



**SUNDRY NOTICES AND REPORTS ON WELLS**

1. Name of Operator Ridgeway Arizona Oil Corp

2. OIL WELL  GAS WELL  OTHER  (Specify) CO2

3. Well Name State 11-29-31X  
 Location 2030' FNL & 1980' FWL  
 Sec. 29 Twp. 11N Rge. 31E County Apache, Arizona

4. Federal, State, or Indian Lease Number, or lessor's name if fee lease 13-102947

5. Field or Pool Name Wildcat

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	DIRECTIONAL DRILL	<input checked="" type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	PERFORATE CASING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(OTHER)	<input type="checkbox"/>		<input type="checkbox"/>

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	WEEKLY PROGRESS	<input type="checkbox"/>
FRACTURE TREATMENT	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ALTER CASING	<input type="checkbox"/>
(OTHER)	<input type="checkbox"/>	ABANDONMENT	<input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log, Form 4)

1. 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 requests permission to drill Horizontally in this well.

See attached well plan

*Call Tom 5-22-08 & explain 2000' W lateral extends across lease line. Tom will have Pathfinder amend survey.*

*Call Tom 6-18-08. He's been on vacation & hasn't heard back from Pathfinder regarding amended survey.*

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

Signed *[Signature]*

Title Field Operations Supv Date 5-7-08

Permit No. 955

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

1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
2. A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.
3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
4. Is the operator the only owner in the dedicated acreage outlined on the plat below? YES  NO
5. If the answer to question four is no, have the interests of all owners been consolidated by communitization agreement or otherwise? YES  NO  If answer is yes, give type of consolidation \_\_\_\_\_
6. If the answer to question four is no, list all the owners and their respective interests below:

11-29-31X State

Owner <b>RIDGEWAY ARIZONA OIL CORP</b>	Land Description <b>NW 1/4 S. 29 T11N R31E</b>
P O BOX 1110 ST JOHNS, AZ 85936	<b>Gr SRM Apache Co. AZ</b>

**CERTIFICATION**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

*Thomas White*

Name  
**Thomas White**

Position  
**Field Operations Supv**

Company  
**Ridgeway AZ Oil Corp**

Date  
**Jan 23, 2008**

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  
**22 Jan 2008**

Registered Land Surveyor  
*Daniel R. Muth*

Certificate No.  
**AZ RLS 31028**

**PROPOSED CASING PROGRAM**

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
13 3/8"		J55	-0-	80'	80'	100 sks	ready mix
9 5/8"	36#	J55	-0-	2000'	2000 +/-	500 sks	class C foamed

# Enhanced Oil Resources, Inc.

11-29-31X

11-29-31X

11-29-31X

Original Hole

955

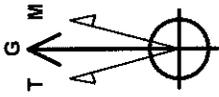
Plan: Plan #1

W

2000'

## Pathfinder Survey Report

07 May, 2008



Azimuths to Grid North  
 True North: -1.08°  
 Magnetic North: 9.36°  
 Magnetic Field  
 Strength: 49454.25nT  
 Dip Angle: 61.14°  
 Date: 5/6/2008  
 Model: IGR200510

Project: 11-29-31X  
 Site: 11-29-31X  
 Well: 11-29-31X  
 Wellbore: Original Hole  
 Plan: Plan #1 (11-29-31X Original Hole)

955

2006' W



CASING DETAILS	
TVD	Name
MD	Size
1899.00	7" 7"

WELL DETAILS: 11-29-31X

Ground Elevation: 7033.00  
 RIG Name: EST RIG @ 7033.00R  
 Rig Name:

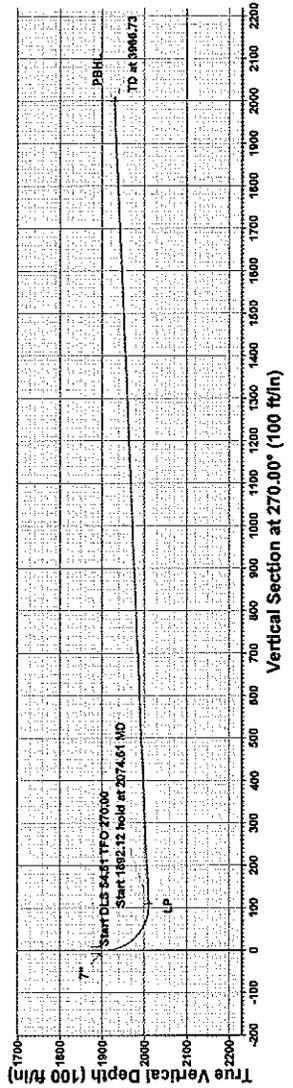
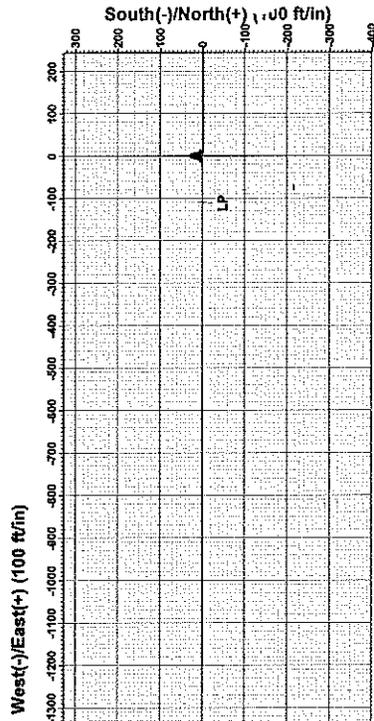
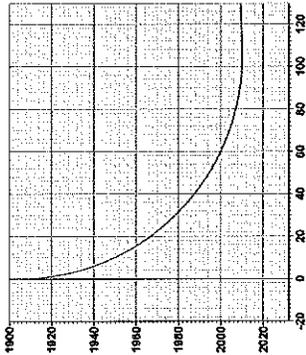
+N/S	+E/W	Northing	Eastng	Latitude	Longitude	Shot
0.00	0.00	12466262.470	2217251.860	34° 19' 25.981 N	108° 5' 18.324 W	

SECTION DETAILS

Sec	MD	Inc	Az	+N/S	+E/W	D Lag	TFaso	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	1893.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	2074.61	92.46	270.00	210.01	0.00	-08.61	54.51	270.00	108.51
4	3966.73	92.46	270.00	1828.00	0.00	-2000.00	0.00	2000.00	PBHL

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/S	+E/W	Northing	Eastng	Point	Shape
PBHL	1893.00	0.00	-2000.00	12466262.470	2217251.860	Point	
LP	2010.00	0.00	-1001.63	12466262.470	2217272.050	Point	



PROJECT DETAILS: 11-29-31X  
 Geodetic System: Universal Transverse Mercator (US Survey Feet)  
 Datum: NAD83 Arizona - HARN  
 Ellipsoid: GRS 1980  
 System Datum: Mean Sea Level  
 Zone: Zone 12N (114 W to 108 W)  
 Local North: Grid

Plan: Plan #1 (11-29-31X Original Hole)  
 Created By: Mark Freeman Date: 8:47, May 07 2008  
 Checked: \_\_\_\_\_ Date: \_\_\_\_\_

