

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

ARIZONA
AIR QUALITY DIVISION

APPLICATION TO DRILL

RE-ENTER OLD WELL

INJECTION WELL

OIL

GAS

CO₂

HELIUM WELL

OTHER _____

18 SEP 27 PM 12:18

NAME OF COMPANY OR OPERATOR

THE COBALT GROUP, LLC

Address

City

State

Phone Number

PO Box 911900

St. George

Utah 84791

800.337.0027

Drilling Contractor

Currently undecided

Address

DESCRIPTION OF WELL AND LEASE

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

AZ State Land Depart. Lease 13-119476

Well number

Cobalt 20-21-24-1

Elevation (ground)

5311.7'

Nearest distance from proposed location to property or lease line:

87.5 feet

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

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

Well location (give footage from section lines)

87.5' FWL & 1510.1' FNL

Section - Township - Range or Block and Survey

SEC. 24, T- 20N, R - 21E, G&SRM

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

all of Sec. 24 - 20N 21E

Field and reservoir (if wildcat, so state)

Wildcat

County

Navajo

Distance in miles and direction from nearest town or post office

N40-07E 10.28 miles from Exit 292 IH 40

Proposed depth:

2,500'

Rotary or cable tools

Rotary

Approximate date work will start

Upon Approval

Bond status

attached

Organization Report

Amount

\$25,000

On file

Or attached **X**

Filing Fee of \$25.00

Attached **X**

Remarks

The Cobalt Group, LLC holds 100% of all adjoining leases. This area is considered wildcat. No other offset Operators exist to this well (see attached).

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

Manager

of the

The Cobalt Group, 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

Signature

9/10/2018

Date

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

Permit / ~~APP~~ No.:

1231

Approval Date:

Oct. 26, 2018

Approved By:

Dominic L. Turner

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

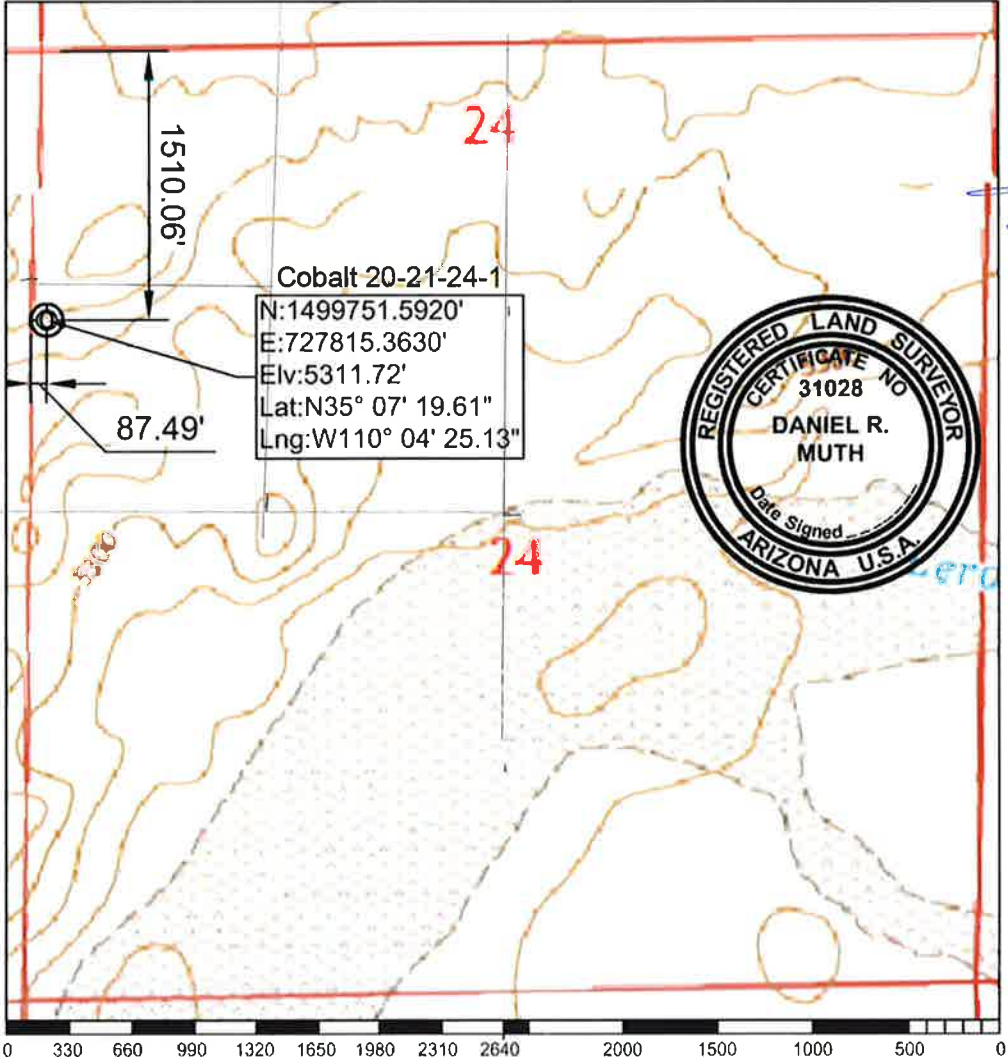
**STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION**

