APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL ☑ RE-ENTER OLD WELL ☐ INJECTION WELL ☐

Ô OIL ☑ GAS ☑ CO2 ☑ HELIUM WELL ☑ OTHER ☐

NAME OF COMPANY OR OPERATOR
RANGER DEVELOPMENT LLC

Address: 5001 LBJ Freeway, Suite 300
City: Dallas
State: Texas
Phone Number: 972-960-3210

Drilling Contractor:
Butler Petroleum LLC

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor:
Santa Fe Pacific Railroad Company

Well number: 31-7
Elevation (ground): 5750

Nearest distance from proposed location to property or lease line:
Distance from proposed location to nearest drilling, completed or applied-for
wells on the same lease:
1424 feet
965 feet

Number of acres in lease:
627.60

Number of wells on lease, including this well, completed in or drilling to this reservoir:
5 (Eastern - Santa Fe #1, #2, #13 P&A)

If lease purchased with one or more wells
drilled, from whom purchased:
Cimarex Energy Co.
1700 Lincoln St., Suite 3700, Denver, CO 80203

Well location (give footage from section lines):
1424' FSL - 2072' FEL

Section - Township - Range or Block and Survey:
SEC. 31, T-20-N, R-27-E, G & SRM

Field and reservoir (If wildcat, so state):
Navajo Springs

County: APACHE

Distance in miles and directions from nearest town or post office:
S 32° W, 8 MILES FROM CHAMBERS, AZ

Proposed depth:
1,085'

Rotary or cable tools:
Rotary

Organization Report

Approximate date work will start:
Upon Approval

Bond status:
Filed

Amount:
$50,000

Filing Fee of $25.00

Certificate: I, the undersigned, under the penalty of perjury, state that I am the Project Manager
of the
Ranger Development, 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

Signature: [Signature]
Date: 1/15/20

Permit/LTF No.: 1264/ 87298
Approval Date: January 15, 2021
Approved By: [Signature]

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) 03/2018
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 comminitization 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>

![Section 31, Township 20 North, Range 27 East, Gila & Salt River Meridian Diagram]

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

Name: Tony Hines
Position: Project Manager
Company: Ranger Development LLC
Date: November 19, 2020

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;</td>
<td>32.75#</td>
<td>JS5</td>
<td>GL</td>
<td>60'</td>
<td>GL-60'</td>
<td>10</td>
<td>Prem. Light</td>
</tr>
<tr>
<td>7.00&quot;</td>
<td>20.00#</td>
<td>JS5</td>
<td>GL</td>
<td>790'</td>
<td>GL-790'</td>
<td>175</td>
<td>Prem. Light</td>
</tr>
<tr>
<td>4.50&quot;</td>
<td>10.50#</td>
<td>JS5</td>
<td>GL</td>
<td>1,065'</td>
<td>GL-1,065'</td>
<td>90</td>
<td>Prem. Light</td>
</tr>
</tbody>
</table>
CERTIFICATE for PERMIT to DRILL an
OIL, GAS, INJECTION or GEOTHERMAL WELL

PERMIT / LTF NUMBER 1264 LTF #87298

Has been issued to Ranger Development LLC
to drill a well known as Ranger 31-7 NS
located 1424 FSL  2072 FEL

Section 31 Township 20N Range 27E, Apache County, Arizona.
The entirety of Sec 31, T20N, R27E (627.60 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 January 25, 2021. Ranger Development
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: 1085 feet
API No.: 02-001-20538

Issued: January 15, 2021
Expires*: July 14, 2021

*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