

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

ADEQ AIR QUALITY DIVISION INJECTION WELL 18 SEP 27 PM 12:17

APPLICATION TO DRILL [X]

RE-ENTER OLD WELL []

[X] OIL [X] GAS [X] CO2 [X] HELIUM WELL OTHER

NAME OF COMPANY OR OPERATOR

THE COBALT GROUP, LLC

Address City State Phone Number

PO Box 911900 St. George Utah 84791 800.337.0027

Drilling Contractor

Currently undecided

Address

DESCRIPTION OF WELL AND LEASE

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

Fee Lease - Jeffers Cattle Co.

Well number

Cobalt 20-22-9-1

Elevation (ground)

5326'

Nearest distance from proposed location to property or lease line:

60 feet

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

feet

Number of acres in lease

640

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)

60' FWL - 672' FSL

Section - Township - Range or Block and Survey

SEC. 9, T- 20N, R - 22E, G&SRM

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

all of Sec. 9 - 20N 22E

Field and reservoir (if wildcat, so state)

Wildcat

County

Navajo

Distance in miles and direction from nearest town or post office

N18-10E 12.32 miles from Exit 292 IH 40

Proposed depth:

4,000'

Rotary or cable tools

Rotary

Approximate date work will start

Upon Approval

Bond status attached Amount \$25,000

Organization Report

On file Or attached X

Filing Fee of \$25.00

Attached X

Remarks

The Cobalt Group, LLC holds 100% of all adjoining leases. This area is considered wildcat. No other offset Operators exist to this well (see attached).

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Manager of the The Cobalt Group, LLC (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.

Mail completed form to:

Oil and Gas Program Administrator Arizona Oil & Gas Conservation Commission c/o Arizona Department of Environmental Quality 1110 W. Washington Street Phoenix, AZ 85007

