

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER			
APPLICATION TO DRILL <input checked="" type="checkbox"/>		RE-ENTER OLD WELL <input type="checkbox"/>	
<input checked="" type="checkbox"/> OIL <input checked="" type="checkbox"/> GAS <input checked="" type="checkbox"/> CO2 <input checked="" type="checkbox"/> HELIUM WELL OTHER _____		ADDER AIR QUALITY DIVISION INJECTION WELL <input type="checkbox"/> 18 DEC 21 PM 2:37	
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	Well number	Elevation (ground)	
AZ State Land Dept. Lease 13-116892	Cobalt 20-22-4-1	5345.9'	
Nearest distance from proposed location to property or lease line:	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:		
584.7 feet	feet		
Number of acres in lease	Number of wells on lease, including this well, completed in or drilling to this reservoir:		
640	1		
If lease purchased with one or more wells drilled, from whom purchased.	Name	Address	
Well location (give footage from section lines)	Section - Township - Range or Block and Survey	Dedication per A.A.C. R12-7-104(A)(3)	
584.7' FSL - 2160.6' FEL	SEC. 4, T- 20N, R - 22E, G&SRM	all of Sec. 4 - 20N 22E	
Field and reservoir (if wildcat, so state)	County		
Wildcat	Navajo		
Distance in miles and direction from nearest town or post office			
N19-18E 13.5 miles from Exit 292 IH 40			
Proposed depth:	Rotary or cable tools	Approximate date work will start	
4,000'	Rotary	Upon Approval	
Bond status	Organization Report	Filing Fee of \$25.00	
attached	On file Or attached X	Attached X	
Amount \$25,000			
Remarks			
<p>The Cobalt Group, LLC holds 100% of all applicable adjoining leases. This area is considered wildcat. No other offset Operators exist to this well.</p>			
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			
e-mail completed form to: azogcc@azdeq.gov			
Permit / LTF No.: 1236 / 74880 Approval Date: January 18, 2019 Approved By: Dennis L. Turner		STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Application to Drill or Re-enter File two copies: one by mail, one electronically	
NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.		Signature _____ 12/5/2018 Date _____	
Form No. 3		(Complete Reverse Side)	

- | | |
|--|---|
| Owner
The Cobalt Group, LLC | Land Description
SE 1/4 S.4 T20NR22E GSRM |
| | |
| <p 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> | |
| Name | Todd Clement |
| Position | Manager |
| Company | The Cobalt Group, LLC |
| Date | 12/05/2018 |
| <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 align="right"><i>Daniel R. Muth</i></p> | |
| Date Surveyed | 12-04-2018 |
| Registered Land Surveyor | |
| Daniel R. Muth PLS | |
| Certificate No. | AzRLS 31028 |

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
10.75"	32	H-40	GL	20'	GL - 20'	12 sks	Ready mix
7"	20	J-55	GL	750'	GL - 750'	132 sks	Prem. Light
4.5"	10.5	J-55	GL	2500'	GL - 2500'	190 sks	Prem. Light
2.875"	6.4	J-55	GL	4000'	200 - 4000'	110 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 1236

Has been issued to The Cobalt Group, LLC

to drill a well known as Cobalt 20-22-4 #1 State 13-116892

located 2160 FEL 584 FSL

Section 4 Township 20N Range 22E, Navajo County, Arizona, G & SR M.

The entirety of Sec 4, 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 February 1, 2019. 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: January 18, 2019

API No.: 02-017-20125

Expires*: July 17, 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**