# WHS

## Pathfinder Survey Report

<b>Company:</b> Enhanced Oil Resources, Inc.	<b>Local Co-ordinate Reference:</b> Well 11-29-31X
<b>Project:</b> 11-29-31X	<b>TVD Reference:</b> EST RKB @ 7033.00ft
<b>Site:</b> 11-29-31X	<b>MD Reference:</b> EST RKB @ 7033.00ft
<b>Well:</b> 11-29-31X	<b>North Reference:</b> Grid
<b>Wellbore:</b> Original Hole	<b>Survey Calculation Method:</b> Minimum Curvature
<b>Design:</b> Plan #1	<b>Database:</b> EDM 2003.16 Single User Db

<b>Project:</b> 11-29-31X
<b>Map System:</b> Universal Transverse Mercator (US Survey Feet) <b>System Datum:</b> Mean Sea Level
<b>Geo Datum:</b> NAD83 Arizona - HARN
<b>Map Zone:</b> Zone 12N (114 W to 108 W)

<b>Site:</b> 11-29-31X			
<b>Site Position:</b>	<b>Northing:</b> 12,466,262.470ft	<b>Latitude:</b> 34° 19' 25.991 N	
<b>From:</b> Map	<b>Easting:</b> 2,217,581.660ft	<b>Longitude:</b> 109° 5' 16.324 W	
<b>Position Uncertainty:</b> 0.00 ft	<b>Slot Radius:</b> "	<b>Grid Convergence:</b> 1.08 °	

<b>Well:</b> 11-29-31X			
<b>Well Position</b>	<b>+N/-S</b> 0.00 ft	<b>Northing:</b> 12,466,262.470 ft	<b>Latitude:</b> 34° 19' 25.991 N
	<b>+E/-W</b> 0.00 ft	<b>Easting:</b> 2,217,581.660 ft	<b>Longitude:</b> 109° 5' 16.324 W
<b>Position Uncertainty</b>	0.00 ft	<b>Wellhead Elevation:</b> ft	<b>Ground Level:</b> 7,033.00ft

<b>Wellbore:</b> Original Hole					
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	IGRF200510	5/6/2008	10.44	61.14	49,454

<b>Design:</b> Plan #1				
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b> PLAN	<b>Tie On Depth:</b>	0.00	
<b>Vertical Section:</b>	<b>Depth From (TVD) (ft)</b>	<b>+N/-S (ft)</b>	<b>+E/-W (ft)</b>	<b>Direction (°)</b>
	0.00	0.00	0.00	270.00

<b>Survey Tool Program</b> Date 5/7/2008				
<b>From (ft)</b>	<b>To (ft)</b>	<b>Survey (Wellbore)</b>	<b>Tool Name</b>	<b>Description</b>
0.00	3,966.73	Plan #1 (Original Hole)	MWD	MWD - Standard

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00

# WHS

## Pathfinder Survey Report

**Company:** Enhanced Oil Resources, Inc.  
**Project:** 11-29-31X  
**Site:** 11-29-31X  
**Well:** 11-29-31X  
**Wellbore:** Original Hole  
**Design:** Plan #1

955

**Local Co-ordinate Reference:** Well 11-29-31X  
**TVD Reference:** EST RKB @ 7033.00ft  
**MD Reference:** EST RKB @ 7033.00ft  
**North Reference:** Grid  
**Survey Calculation Method:** Minimum Curvature  
**Database:** EDM 2003.16 Single User Db

### Planned Survey

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00
1,905.00	0.00	0.00	1,905.00	0.00	0.00	0.00	0.00
1,910.00	2.73	270.00	1,910.00	0.00	-0.12	0.12	54.51
1,920.00	8.18	270.00	1,919.95	0.00	-1.07	1.07	54.51
1,930.00	13.63	270.00	1,929.76	0.00	-2.96	2.96	54.51
1,940.00	19.08	270.00	1,939.36	0.00	-5.77	5.77	54.51
1,950.00	24.53	270.00	1,948.64	0.00	-9.49	9.49	54.51
1,960.00	29.98	270.00	1,957.52	0.00	-14.06	14.06	54.51
1,970.00	35.43	270.00	1,965.94	0.00	-19.47	19.47	54.51
1,980.00	40.88	270.00	1,973.80	0.00	-25.64	25.64	54.51
1,990.00	46.33	270.00	1,981.03	0.00	-32.54	32.54	54.51
2,000.00	51.78	270.00	1,987.58	0.00	-40.09	40.09	54.51
2,010.00	57.24	270.00	1,993.39	0.00	-48.23	48.23	54.51
2,020.00	62.69	270.00	1,998.39	0.00	-56.88	56.88	54.51
2,030.00	68.14	270.00	2,002.55	0.00	-65.97	65.97	54.51
2,040.00	73.59	270.00	2,005.83	0.00	-75.41	75.41	54.51
2,050.00	79.04	270.00	2,008.19	0.00	-85.13	85.13	54.51
2,060.00	84.49	270.00	2,009.63	0.00	-95.02	95.02	54.51
2,070.00	89.94	270.00	2,010.11	0.00	-105.00	105.00	54.51
2,074.61	92.45	270.00	2,010.01	0.00	-109.61	109.61	54.51
2,100.00	92.45	270.00	2,008.93	0.00	-134.98	134.98	0.00
2,200.00	92.45	270.00	2,004.65	0.00	-234.89	234.89	0.00
2,300.00	92.45	270.00	2,000.36	0.00	-334.80	334.80	0.00
2,400.00	92.45	270.00	1,996.08	0.00	-434.70	434.70	0.00
2,500.00	92.45	270.00	1,991.80	0.00	-534.61	534.61	0.00
2,600.00	92.45	270.00	1,987.52	0.00	-634.52	634.52	0.00
2,700.00	92.45	270.00	1,983.24	0.00	-734.43	734.43	0.00
2,800.00	92.45	270.00	1,978.96	0.00	-834.34	834.34	0.00
2,900.00	92.45	270.00	1,974.67	0.00	-934.24	934.24	0.00
3,000.00	92.45	270.00	1,970.39	0.00	-1,034.15	1,034.15	0.00
3,100.00	92.45	270.00	1,966.11	0.00	-1,134.06	1,134.06	0.00
3,200.00	92.45	270.00	1,961.83	0.00	-1,233.97	1,233.97	0.00
3,300.00	92.45	270.00	1,957.55	0.00	-1,333.88	1,333.88	0.00
3,400.00	92.45	270.00	1,953.27	0.00	-1,433.79	1,433.79	0.00
3,500.00	92.45	270.00	1,948.98	0.00	-1,533.69	1,533.69	0.00
3,600.00	92.45	270.00	1,944.70	0.00	-1,633.60	1,633.60	0.00
3,700.00	92.45	270.00	1,940.42	0.00	-1,733.51	1,733.51	0.00
3,800.00	92.45	270.00	1,936.14	0.00	-1,833.42	1,833.42	0.00

**WHS**  
Pathfinder Survey Report

Company: Enhanced Oil Resources, Inc.  
 Project: 11-29-31X  
 Site: 11-29-31X  
 Well: 11-29-31X  
 Wellbore: Original Hole  
 Design: Plan #1

955

Local Co-ordinate Reference: Well 11-29-31X  
 TVD Reference: EST RKB @ 7033.00ft  
 MD Reference: EST RKB @ 7033.00ft  
 North Reference: Grid  
 Survey Calculation Method: Minimum Curvature  
 Database: EDM 2003.16 Single User Db

