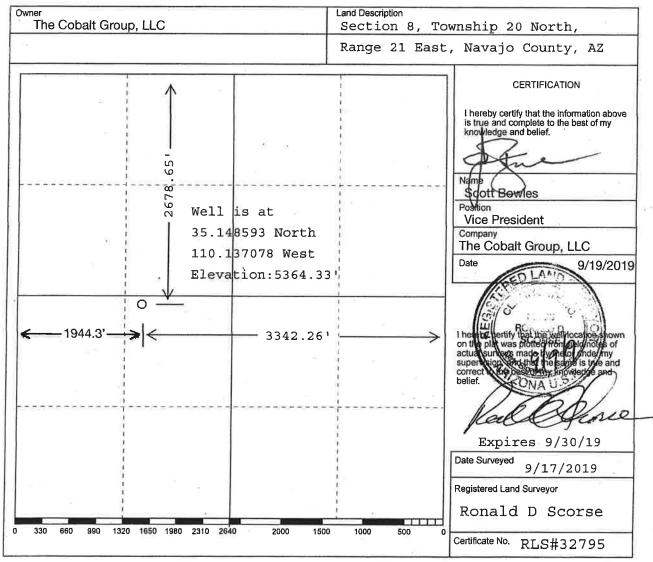
| | | | | 9 = | |
|--|---|---|--|---|--|
| APPLICA | ATION FOR PERM | IIT TO DRILL OR | RE-EN1 | ER EP | |
| APPLICATION TO DRILL X | | OLD WELL | | INJECTION WELL | |
| X OIL X GAS X CO2 | _ X HELIUM WEI | _L OTHER | | 7 | |
| NAME OF COMPANY OR OPERATOR | | | | 2 5 | |
| THE COBALT GROUP, LLC | | | | 12: 14 | |
| Address | City | | State | Phone Number | |
| PO Box 911900 | St. Ge | | 84791 | | |
| Drilling Contractor Currently Undecided | | - Otali | 04731 | 000.337.0027 | |
| Address | | | | | |
| | DESCRIPTION OF | WELL AND LEASE | | | |
| Federal, State or Indian Lease Number, or if fee lease | | Well number | | Elevation (ground) | |
| AZ State Lease 13-116897 | | Cobalt 20-21-8-1 | | 5364' | |
| Nearest distance from proposed location to properly | or lease line: | well on the same lease: | ition to nearse | et drilling, completed or applied-for | |
| <u> </u> | 1944 feet | | | feet | |
| Number of acres in lease | Number of wells on lease, in | cluding this w | ell, completed in or drilling to this reservoir: | | |
| 640 | | | 1 | | |
| If lease purchased with one or more wells n'illed, from whom purchased. | Name | Addr | ess | | |
| Well location (give footage from section lines) 2679 FNL 1944 FWL | | ship - Range or Block and Surve - 20N, R - 21E, G &S | | Dedication per A.A.C. R12-7-104(A)(3) all of Sec. 8 - 20N 21E | |
| Field and reservoir (if wildcat, so state) Wildcat | | County | | | |
| Distance in miles and direction from nearest town or | post office | Navajo | | | |
| 12.41 miles from Exit 292 IH 40 Proposed depth: | Ta | | | | |
| 5000' | Rotary or cable tools Rotary | | date work will start Approval | | |
| Bond status On File | Organization Report | | Filing Fee of \$25.00 | | |
| Amount \$25,000 Remarks | On file Or | attached X | Attached | <u>X</u> | |
| The Cobalt Group, LLC contr No other offset Operators ex | | joining leases. Th | is area | in considered wildcat. | |
| CERTIFICATE: I, the undersigned, under the THE COBALT GROUP, L | | | | of the v to make this report; and that this | |
| report was prepared under my supervision an | d direction and that the facts | s stated therein are true | rect and cor | nplete 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 Qual 1110 W. Washington Street Phoenix, AZ 85007 | ity | Signature | S. | /19/2019 | |
| e-mail completed form to: azogcc@azde | r dov | Date V | | 8 (3) | |
| Permit 124(| 4.404 | | TATE 0- | ADIZONA | |
| Approval Date: 0 C 7 . 3 2019 | | | | ARIZONA ATION COMMISSION | |
| Approved By: During L. Tu | | | | Orill or Re-enter | |
| | | | | mail, one electronically | |
| NOTICE: Before sending in this form be sure that y requested. Much unnecessary correspon | you have given all information indence will thus be avoided. | 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 XX 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:



PROPOSED CASING PROGRAM

| Size of Casing | Weight | Grade & Type | Тор | Bottom | Cementing Depths | Sacks Cement | Туре |
|----------------|------------|--------------|----------|---------------|----------------------|--------------------|----------------------------|
| 13 3/8" | 48# | H-40 | GL | 80' | GL-80' | 48 sks | Ready-mix |
| 9 5/8" 7" | 36# 20# | J-55 J-55 | GL GL | 800' 2000' | GL-800' | 116 sks | Prem. Light |
| 4 1/2" | 9.5# | J-55 | GL | 5000 | GL-2000' GL-5000' | 139 sks 236 sks | Prem. Light 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 1241

Has been issued to

The Cobalt Group, LLC

to drill a well known as Cobalt 20-21-8 #1 State 13-116897

located

1944 FWL 2679 FNL

Section 8 Township 20N Range 21E, Navajo County, Arizona, G & SR M.

The entirety (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 3, 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:

5,000 feet

Approval date: October 3, 2019

API No.:

02-017-20128

Expires*:

March 31, 2020

*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

Dunis L. Turner

s L. Turner, Oil & Gas Program Administrator (602)771-4501

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