Signature

9/10/2018

Date

e-mail completed form to: azogcc@azdeg.gov

Permit / LIT NO.: 1233

Approval Date: Oct. 24, 2018

Approved By: Dianne L. Turner

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

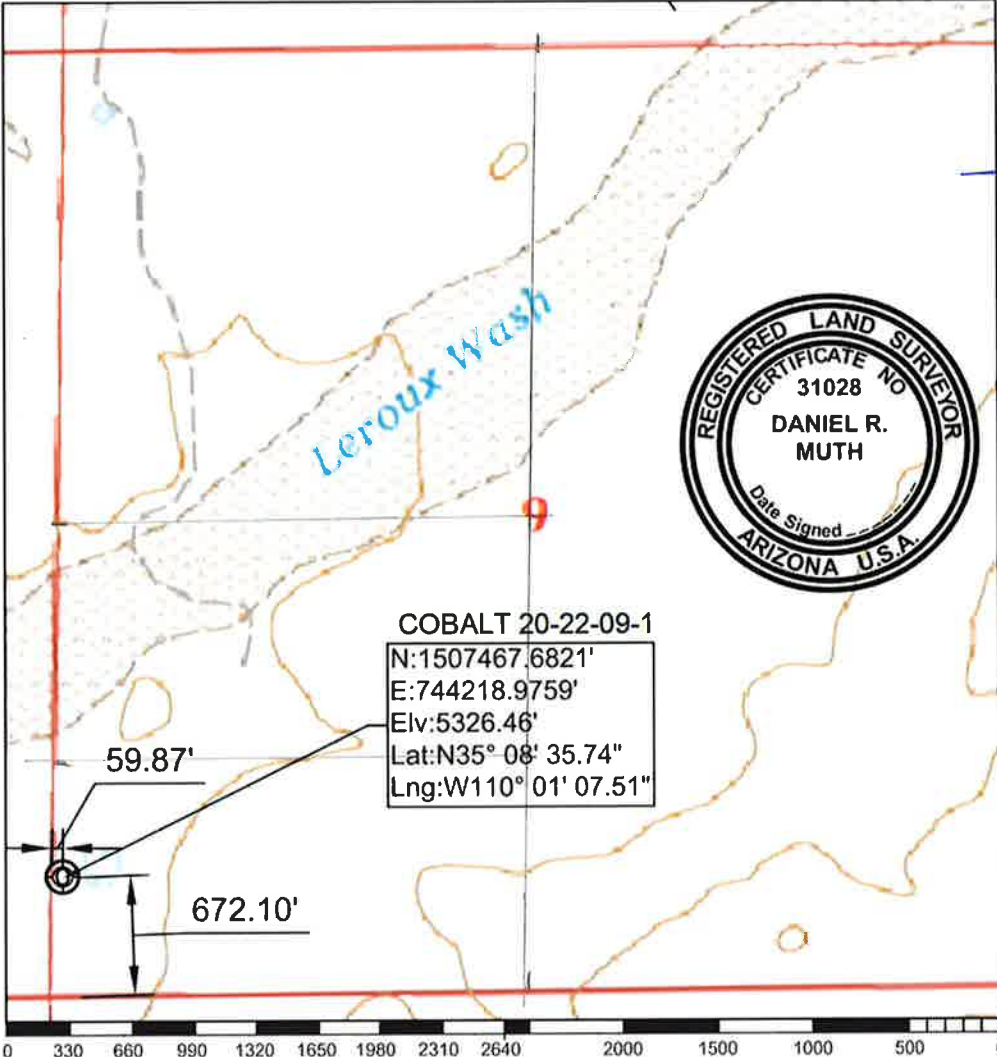

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION

Application to Drill or Re-enter

File two copies: one by mail, one electronically

Form No. 3

- Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
- A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.
- ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
- Is the operator the only owner in the dedicated acreage outlined on the plat below? YES **XX** NO _____
- 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 _____
- If the answer to question four is no, list all the owners and their respective interests below:

Owner The Cobalt Group, LLC	Land Description SW1/4 S9 T20NR22E G&SRM					
						
						
<p style="text-align: center;">COBALT 20-22-09-1</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr><td>N:1507467.6821'</td></tr> <tr><td>E:744218.9759'</td></tr> <tr><td>Elv:5326.46'</td></tr> <tr><td>Lat:N35° 08' 35.74"</td></tr> <tr><td>Lng:W110° 01' 07.51"</td></tr> </table>		N:1507467.6821'	E:744218.9759'	Elv:5326.46'	Lat:N35° 08' 35.74"	Lng:W110° 01' 07.51"
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Lat:N35° 08' 35.74"						
Lng:W110° 01' 07.51"						
<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>[Signature]</i></p> <p style="text-align: center;">Name Todd Clement</p> <p style="text-align: center;">Position Manager</p> <p style="text-align: center;">Company The Cobalt Group, LLC</p> <p style="text-align: center;">Date 9/10/2018</p>						
<p>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.</p> <p style="text-align: center;"><i>[Signature]</i></p> <p style="text-align: center;">Date Surveyed 09-10-2018</p> <p style="text-align: center;">Registered Land Surveyor Daniel R. Muth PLS</p> <p style="text-align: center;">Certificate No. AzRLS 31028</p>						

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
13.375"	48	H-40	GL	20'	GL - 20'	14 sks	Ready mix
9.625"	36	J-55	GL	750'	GL - 750'	148 sks	Prem. Light
7"	23	J-55	GL	2500'	GL - 2500'	236 sks	Prem. Light
5 1/2"	15.5	J-55	GL	4000'	200' - 4000'	115 sks	Prem. Light

ARIZONA OIL and GAS CONSERVATION COMMISSION



State of Arizona
Oil and Gas Conservation Commission

1110 W. Washington Street, Phoenix, AZ 85007

602-771-4501

www.azogcc.az.gov

Dennis L. Turner, Oil and Gas Administrator

Commissioners:

Frank Thorwald, Chair

J. Dale Nations, Ph.D., Vice Chair

Stephen R. Cooper

William C. Feyerabend

CERTIFICATE for PERMIT to DRILL an OIL, GAS, INJECTION or GEOTHERMAL WELL

PERMIT NUMBER 1233

Has been issued to **The Cobalt Group, LLC**

to drill a well known as **Cobalt 20-22-9 #1 Jeffers**

located **60 FWL 672 FSL**

Section 9 Township 20N Range 22E, Navajo County, Arizona.

The entirety of Sec 9, T20N, R22E (640 acres) of said Section, Township and Range is dedicated to this well.

Said well shall be drilled substantially as described in the Application and as approved and restricted by the AOGCC's letter dated October 31, 2018. The Cobalt Group, LLC is subject to terms and conditions of the permit to drill and all applicable Arizona Revised Statutes (A.R.S.) Title 27, Chap. 4, Art. 1 and 4, and the Arizona Administrative Code (A.A.C.) R12-7-104, R12-7-106 to 120 and R12-7-175 to 176.

Total depth: 4,000 feet

Approval date: October 26, 2018

API No.: 02-017-20122

Expires*: April 24, 2019

*The permit to drill expires if operations are not commenced within 180 days from date of approval (see A.A.C R12-7-104(D))

Dennis L. Turner, Oil & Gas Program Administrator

(602)771-4501

**OPERATOR SHALL DISPLAY THIS CERTIFICATE
IN A CONSPICUOUS PLACE ON-SITE**