**Planned Survey**

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)
3,900.00	92.45	270.00	1,931.86	0.00	-1,933.33	1,933.33	0.00
3,966.73	92.45	270.00	1,929.00	0.00	-2,000.00	2,000.00	0.00

**Targets**

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
LP - plan hits target - Point	0.00	0.00	2,010.00	0.00	-109.61	12,466,262.470	2,217,472.050	34° 19' 26.011 N	109° 5' 17.631 W
PBHL - plan hits target - Point	0.00	0.00	1,929.00	0.00	-2,000.00	12,466,262.470	2,215,581.660	34° 19' 26.362 N	109° 5' 40.166 W

**Casing Points**

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
1,899.00	1,899.00	7"	7	7

Checked By: \_\_\_\_\_ Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**SUNDRY NOTICES AND REPORTS ON WELLS**

1. Name of Operator Ridgeway Arizona Oil Corp  
 2. OIL WELL  GAS WELL  OTHER  (Specify) CO2  
 3. Well Name State 11-29-31X  
 Location 2030' FNL & 1980' FWL  
 Sec. 29 Twp. 11N Rge. 31X County Apache, Arizona  
 4. Federal, State, or Indian Lease Number, or lessor's name if fee lease 13-102947

5. Field or Pool Name Wildcat

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"/>	WEEKLY 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 checked="" type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTER CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) _____	ABANDONMENT <input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log, Form 4)

1. 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.

M.I.R.U. Halliburton set composite plug @ 1905' rig up air package pressure well up to test plug, blow well down. Pump 75 gal of acetic acid +2 barrels of 7% KCL. Run in hole with perf guns, shoot from 1866' to 1904' four shots per foot, test well.

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

Signed \_\_\_\_\_

Title Field Operations Supt Date 4-21-08

Permit No. 955

<p><b>STATE OF ARIZONA</b>  <b>OIL &amp; GAS CONSERVATION COMMISSION</b>                  Sundry Notice and Reports On Wells                  File One Copy</p>
Form No. 25

**SUNDRY NOTICES AND REPORTS ON WELLS**

1. Name of Operator RIDGEWAY ARIZONA OIL CORP

2. OIL WELL  GAS WELL  OTHER  (Specify) CO2

3. Well Name State 11-29-31X

Location 2030' ENL & 1980' FWL

Sec. 29 Twp. 11N Rge. 31E County Apache, Arizona

4. Federal, State, or Indian Lease Number, or lessor's name if fee lease 13-102947

5. Field or Pool Name Wildcat

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"/>	WEEKLY PROGRESS <input checked="" 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"/>	ALTER CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) _____	ABANDONMENT <input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log, Form 4)

1. 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.)

Drill ahead to 1909' and run 7" casing pump 430 sks, circulate to surface W.O.C.

Prepare to drill out

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

Signed \_\_\_\_\_

Title Field Operations Supv Date 3-26-08

Permit No. 955

**STATE OF ARIZONA**  
**OIL & GAS CONSERVATION COMMISSION**  
 Sundry Notice and Reports On Wells  
 File One Copy

Form No. 25

**SUNDRY NOTICES AND REPORTS ON WELLS**

1. Name of Operator RIDGEWAY ARIZONA OIL CORP

2. OIL WELL  GAS WELL  OTHER  (Specify) CO2

3. Well Name State 11-29-31X  
 Location 2030' FNL & 1980' FWL  
 Sec. 29 Twp. 11 Rge. 31 County Apache, Arizona

4. Federal, State, or Indian Lease Number, or lessor's name if fee lease 13-102947

5. Field or Pool Name Wildcat

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF  PULL OR ALTER CASING   
 FRACTURE TREAT  DIRECTIONAL DRILL   
 SHOOT OR ACIDIZE  PERFORATE CASING   
 REPAIR WELL  CHANGE PLANS   
 (OTHER) \_\_\_\_\_

SUBSEQUENT REPORT OF:

WATER SHUT-OFF  WEEKLY PROGRESS   
 FRACTURE TREATMENT  REPAIRING WELL   
 SHOOTING OR ACIDIZING  ALTER CASING   
 ABANDONMENT   
 (OTHER) \_\_\_\_\_

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log, Form 4)

1. 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.

Well spudded 3-12-08

Run 9 5/8" casing, set @ 812' cement & circulate to surface W.O.C. drill out & drilling ahead @ 1377'.

8. I hereby certify that the foregoing is true and correct.  
 Signed [Signature]

Title Field Operations Supt Date 3-18-08

Permit No. 955

<p><b>STATE OF ARIZONA</b>  <b>OIL &amp; GAS CONSERVATION COMMISSION</b>                  Sundry Notice and Reports On Wells                  File One Copy</p>
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Form No. 25

**SUNDRY NOTICES AND REPORTS ON WELLS**

1. Name of Operator RIDGEWAY ARIZONA OIL CORP

2. OIL WELL  GAS WELL  OTHER  (Specify) CO2

3. Well Name State 11-29-31X

Location 2030' FNL & 1980' FWL

Sec. 29 Twp. 11N Rge. 31E County Apache, Arizona

4. Federal, State, or Indian Lease Number, or lessor's name if fee lease 13-102947

5. Field or Pool Name Wildcat

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	DIRECTIONAL DRILL	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	PERFORATE CASING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(OTHER) <u>Spud</u>			<input checked="" type="checkbox"/>

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	WEEKLY PROGRESS	<input type="checkbox"/>
FRACTURE TREATMENT	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ALTER CASING	<input type="checkbox"/>
(OTHER)		ABANDONMENT	<input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log, Form 4)

1. 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.

Proposed spud date: 3-12-08

MIRU Enhanced Oil Rig #1

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

Signed [Signature]

Title Field Operations Supv

Date 3-10-08

Permit No. 955

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



# PERMIT TO DRILL

This constitutes the permission and authority from the

OIL AND GAS CONSERVATION COMMISSION,  
STATE OF ARIZONA,

To: RIDGEWAY ARIZONA OIL CORP  
(OPERATOR)

to drill a well to be known as

11-29-31X STATE  
(WELL NAME)

located 2030' PNL & 1980' FWL

Section 29 Township 11N Range 31E, APACHE County, Arizona.

The ALL FOR AMOS WASH 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 29 day of January 2008, 19.

OIL AND GAS CONSERVATION COMMISSION

By SL Rain  
EXECUTIVE DIRECTOR  
OIL AND GAS PROGRAM ADMINISTRATOR

PERMIT 00055

RECEIPT NO. 3151

A.P.I. NO. 02-001-20348

State of Arizona  
Oil & Gas Conservation Commission  
Permit to Drill

## 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

RIDGEWAY ARIZONA OIL CORP

Address

SAME

### DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor  
13-102947

Well number  
11-29-31X

Elevation (ground)  
7033'

Nearest distance from proposed location to property or lease line:

1980'

feet

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

South 50' feet

Number of acres in lease

1691.44

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

1

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

Name

Address

Well location (give footage from section lines)

2030' FWL + 1980 FWL

Section - Township - Range or Block and Survey

S29 T11N R31E

Dedication per A.A.C. R12-7-104(A)(3)

All / Amos Wash

Field and reservoir (if wildcat, so state)

Wildcat

County

Apache

Distance in miles and direction from nearest town or post office

N39°45'E 17.3 miles from Springerville P.O.

