

## APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

 APPLICATION TO DRILL 

 RE-ENTER OLD WELL 

 INJECTION WELL 

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

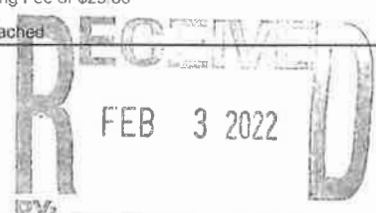
### DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor <b>McCauley</b>	Well number <b>10-1</b>	Elevation (ground) <b>5,555'</b>
Nearest distance from proposed location to property or lease line:  <b>1,663'</b> feet	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:  feet	
Number of acres in lease  <b>640</b>	Number of wells on lease, including this well, completed in or drilling to this reservoir:  <b>1</b>	
If lease purchased with one or more wells drilled, from whom purchased.  <b>N/A</b>	Name	Address
Well location (give footage from section lines) <b>1,663' FNL &amp; 1,689' FEL</b>	Section - Township - Range or Block and Survey <b>T16N R16E Sec 10</b>	Dedication per A.A.C. R12-7-104(A)(3) <b>All of sec</b>
Field and reservoir (if wildcat, so state) <b>Wildcat</b>	County <b>Navajo</b>	

Distance in miles and direction from nearest town or post office

Proposed depth: <b>± 3,690'</b>	Rotary or cable tools <b>Air / Mist</b>	Approximate date work will start <b>02/22/2022</b>
Bond status: <u>on receipt by AZ</u> Amount: <b>\$25,000</b>	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached

Remarks



CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: VP of Engineering 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

*James C Hayes*  
Signature

2/2/22  
Date

**e-mail completed form to:** azogcc@azdeq.gov

Permit / LTF No.: **1268 / LTF # 93211**  
 Approval Date: **February 15th, 2022**  
 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

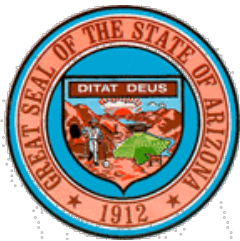
- 1: Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107
- 2: A registered land surveyor shall show on the plat the location of the well and certify this information in the space provided.
- 3: ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER 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.

Owner	Land Description
<div style="border: 1px solid black; padding: 10px;"> <p><b>FOUND SURVEY MONUMENT</b></p> <p style="text-align: center;"><b>T16N R16E Sec. 10</b></p> <p style="text-align: center;">1" = 1000' ±</p> </div>	<p style="text-align: center;"><b>CERTIFICATION</b></p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <hr/> <p>Name: <i>Jessica Davey</i> Jessica Davey</p> <p>Position: <i>Jessica Davey</i> VP of Land and Director</p> <p>Company: Desert Mountain Energy Corp.</p> <p>Date: January 12, 2022</p> <p>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.</p> <div style="text-align: center;"> </div> <hr/> <p>Date Surveyed: Jan. 07, 2022</p> <p>Registered Land Surveyor Martin H. Martin, LS</p> <p>Certificate No. 18548 (AZ)</p>

**PROPOSED CASING PROGRAM**

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks of Cement	Type
9 5/8	40#	J-55 STC	SURF	1,095'	SURF - 1095'	501	Perm
7	23#	J-55 LTC	SURF	1,750'	SURF - 1750'	270	Perm
4 1/2	11.6#	J-55 LTC	SURF	3,680'	1650' - 3680'	273	Perm

# ARIZONA OIL and GAS CONSERVATION COMMISSION



State of Arizona  
**Oil and Gas Conservation Commission**

1110 W. Washington Street, Phoenix, AZ 85007

602-771-4501

[www.azogcc.az.gov](http://www.azogcc.az.gov)

Marta Hodan, Oil and Gas Administrator

Commissioners:  
Frank Thorwald, Chair  
J. Dale Nations, Ph.D., Vice Chair  
Stephen R. Cooper  
William C. Feyerabend

**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

Issued: February 15th, 2022

API No.: 02-017-20135

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](mailto:ogcc@azdeq.gov)

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