APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL  X  RE-ENTER OLD WELL  O  INJECTION WELL  O

X  OIL  ___  GAS  ___  CO2  HELIUM WELL  OTHER

NAME OF COMPANY OR OPERATOR

Desert Mountain Energy Corp

Address  City  State  Phone Number
17030 W. Saguaro Pk. Ln.  Surprise  AZ  918-752-7020

Drilling Contractor
Drake Well Services

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor
McCaulley

Well number 10-1  Elevation (ground) 5,555'

Distance from proposed location to nearest drilled or applied-for well on the same lease:
1,663'

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
N/A

Well location (give footage from section lines)
1,663' FNL & 1,689' FEL

Section - Township - Range or Block and Survey
T16N R16E Sec 10

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

Field and reservoir (if wildcat, so state)
Wildcat

County
Navajo

Distance in miles and direction from nearest town or post office

Approximate date work will start: 02/22/2022

Proposed depth:  ± 3,690'

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: VP of Engineering

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: azogc@azedq.gov

Permit / LTF No.:  1268 / LTF # 93211

Approval Date:  February 15th, 2022

Approved By:

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 land 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 ☒ NO ___

5: If the answer to question 4 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 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>

**FOUND SURVEY MONUMENT**

**PRIVATE LAND DESERT MOUNTAIN ENERGY**

**T16N R16E Sec. 10**

**CERTIFICATION**

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

**Name:** Jessica Davey  
**Position:** VP of Land and Director  
**Company:** Desert Mountain Energy Corp.  
**Date:** January 12, 2022

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:** Jan. 07, 2022  
**Registered Land Surveyor:** Martin H. Martin, LS  
**Certificate No.:** 18548 (AZ)

**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 of Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 5/8</td>
<td>40#</td>
<td>J-55 STC</td>
<td>SURF</td>
<td>1.095'</td>
<td>SURF - 1095'</td>
<td>501</td>
<td>Perm</td>
</tr>
<tr>
<td>7</td>
<td>23#</td>
<td>J-55 LTC</td>
<td>SURF</td>
<td>1.750'</td>
<td>SURF - 1750'</td>
<td>270</td>
<td>Perm</td>
</tr>
<tr>
<td>4 1/2</td>
<td>11.6#</td>
<td>J-55 LTC</td>
<td>SURF</td>
<td>3.680'</td>
<td>1650' - 3680'</td>
<td>273</td>
<td>Perm</td>
</tr>
</tbody>
</table>
CERTIFICATE for PERMIT to DRILL an
OIL, GAS, INJECTION or GEOTHERMAL WELL

PERMIT / LTF NUMBER 1268 LTF #93211

Has been issued to Desert Mountain Energy Corp.
to drill a well known as DME McCauley 10-1
located 1663 FNL 1689 FEL

Section 10 Township 16N Range 16E, Navajo County, Arizona.

The entirety of Sec 10, 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 February 17th, 2022. 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: 3,690 feet
API No.: 02-017-20135

Issued: February 15th, 2022
Expires*: August 14th, 2022

*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