Proposed depth:

2200' +/-

Rotary or cable tools

Rotary

Approximate date work will start

Feb 29, 2008

Bond status

on file

Organization Report

On file

Or attached

Filing Fee of \$25.00

Attached

Remarks

API # 02-001-20348

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Field Operations Supervisor of the Ridgeway Arizona Oil Corp (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature

Jan 23, 2008

Date

Mail completed form to:  
Oil and Gas Program Administrator  
Arizona Geological Survey  
416 W. Congress, #100  
Tucson, AZ 85701-1315

Permit Number:

955

Approval Date:

1-29-2008

Approved By:

SL Raines

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

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

Application to Drill or Re-enter  
File Two Copies

Form No. 3

1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
2. A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.
3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
4. Is the operator the only owner in the dedicated acreage outlined on the plat below? YES  NO
5. If the answer to question four is no, have the interests of all owners been consolidated by communitization agreement or otherwise? YES  NO  If answer is yes, give type of consolidation \_\_\_\_\_
6. If the answer to question four is no, list all the owners and their respective interests below:

Owner <b>RIDGEWAY ARIZONA OIL CORP</b>	Land Description <b>NW 1/4 S.29 T11N R31E</b>
P O BOX 1110 ST JOHNS, AZ 85936	<b>G+SRM Apache Co. Az</b>

**CERTIFICATION**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

*Thomas White*

Name  
**Thomas White**

Position  
**Field Operations Supv**

Company  
**Ridgeway AZ Oil Corp**

Date  
**Jan 23, 2008**

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.

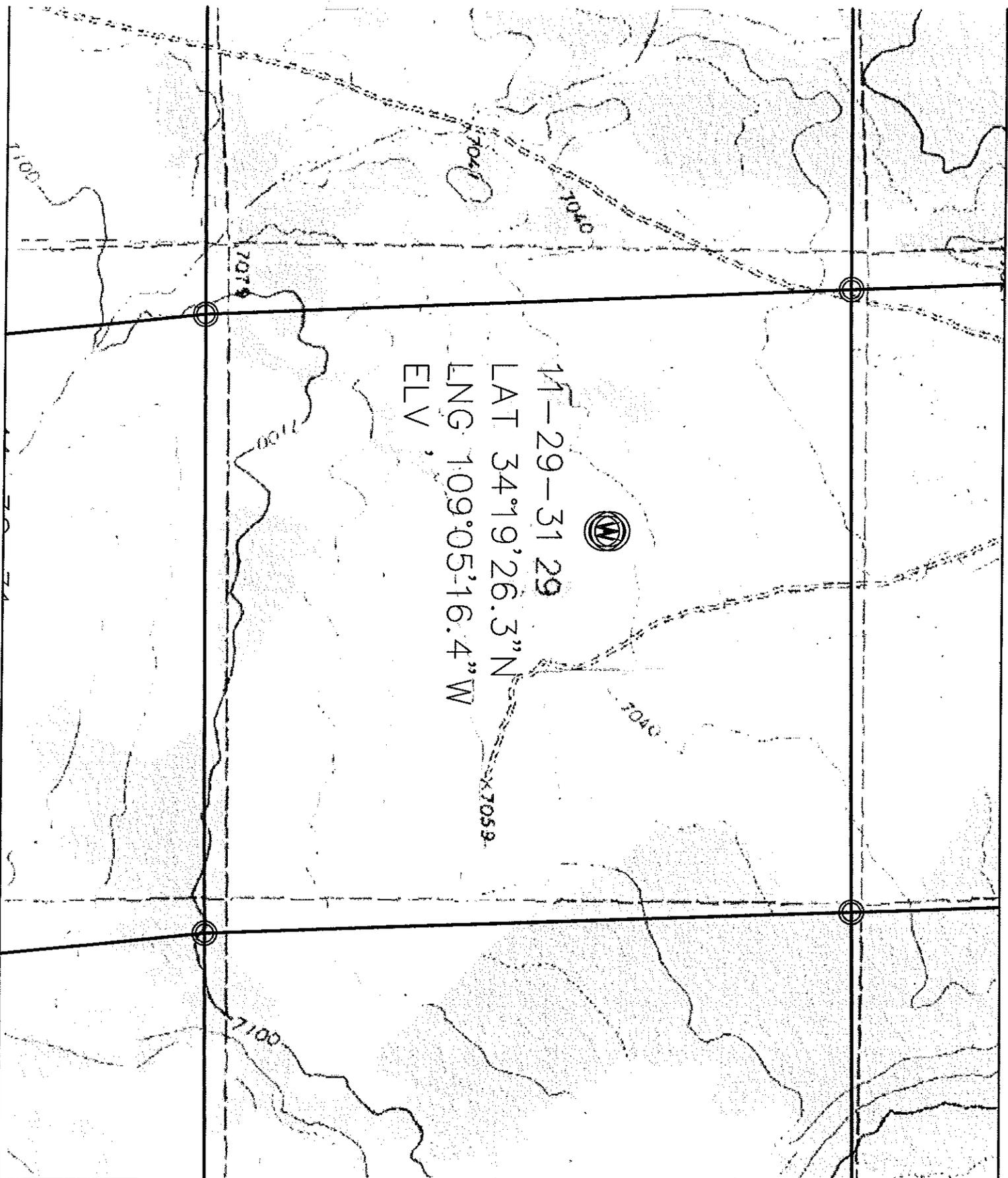
Date Surveyed **22 Jan 2008**

Registered Land Surveyor  
*Daniel R. Muth*

Certificate No. **AZ RLS 31028**

**PROPOSED CASING PROGRAM**

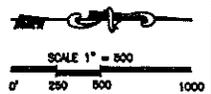
Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
13 3/8"		J55	-0-	80'	80'	100 sks	ready mix
9 5/8"	36#	J55	-0-	2000'	2000 +/-	500 sks	class C foamed



