APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

NAME OF COMPANY OR OPERATOR
RANGER DEVELOPMENT LLC

Address

5001 LBJ FREEWAY, SUITE 300 DALLAS TX 75244

Drilling Contractor
BUTLER PETROLEUM

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor
RANGER 27

Well number
6 NS

Elevation (ground)
5751

Nearest distance from proposed location to property or lease line:
1808 feet

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

Number of acres in lease
623.72 (ALL OR SEC. 27; PER 1998 survey)

Number of wells on lease, including this well, completed in or drilling to this reservoir:
3 (27-1NS; EASTERN 263 PIA)

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

GIMAREX ENERGY, 1700 LINKON ST, SUITE 300, DENVER, CO 80203

Name

Address

Well location (give footage from section lines)
1822' FSL - 1808' FWL

Section - Township - Range or Block and Survey
SEC. 27, T-20-N, R-27-E, G & SRM

Dedication per A.C. R12-7-104(A)(3) ALL 27-20N-27E

Field and reservoir (if wildcat, so state)
NAVAJO SPRINGS

County
APACHE

Distance in miles and direction from nearest town or post office
S 16' W, 6 MILES FROM CHAMBERS, AZ

Proposed depth:
910'

Rotary or cable tools
ROTHAUS

Approximate date work will start
UPON APPROVAL

Bond status
FILED AT $50,000

Organization Report

Amount

On file
YES

Filing Fee of $25.00

Attached
YES

Remarks
RANGER HOLDS 100% OF ALL REJOINING LEASES OF THE 40 ACRE SHINARUMP SPRINGS BLOCKS. THERE ARE NO OTHER DEEP OPERATORS TO THIS WELL, THEREFORE NO OTHER NOTIFICATIONS WERE POSSIBLE AS REQUIRED BY R2-7-1/2 B.3. AND B.4. THE WELL WILL BE A SINGLE ZONE, OPEN HOLE COMPLETION IN THE SHINARUMP FORMATION. IT WILL BE DRILLED ON THE SAME LOCATION AS THE RANGER 27-1NS WLL.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: PROJECT MANAGER 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.

Mail completed form to:
Oil and Gas Program Administrator
Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, AZ 85007

e-mail completed form to: ogcc@azdeq.gov

Permit/LTE No.: 1239 / 77634

Approval Date: July 19, 2019

Approved By: D.L. Tulleau

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

(Complete Reverse Side)
1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107. **THE 40 ACRES OF**
   **THE NE1/4 OF THE SW1/4 ARE DEDICATED TO THIS SHANKRUMP WELL.**

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:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**SECTION 27, TOWNSHIP 20 NORTH**

**RANGE 27 EAST**

**GILA & SALTRIVER MERIDIAN**

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**PROPOSED CASING PROGRAM**

<table>
<thead>
<tr>
<th>Size of Casing</th>
<th>Weight</th>
<th>Grade &amp; Type</th>
<th>Top</th>
<th>Bottom</th>
<th>Cementing Depths</th>
<th>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.75&quot; 7.00&quot;</td>
<td>37675</td>
<td>0.155 J55</td>
<td>GL</td>
<td>GL-60'</td>
<td>GL-60'</td>
<td>10 175</td>
<td>PMALIGHT</td>
</tr>
</tbody>
</table>
CERTIFICATE for PERMIT to DRILL an
OIL, GAS, INJECTION or GEOTHERMAL WELL

PERMIT NUMBER 1239

Has been issued to Ranger Development L.L.C.
to drill a well known as Fee Ranger 27-6 NS
located 1822 FSL 1808 FWL

Section 27 Township 20N Range 27E, Apache County, Arizona.
The entirety of Sec 27, T20N, R27E (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 July 19, 2019. Ranger 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: 910 feet Issued: July 19, 2019
API No.: 02-001-20518 Expires*: January 15, 2020

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

Dennis L. Turner, Oil & Gas Program Administrator
ogcc@azdeq.gov

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