**APPLICATION FOR PERMIT TO DRILL OR RE-ENTER**

**APPLICATION TO DRILL [ ]**  **RE-ENTER OLD WELL [ ]**  **INJECTION WELL [ ]**

- **OIL**  - **GAS**  - **CO2**  - **HELUM WELL**  - **OTHER**

**NAME OF COMPANY OR OPERATOR**

Desert Mountain Energy Corp.

**Address**  **City**  **State**  **Phone Number**

6300 W. 23 St. N.  Muskogee  OK  74401  918-752-7020

**Drilling Contractor**

To Be determined

**DESCRIPTION OF WELL AND LEASE**

- **Federal, State or Indian Lease Number, or if fee lease, name of lessor**: 13-120075
- **Well number**: 16-1
- **Elevation (ground)**: 5329.1
- **Distance from proposed location to nearest drilling, completed or applied-for well on the same lease**: 1,245 feet
- **Number of wells on lease, including this well, completed in or drilling to this reservoir**:

<table>
<thead>
<tr>
<th>Number of acres in lease</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>640</td>
<td></td>
</tr>
</tbody>
</table>

- **Well location (give footage from section lines)**
  - 1,245' EML, 1,425' EML
  - S16 T15N R23E G&SRM

- **Field and reservoir (if wildcat, so state)**: Wildcat
- **County**: Navajo
- **Distance in miles and direction from nearest town or post office**: 8.9 miles from Woodruff, AZ
- **Proposed depth**: 2,790'
- **Rotary or cable tools**: Air / Mist
- **Organization Report**: On file
- **Bond status**: X
- **Amount**: $25,000
- **Filing Fee of $25.00**: Attached
- **Remarks**

**CERTIFICATE**: I, the undersigned, under the penalty of perjury, state that I am the: Executive VP of the Desert Mountain Energy Corp., 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**: azoacc@azdeq.gov

**Permit / LTF No.**: 1251/82386

**Approval Date**: May 15, 2020

**Approved By**: Dean L. Tinker

**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.

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** __X__ **NO**

5. If the answer to question four is **no**, have the interests of all owners been consolidated by communization agreement or otherwise? **YES** __NO__ If answer is yes, give type of consolidation __31/31__

6. If the answer to question four is **no**, list all the owners and their respective interests below:

---

**Owner**
Desert Mountain Energy Corp.

**Land Description**
In the NW1/4 S16 T15N R23E

**State 16-1**
All of S16 15N 23E

---

**WELL SITE:** 34°42'12.26520"N 109°55'02.31320"W 5329.1
**SE CORNER:** 34°42'11.23629"N 109°55'01.68828"W
**SW CORNER:** 34°42'11.55667"N 109°55'03.42388"W
**NW CORNER:** 34°42'14.35679"N 109°55'02.87163"W
**NE CORNER:** 34°42'14.03705"N 109°55'00.91068"W

---

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

[Signature]
Name: [Signature]
Position: [Signature]
Company: Desert Mountain Energy Corp.
Date: 4-27-20

---

**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>7&quot;</td>
<td>20#</td>
<td>J-55</td>
<td>GL</td>
<td>680'</td>
<td>680'-gl</td>
<td>150</td>
<td>Prem</td>
</tr>
<tr>
<td>4.5&quot;</td>
<td>11.6#</td>
<td>J-55</td>
<td>GL</td>
<td>2,750'</td>
<td>2,750-gl</td>
<td>155</td>
<td>Prem</td>
</tr>
</tbody>
</table>
CERTIFICATE for PERMIT to DRILL an
OIL, GAS, INJECTION or GEOTHERMAL WELL

PERMIT / LTF NUMBER 1251 LTF #82386

Has been issued to Desert Mountain Energy Corp.
to drill a well known as Desert Mountain 16-1 State
located 1245 FWL 1425 FNL
Section 16 Township 15N Range 23E, Navajo County, Arizona.
The entirety of Sec 16, T15N, R23E (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 May 18, 2020. Desert Mountain Energy Corp. 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: 2,790 feet
API No.: 02-017-20131
Issued: May 15, 2020
Expires*: November 11, 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