11-29-31 29  
 LAT 34°19'26.3"N  
 LNG 109°05'16.4"W  
 ELV



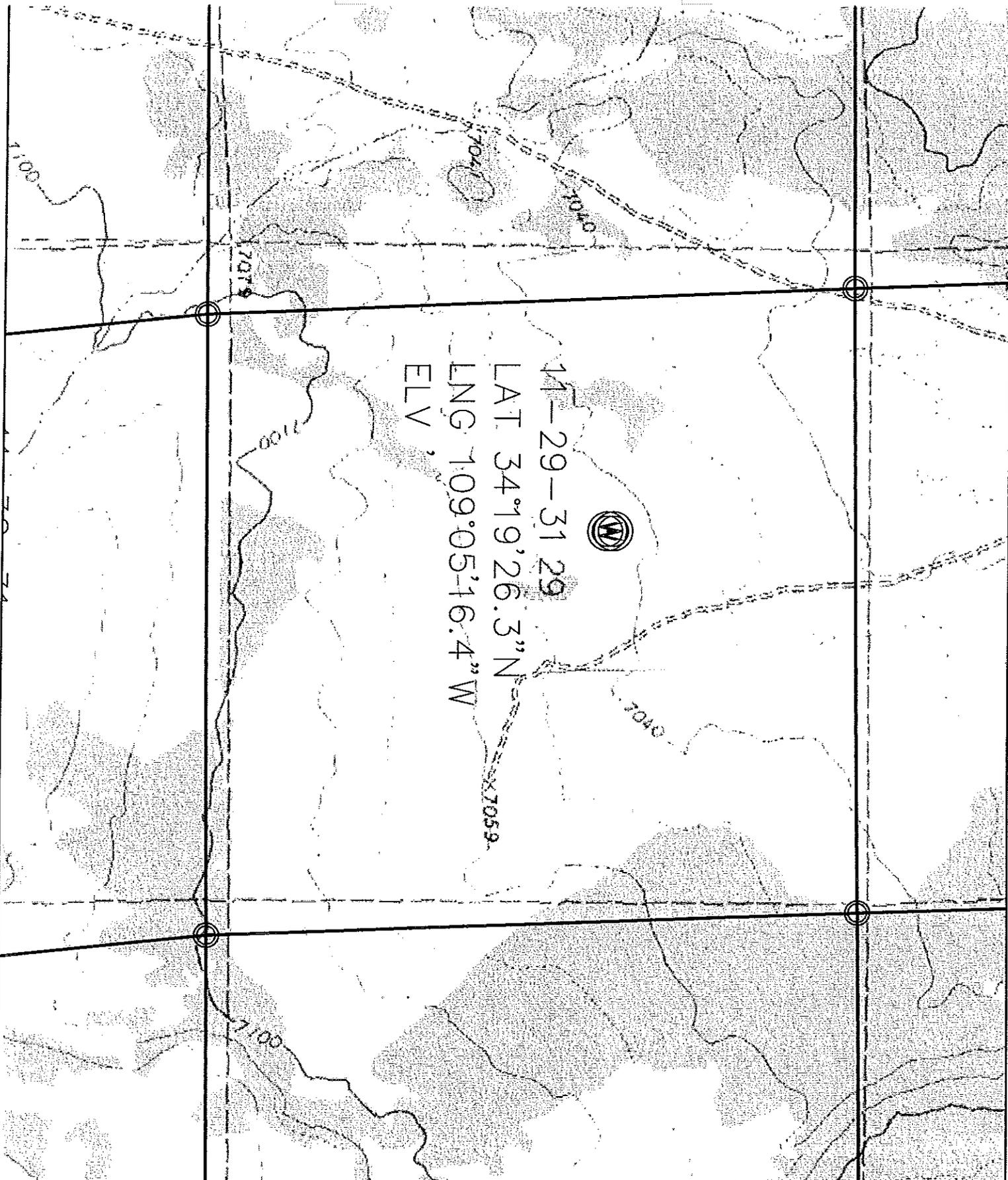
DANIEL R. MUTH PLS  
 P.O. BOX 1753  
 SPRINGVILLE, AZ 85938  
 928-245-3922



WELL LOCATION  
 SECTION 29  
 T11NR31E G&SRM

11-29-31X (955)  
 JAN 2008 DATE OF SURVEY

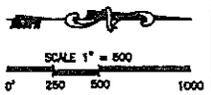
PROJECT#	2006.027	DEN BY:	DRM
DATE	1/2008	PROJECT	1



11-29-31 29  
 LAT 34°19'26.3"N  
 LNG 109°05'16.4"W  
 ELV



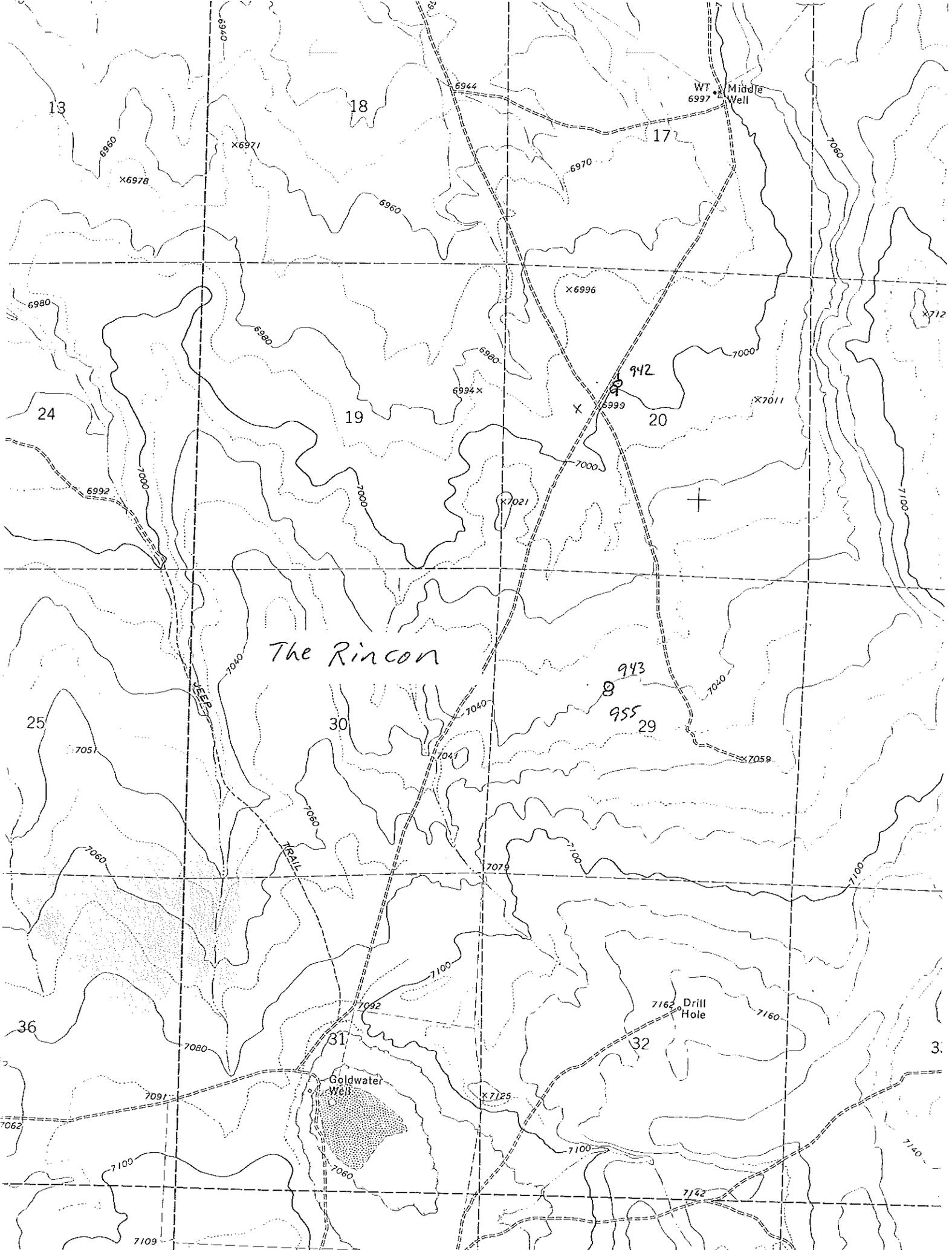
DANIEL R. MUTH PLS  
 P.O. BOX 1753  
 SPRINGVILLE, AZ 85938  
 928-245-3922



WELL LOCATION  
 SECTION 29  
 T11NR31E G&SRM

11-29-31 X (955)  
 JAN 2008 DATE OF SURVEY

PROJECT#	2006.027	DEN BY:	DAM
DRAWN	REVISED	CHECKED	DATE



The Rincon

WT 6997 Middle Well

Goldwater Well

7162 Drill Hole

JEEP TRAIL

13

18

17

24

19

20

25

30

29

36

31

32

37

942

943

955

+

6960

X6971

X6978

6944

6970

6960

6997

X6996

6994 X

6999

X7011

6980

6980

6980

7000

X712

6992

7000

7000

7000

7100

7040

7040

7041

7040

7059

7051

7080

7080

7079

7100

7100

7100

7092

7162

7160

7062

7100

7060

7100

7142

7140

7109

## Drilling Well Prognosis

**OPERATOR** Ridgeway AZ Oil Corp.    **LEASE** 13-102947    **NO.** 11-29-31 X State  
**LOCATION** T11 S29 R31x    **FOOTAGE** 2030 FNL & 1980 FWL    955  
**COUNTY** Apache    **STATE** AZ.  
**ELEVATION:** Ground level 1033    Kelly Bushing 7043

