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

**APPLICATION TO DRILL** ☒  **RE-ENTER OLD WELL** ☐  **INJECTION WELL** ☐

**NAME OF COMPANY OR OPERATOR**

Desert Mountain Energy Corp

**Address**  
17030 W. Saguararo Pk. Ln.  
Surprise  
AZ  
918-752-7020

**Drilling Contractor**  
To be determined

**DESCRIPTION OF WELL AND LEASE**

<table>
<thead>
<tr>
<th>Federal, State or Indian Lease Number, or if lease, name of lessor</th>
<th>Well number</th>
<th>Elevation (ground)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chevelon Mineral LLC</td>
<td>11-1</td>
<td>5542.2</td>
</tr>
</tbody>
</table>

**Nearest distance from proposed location to property or lease line:**

1,660' feet

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

NA feet

**Number of acres in lease**

640

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

1

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

Name

Address

NA

**Well location (give footage from section lines)***

1,660'EWL, 1,660'EER.  
11T16R16E G&SB&M  
All of sec

**Field and reservoir (if wildcard, so state)**

Wildcat  
Navajo

**Distance in miles and direction from nearest town or post office**

15 mi. SSE of Winslow

**Proposed depth:**

3,900' +

**Bond status**  
On receipt by AZ

**Bond amount**

$25,000

**Remarks**

**CERTIFICATE:** I, the undersigned, under the penalty of perjury, state that I am the: **CEO** of the Desert Mountain Energy Corp (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 / LTF No.:**  
1266 / 88988

**Approval Date:**  
April 28th, 2021

**Approved By:**

**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 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>Desert Mountain Energy Corp</td>
<td>sec 11 T16N R16E tract 67 E1.5S4/2.2</td>
</tr>
</tbody>
</table>

| Chevelon Minerals 11-1 | |

<table>
<thead>
<tr>
<th>PROPOSED CASING PROGRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of Casing</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>14&quot;</td>
</tr>
<tr>
<td>10&quot;</td>
</tr>
<tr>
<td>7&quot;</td>
</tr>
<tr>
<td>4.5&quot;</td>
</tr>
</tbody>
</table>

CERTIFICATION

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

Name: R. W. Rohlfing
Position: CEO
Company: DME corp
Date: 4-20-21

I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 4-8-2021
Registered Land Surveyor: James A. Folkers
Certificate No: 18215
CERTIFICATE for PERMIT to DRILL an OIL, GAS, INJECTION or GEOTHERMAL WELL

PERMIT / LTF NUMBER 1266 LTF #88988

Has been issued to Desert Mountain Energy Corp.
to drill a well known as Desert Mountain 11-1 Fee
located 1660' FWL 1660' FNL

Section 11 Township 16N Range 16E, Navajo County, Arizona.

The entirety of Sec 11, T16N, R16E (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 April 28th, 2021. 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: 3,900 feet
API No.: 02-017-20133
Issued: April 28th, 2021
Expires*: October 25th, 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))

Marta Hodan, Oil & Gas Program Administrator
ogcc@azdeq.gov

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