APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL X RE-ENTER OLD WELL   OTHER

NAME OF COMPANY OR OPERATOR

THE COBALT GROUP, LLC

Drilling Contractor

Currently Undecided

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>PO Box 911900</td>
<td>St. George</td>
<td>Utah</td>
<td>84791 800.337.0027</td>
</tr>
</tbody>
</table>

DESCRIPTION OF WELL AND LEASE

<table>
<thead>
<tr>
<th>Federal, State or Indian Lease Number or if fee lease, name of lessor</th>
<th>Well number</th>
<th>Elevation (ground)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AZ State Lease 13-116897</td>
<td>Cobalt 20-21-8-1</td>
<td>5364’</td>
</tr>
</tbody>
</table>

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:

Number of acres in lease

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

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
</table>

Well location (give footage from section lines)

Section - Township - Range or Block and Survey

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

all of Sec. 8 - 20N 21E

Field and reservoir (if wildcat, so state)

Wildcat

Navajo

Distance in miles and direction from nearest town or post office

12.41 miles from Exit 292 IH 40

Proposed depth:

5000’

Rotary or cable tools

Rotary

Organization Report

On file

Filing Fee of $25.00

<table>
<thead>
<tr>
<th>Bond status</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>On File</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

Remarks

The Cobalt Group, LLC controls 100% of all adjoining leases. This area in considered wildcat. No other offset Operators exist to this well.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Vice President 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 Number: 1241

Approval Date: Oct. 3, 2019

Approved By: [Signature]

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.

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:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Cobalt Group, LLC</td>
<td>Section 8, Township 20 North,</td>
</tr>
<tr>
<td></td>
<td>Range 21 East, Navajo County, AZ</td>
</tr>
</tbody>
</table>

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**CERTIFICATION**

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

Name: Scott Bowles
Position: Vice President
Company: The Cobalt Group, LLC
Date: 9/19/2019

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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>13 3/8&quot;</td>
<td>48#</td>
<td>H-40</td>
<td>GL</td>
<td>80'</td>
<td>GL-80'</td>
<td>48 sks</td>
<td>Ready-mix</td>
</tr>
<tr>
<td>9 5/8&quot;</td>
<td>36#</td>
<td>J-55</td>
<td>GL</td>
<td>800'</td>
<td>GL-800'</td>
<td>116 sks</td>
<td>Prem. Light</td>
</tr>
<tr>
<td>7&quot;</td>
<td>20#</td>
<td>J-55</td>
<td>GL</td>
<td>2000'</td>
<td>GL-2000'</td>
<td>139 sks</td>
<td>Prem. Light</td>
</tr>
<tr>
<td>4 1/2&quot;</td>
<td>9.5#</td>
<td>J-55</td>
<td>GL</td>
<td>5000'</td>
<td>GL-5000'</td>
<td>236 sks</td>
<td>Prem. Light</td>
</tr>
</tbody>
</table>
CERTIFICATE for PERMIT to DRILL an OIL, GAS, INJECTION or GEOTHERMAL WELL

PERMIT NUMBER ________1247________

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
(602)771-4501

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