### GEOLOGICAL PROGRAM

Tops	Depth	Core-Depths	Drill Stem Test-Depths
Gloreta	800 +/-		
FT. Apache	1600 +/-		
Amos Wash	1975 +/-		
Precambrian	3000 +/-		

### ELECTRIC LOGGING:

**Company** Schlumberger    **Phone** 505-325-5007  
**Logging Program:** To be determined by Geologist

**Well Site Geologist:** George Scott    **Phone** 505-350-2030  
**Mudlogger:** Scotty Scott    **Phone** 580-729-0107  
**Coring Co.** \_\_\_\_\_    **Phone** \_\_\_\_\_  
**Coring Analysis Co.** \_\_\_\_\_    **Phone** \_\_\_\_\_

**Sample Catching Instructions:** \_\_\_\_\_  
**Drilling Time Instructions:** \_\_\_\_\_

### MUD PROGRAM

**Mud Engineer** Sean Heart    **Phone** 970-985-1363

Depths	Instructions
0	Water Based Mud system
2550	

### ENGINEERING PROGRAM

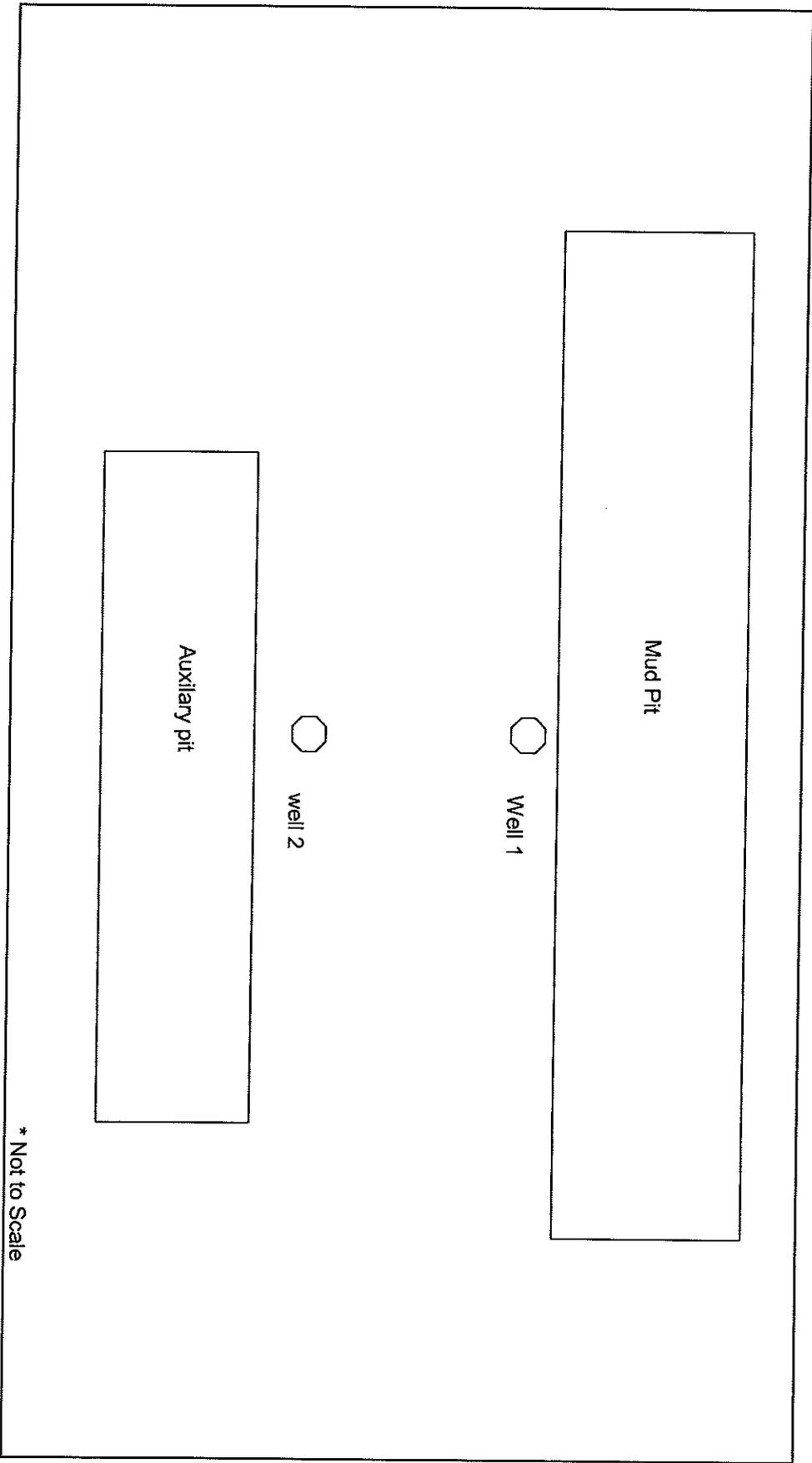
**Well Site Engineer** Clifford Marsters    **Phone** 505-793-3883  
**Drilling Contractor** Ridgeway AZ Oil Corp.    **Phone** 928-337-3230  
**Tool Pusher** \_\_\_\_\_    **Phone** \_\_\_\_\_  
**Cementing Co.** Key Energy    **Phone** 505-564-3489  
**Water Hauler** Highland Trucking    **Phone** 928-245-2222

Casing				Cement	
Hole Size	Csg Size	Weight	Depth	Type & Sacks	Est. Top Of Cmt.
	13 3/8		80	Ready mix	Surface
12 1/4	9 5/8	36 #	2250	500 sks/ Class C	"
					"
					"

