APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL X RE-ENTER OLD WELL □

NAME OF COMPANY OR OPERATOR

ARIZONA ENERGY PARTNERS, LLC

Address City State Phone Number

2999 North 44th Street, Suite 620 Phoenix AZ 85018

Drilling Contractor

AEP DRILLING, LLC

Address City State Phone Number

2999 North 44th Street, Suite 620 Phoenix AZ 85018

DESCRIPTION OF WELL AND LEASE

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

ASLD 13-117191

Well number

12-1

Elevation (ground)

5528

Nearest distance from proposed location to property or lease line:

723 feet

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

NONE

Number of acres in lease

640.00

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

Address

Well location (give footage from section lines)

1402 E NEL + 723 FEL

Section - Township - Range or Block and Survey

S16 - T14N - R2SE G18E

Field and reservoir (if wildcat, so state)

WILDCAT

County

APACHE

Distance in miles and direction from nearest town or post office

FROM CONCHO AZ N 28° W 10.75 MILES

Proposed depth:

4,000'

Rotary or cable tools

ROTOR

Approach date work will start

MAY 15, 2015

Bond status

ON FILE

Organization Report

On file X Or attached

$25,000

Filing Fee of $25.00

Amount

Attached YES

Remarks

API 02-001-20505

LTF#65814

PLACE ID# 150831 AGENT# 90908

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: MANAGER / PRESIDENT of the ARIZONA ENERGY PARTNERS 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.

Signature

Date

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Drill or Re-enter

File two copies: one by mail, one electronically
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** **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>ARIZONA ENERGY PARTNERS, LLC</td>
<td>SE1/4 NE1/4 S. 16</td>
</tr>
</tbody>
</table>

**T14NR25E G&SRM APACHE CO.**

**CERTIFICATION**

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

**GORDON LEBLANC, JR.**
Name
**MANAGER/PRESIDENT**
Position
**ARIZONA ENERGY PARTNERS, LLC**
Company
**MARCH 14, 2017**
Date

**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>2 1/8</td>
<td>310#</td>
<td>L40</td>
<td>90</td>
<td>0</td>
<td>0 - 90</td>
<td>100</td>
<td>STO</td>
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<tr>
<td>7</td>
<td>28#</td>
<td>D55</td>
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<td>0</td>
<td>0 - 105</td>
<td>110</td>
<td>TK1</td>
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<tr>
<td>11 1/2</td>
<td></td>
<td>L80</td>
<td>705</td>
<td>0</td>
<td>0 - 4000</td>
<td>625</td>
<td>TK1</td>
</tr>
</tbody>
</table>
CERTIFICATE for PERMIT to DRILL an OIL, GAS, INJECTION or GEOTHERMAL WELL

PERMIT / LTF NUMBER 1215/LTF 65814

Has been issued to Arizona Energy Partners, LLC (AEP) to drill a well known as AEP 16-1 (State 13-117191) located 1402 FNL 723 FEL located in Section 16 Township 14N Range 25E, Apache County, Arizona

The entirety of Sec 16, T14N, R25E (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 by the OGCC’s letter dated April 17, 2017. Arizona Energy Partners, L.L.C. 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 107 and R12-7-175 to 176.

API No.: 02-001-20505 Issued: April 18, 2017
Check No. 1064 Expires*: October 15, 2017

*Dennis L. Turner, Oil & Gas Program Administrator
(602)771-4501