Application to Drill or Re-enter

File two copies: one by mail, one electronically

Form No. 3

- Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
- A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.
- ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
- Is the operator the only owner in the dedicated acreage outlined on the plat below ? YES **xx** NO _____
- 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 _____
- If the answer to question four is no, list all the owners and their respective interests below:

Owner The Cobalt Group, LLC	Land Description NE1/4 S.24 T20NR21E G&SRM															
		<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p style="text-align: right;"><i>[Signature]</i></p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:60%;">Name</td><td>Todd Clement</td></tr> <tr><td>Position</td><td>Manager</td></tr> <tr><td>Company</td><td>The Cobalt Group, LLC</td></tr> <tr><td>Date</td><td>9/10/2018</td></tr> </table> <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> <p style="text-align: right;"><i>[Signature]</i></p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:60%;">Date Surveyed</td><td>09-10-2018</td></tr> <tr><td>Registered Land Surveyor</td><td>Daniel R. Muth PLS</td></tr> <tr><td>Certificate No.</td><td>AzRLS 31028</td></tr> </table>	Name	Todd Clement	Position	Manager	Company	The Cobalt Group, LLC	Date	9/10/2018	Date Surveyed	09-10-2018	Registered Land Surveyor	Daniel R. Muth PLS	Certificate No.	AzRLS 31028
Name	Todd Clement															
Position	Manager															
Company	The Cobalt Group, LLC															
Date	9/10/2018															
Date Surveyed	09-10-2018															
Registered Land Surveyor	Daniel R. Muth PLS															
Certificate No.	AzRLS 31028															

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
13.375"	48	H-40	GL	20'	GL - 20'	14 sks	Ready mix
9.625"	36	J-55	GL	750'	GL - 750'	148 sks	Prem. Light
7"	23	J-55	GL	2500'	GL - 2500'	236 sks	Prem. Light

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

Dennis L. Turner, 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 NUMBER 1231

Has been issued to **The Cobalt Group, LLC**

to drill a well known as **Cobalt 20-21-24 #1 State 13-119476**

located **87.5 FWL 1510.1 FNL**

Section **24** Township **20N** Range **21E**, Navajo County, Arizona.

The entirety of Sec 24, T20N, R21E (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 October 31, 2018. The Cobalt Group, 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: 2,500 feet

Approval date: October 26, 2018

API No.: 02-017-20120

Expires*: April 24, 2019

*The permit to drill expires if operations are not commenced within 180 days from date of approval (see A.A.C R12-7-104(D))

Dennis L. Turner, Oil & Gas Program Administrator

(602)771-4501

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