**SHOWS & BREAKS-INSTRUCTIONS:** \_\_\_\_\_

**OTHER INSTRUCTIONS:** \_\_\_\_\_

**DAILY DRILLING REPORTS TO:** \_\_\_\_\_



\* Not to Scale

## St. John's Dome Drilling Prognosis - Amos Wash Completion

Formation/Csg Points	TVD	BHP	EMW
----------------------	-----	-----	-----

Approximate Depths

<b>16" Conductor</b>	80		
Cement w/ Ready Mix			

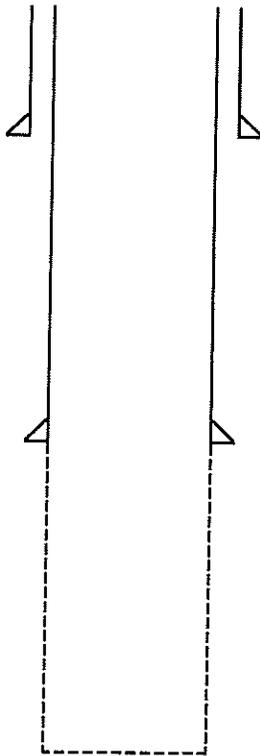
<b>Supai 1300</b>			
Wet Water Sand			

<b>Fort Apache 1800</b>			
-------------------------	--	--	--

9-5/8" 36# J-55 STC @ Amos Wash Top

<b>Amos Wash 2000</b>	450	4.33	
PAY ZONE - CO2			

<b>TD 2200</b>			
----------------	--	--	--



### 12-1/4" Hole

Drilling: Drill a 12-1/4" hole to Amos Wash Top  
 Survey: Drop Inclination Surveys: 500' Intervals and TD  
 Evaluation: 2 Man Mudlogging Unit  
 Logging: None  
 Fluids: Water Base Mud  
 Cement: Foam Slurry, Cement to Surface  
 FIT: Full Circulation of Mud System Only  
 Casing: 9-5/8" 36# J-55 STC

**CASING POINT SELECTION IS EXTREMELY CRITICAL  
 AMOS WASH TOP MUST BE CAREFULLY FOUND  
 BY MUDLOGGER**

Drilling Rig RDMO After Setting Casing

MIRU Pulling Unit to Drill Openhole Section

### 7-7/8" Hole

Drilling: Drill a 7-7/8" Hole to TD  
 Survey: Drop Inclination Survey at TD  
 Evaluation: None  
 Fluids: Nitrogen and Clean Mist  
 Casing: None - Openhole Completion

7921

RIDGEWAY ARIZONA OIL CORP.  
OPERATING ACCOUNT  
P.O. BOX 1110 928-337-3230  
590 S. WHITE MOUNTAIN DRIVE  
SAINT JOHNS, AZ 85936

BANK OF THE WEST  
ST. JOHNS OFFICE  
ST. JOHNS, AZ 85936  
91-564-1221

01/23/2008

PAY TO THE  
ORDER OF

Arizona Geological Survey

\$ \*\*25.00

Twenty-five and 00/100\*\*\*\*\*

DOLLARS

Arizona Geological Survey  
451 W Congress  
Suite 100  
Tucson, AZ 85701

MEMO

⑈007921⑈ ⑆122105647⑆ 631002458⑈

Security Features Included. Details on back.

RIDGEWAY ARIZONA OIL CORP.

7921

01/23/2008

Arizona Geological Survey

Date	Type	Reference	Original Amount	Balance Due	Payment
01/23/2008	Bill	012308	25.00	25.00	25.00
			Check Amount		25.00

11-29-31X  
955

102.001 Cash in Bank

25.00

<b>RECEIPT</b>		Date <u>1-29-2008</u>	No. <u>3151</u>
Received From <u>Ridgeway AZ Oil Corp</u>			
Address <u>PO Box 1110 St Johns AZ 85936</u>			
For <u>stamping fee and 100</u>			Dollars \$ <u>25.00</u>
For <u>filng fee 11-29-31X (permit 955)</u>			
ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	
AMT. PAID		CHECK	<u>25.00</u>
BALANCE DUE		MONEY ORDER	
		By <u>SL Rainey</u>	

## ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual  
**Ridgeway Arizona Oil Corp.**

Mailing Address and Phone Number  
**P O Box 1110 St. Johns, AZ 85936 928-337-3230**

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

If a foreign corporation give (1) State where incorporated  <b>Arizona &amp; New Mexico</b>	(2) Name and mailing address of state agent <b>CT Corporation</b> <b>3225 N Central Ave</b> <b>Phoenix, AZ 85012</b>	(3) Date of permit to do business in state  <b>May 16, 1994</b>
Principal Officers or Partners (if partnership) NAME	TITLE	MAILING ADDRESS
<b>Barry D Lasker</b>	<b>President/Director</b>	<b>One Riverway, Suite 610 Houston, TX 77056</b>
<b>John P Dorrier</b>	<b>Vice President/Director</b>	<b>3050 Post Oak Ste 1700 Houston, TX 77056</b>

DIRECTORS NAME	MAILING ADDRESS
<b>Barry D Lasker</b>	<b>One Riverway, Ste 610 Houston, TX 77056</b>
<b>John P Dorrier</b>	<b>3050 Post Oak Ste 1700 Houston, TX 77056</b>
<b>R. L. Eson</b>	<b>One Riverway, Ste 610 Houston, TX 77056</b>
<b>L. E. Parker</b>	<b>One Riverway, Ste 610 Houston, TX 77056</b>
<b>T. Moline</b>	<b>One Riverway, Ste 610 Houston, TX 77056</b>

CERTIFICATE I, the undersigned, under the penalty of perjury state that I am the Agent 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.

*Carmen Janner*  
 Signature

**October 31, 2007**  
 Date

STATE OF ARIZONA  
**OIL & GAS CONSERVATION COMMISSION**  
  
 Organization Report  
 File One Copy  
  
 Form No. 1

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

## BLANKET BOND COVER SHEET

### RIDGEWAY ARIZONA OIL CORPORATION

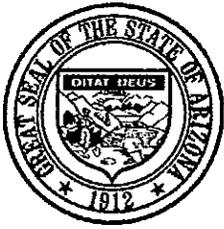
<u>Operator</u>	<u>Bank</u>	<u>Account Number</u>	<u>Approval</u>	<u>Amount</u>
Ridgeway Arizona Oil	Bank of the West	C.D. #631-852068	05/23/06	\$25,000
Ridgeway Arizona Oil	Bank One	C.D. #4002111	07/07/94	\$10,000
Ridgeway Arizona Oil	Bank One	C.D. #4002112	11/28/94	<u>\$15,000</u>
TOTAL				\$50,000

Ridgeway Arizona Oil Corporation has posted a \$50,000 blanket bond consisting of the three separate certificates of deposit listed above. The \$50,000 blanket bond covers up to 49 wells pursuant to A.A.C. R12-7-103.

The three separate certificates of deposit listed above represent a single \$50,000 blanket bond. They are not to be released individually until all wells drilled by Ridgeway Arizona Oil Corporation have been properly plugged and abandoned or otherwise released from Ridgeway's responsibility through either sale or transfer in accordance with the provisions of A.A.C. R12-7-103.

