THE INTEREST RATE AND OTHER TERMS AS OF ANY MATURITY.

*Debrae Olson*  
AUTHORIZED SIGNATURE

0-100-0675 Rev. 7/91 (2/93)

*COPY*

**Bank One, Arizona, NA**

**Certificate of Deposit  
NON TRANSFERABLE**

4002112

BRANCH St. Johns

BRANCH NO. 043 DATE 11-18-94

THIS CERTIFIES THAT THERE HAS BEEN DEPOSITED IN THIS BANK

PAY TO Ridgeway Arizona Oil Corp.  
1080 700 4th Ave SW  
Calgary, Alberta  
Canada

ACCOUNT NO. 8157-4865

\$ 15,000.00

(UPON  
SURRENDER  
OF THIS  
CERTIFICATE  
PROPERLY  
ENDORSED)

THIS CERTIFICATE MATURES IN 365 days (1 yr) FROM ISSUE DATE ON  
11-18 19 95 INTEREST IS TO BE PAID Monthly  
AT THE RATE OF 3.85 % PER ANNUM ON AN ACTUAL NUMBER OF DAYS PER YEAR BASIS  
FIRST INTEREST PAYMENT DUE 12-18-94  
 SINGLE MATURITY - INTEREST CEASES AT MATURITY  
 AUTOMATICALLY RENEWABLE - THE CERTIFICATE WILL AUTOMATICALLY RENEW EVERY 365 days

UNLESS REDEEMED WITHIN 10 CALENDAR DAYS (ONE BUSINESS DAY FOR MATURITIES OF 31 DAYS OR LESS) AFTER ANY MATURITY. THE BANK RETAINS THE RIGHT TO REDEEM THIS CERTIFICATE OR CHANGE THE INTEREST RATE AND OTHER TERMS AS OF ANY MATURITY.

*Barbara J. Preston*  
AUTHORIZED SIGNATURE

0-100-0675 Rev. 7/91 (2/93)