#### PERMITS COVERED BY THIS BLANKET BOND:

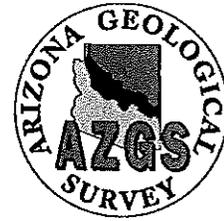
888 TA Feb 1997  
895 TA Mar 1997  
896 SI Mar 2004  
897 TA Mar 1997  
900 TA May 1997  
916 TA Oct 2004  
937 TA Mar 2007  
938 TA Feb 2007  
939 TA Apr 2007  
940 TA Apr 2007  
941 TA Apr 2007  
942 TA May 2007  
943 TA May 2007  
944 TA May 2007  
945 TA Feb 2007  
946 TA Mar 2007  
947 TA May 2007  
948 Permitted Jan 10, 2008  
949 Permitted Jan 10, 2008  
950 Permitted Jan 10, 2008  
952 Permitted Jan 29, 2008  
953 Permitted Jan 29, 2008  
954 Permitted Jan 29, 2008  
955 Permitted Jan 29, 2008



Janet Napolitano  
Governor

State of Arizona  
**Arizona Geological Survey**

416 W. Congress, Suite 100  
Tucson, Arizona 85701  
(520) 770-3500  
[www.azgs.az.gov](http://www.azgs.az.gov)



M. Lee Allison  
Director and State Geologist

January 29, 2008

Delwin Wengert  
County Manager  
P.O. Box 428  
St Johns AZ 85936

955

Re: Ridgeway Arizona Oil Corp 11-20-31X State (Permit 952); 10-02-30X State (Permit 953); 12-34-29X State (Permit 954); and 11-29-31X (Permit 955), Apache County

Dear Mr. Wengert:

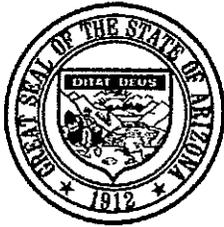
It is a policy of the Arizona Oil and Gas Conservation Commission to inform county government about proposed exploration and drilling activity. The referenced wells are being drilled in search of carbon dioxide gas. The Commission posts approved applications for permit to drill on its website at [www.azogcc.az.gov](http://www.azogcc.az.gov).

The Commission issues a permit to drill under A.R.S. § 27-513. The permit is issued for wells that are in compliance with applicable statutes (A.R.S. § 27-516) and rules (12 A.A.C. 7), which were promulgated to safeguard the public health and safety and protect the environment and natural resources.

Sincerely,

A handwritten signature in cursive script that reads "Steven L. Rauzi".

Steven L. Rauzi  
Oil and Gas Program Administrator



Janet Napolitano  
Governor

State of Arizona  
**Arizona Geological Survey**

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



M. Lee Allison  
Director and State Geologist

January 29, 2008

Mr. Tom White  
Ridgeway Arizona Oil Corp  
P O Box 1110  
St Johns AZ 85936

955

Re: Ridgeway Arizona Oil Corp 11-20-31X State (Permit 952); 10-02-30X State (Permit 953); 12-34-29X State (Permit 954); and 11-29-31X (Permit 955), Apache County

Dear Mr. White:

I have enclosed a copy of the approved Applications to Drill the referenced wells; Permits to Drill 952, 953, 954 and 955 and filing-fee receipts #3148 for permit 952; #3149 for permits 953 and 954; and #3151 for permit 955..

The referenced applications are approved on the condition that Ridgeway Arizona Oil Corp conduct its operations in compliance with all applicable statutes and rules of the State of Arizona and that Ridgeway Arizona Oil Corp or its designated representative notify me at least 48 hours before you:

- Move in drilling equipment and commence operations,
- Run and cement surface casing, and
- Test the BOPE, and that Ridgeway or its designated representative:
- Post a sign at the well site pursuant to A.A.C. R12-7-106,
- Submit samples and other data pursuant to A.A.C. R12-7-121 and,
- Submit Sundry Notices summarizing daily progress and activity on at least a weekly basis through the completion of operations.

Sincerely,

Steven L. Rauzi  
Oil & Gas Administrator

Enclosures

c J. Dale Nations, Chairman, Oil and Gas Conservation Commission

## Timeline

Received application for 11-29-31X 1-29-08

Contacted Joe Dixon & ASLD approved SUP 1-29-08

issued permit 955 1-29-08

Janet Napolitano  
Governor

ARIZONA STATE  LAND DEPARTMENT

Mark Winkleman  
State Land  
Commissioner

January 28, 2008

Mr. Thomas White  
Ridgeway Arizona Oil Corporation  
P.O. Box 1110 / 590 South White Mountain Drive  
St. Johns, Arizona 85936

955  
11-29-31X

**Re: Twin Hole for Permit/Lease No. 13-102947 (well no. 11-29-31)**

Dear Mr. White:

The Arizona State Land Department (ASLD) has received your letter explaining the "Twin Well" concept and plan for oil and gas lease number 13-102947 (well no. 11-29-31, Arizona State Permit #943), sent by Ridgeway Arizona Oil Corporation (Ridgeway) on January 23, 2008 and received by the ASLD on January 25, 2008. After reviewing the explanation, the ASLD agrees that twining the site is the most effective way of producing the CO<sub>2</sub> gas from the two different formations, can be done without disturbing any acreage outside of the existing archaeological survey, and herein grants Ridgeway permission to proceed with the twin well plan for well no. 11-29-31.

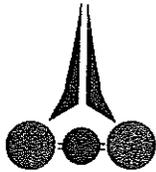
If you have any questions or concerns, I may be contacted at the address on the letterhead, by e-mail at [jdixon@land.az.gov](mailto:jdixon@land.az.gov), or by phone at (602) 542-2688.

Sincerely,



Joseph A. Dixon  
Geologist

cc: Mike Rice, Manager, Minerals Section, Natural Resources Division, ASLD;  
Steve Rauzi, Oil and Gas Administrator, Arizona Geological Survey;  
Lease File



# Ridgeway

Arizona Oil Corporation

St. Johns Helium/CO<sub>2</sub> Project

2008 JAN 25 AM 9:59

ARIZONA  
STATE LAND  
DEPARTMENT

Wednesday, January 23, 2008

Arizona State Land Department  
1616 W. Adams  
Phoenix, AZ 85007

955  
-----  
11-29-31X

ATTN: Joe Dixon, Geologist

RE: Twin Well

Ridgeway Arizona Oil Corp. is requesting a twin location to AZ Oil and Gas Conservation Commission, permit # 943 well name State 11-29-31, AZ state lease # 13-102947.

Drilling and concurrently flow-testing or producing the carbon dioxide (CO<sub>2</sub>) reservoirs in upper Amos Wash formation and basal Oak Creek/Precambrian Granite formations is not possible from one well bore, as each vertically separated reservoir has different pressures that if co-mingled would result in thieving of CO<sub>2</sub> (from the deeper reservoir into the shallower). Thus, the operator will benefit by drilling a shallower well for testing, completing and producing the Amos Wash reservoir and subsequently drilling a second well to complete and produce from the Oak Creek/Precambrian Granite reservoir section. This "twin" well approach also facilitates testing of both shallow and deep reservoirs by air-drilling, which provides multiple advantages to the operator including cost-savings due to a smaller well site "footprint" needed for two well bores located on one well site drilling pad. It also provides greater revenue to the operator and other royalty beneficiaries including the State of Arizona. Drilling and producing "twin" wells further prevents waste of economic resources by allowing reservoir production to occur from both zones simultaneously as opposed to a single well producing said deeper reservoir first over its production life (likely in excess of 30-40 years), and then subsequently producing the shallower reservoir many years later. This twin well approach also facilitates more efficient reservoir drainage from both reservoirs by simplifying the process to cement casing and stimulate the reservoir zones, a crucial element that is required to establish commercial reservoir flow rates.

In conclusion the twin well approach will allow for better and more efficient reservoir drainage also less surface impact and disturbance, it will allow for Ridgeway to stay within the permitted area and not exceed the area covered by the archaeological survey.

Sincerely,

Thomas White  
Field Operations Supervisor  
Ridgeway AZ. Oil Corp

cc: Oil & Gas Lease 13-102947

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