APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL X RE-ENTER Q WELL 0

NAME OF COMPANY OR OPERATOR
Ranger Development LLC

Address                  City       State        Phone Number
5001 LBJ Freeway, Suite 300  Dallas  TX 75244  (972) 960-3210

Drilling Contractor
contract not yet awarded

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if lease name, name of lessee: Fee Lease; HNZ Holding, LLC

Well number     Elevation (ground)
Oso 15-1        5505'

Nearest distance from proposed location to property or lease line:
Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:
1028 feet        3254 feet

Number of acres in lease
2,559.80

Number of wells on lease, including this well, completed in or drilling to this reservoir:
One (#894 is P&A and 3254' east)

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

Name
HNZ Holding, LLC

Address
1900 N. Akard St.
Dallas TX 75201

Well location (give footage from section lines)
2025' FNL & 1028' FWL

Section - Township - Range or Block and Survey
S.15 T14N R25E G&SRM

Dedication per A.A.C. R12-7-104(A)(3)
640 ac. (all of Sec. 15)

Field and reservoir (if wildcard, so state)
Wildcat

County
APACHE

Distance in miles and direction from nearest town or post office
N27°47'W 10.78 MILES FROM CONCHO POST OFFICE

Proposed depth
1,500'†

Rotary or cable tools
rotary

Approximate date work will start
upon approval

Bond status
on file: $50,000

Organization Report
Yes

Filing Fee of $25.00

Amount
Or attached

on file

Remarks

API 02-C01-20512
PLACE 15# 156765

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

Ranger Development LLC of the (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
12-6-17

Date

Mail completed form to:
Oil and Gas Program Administrator
Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, AZ 85007

Permit Number: 1222/69177

Approval Date: 2/28/2018

Approval By: D.L. Turner

NOTICE: Before sending 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

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  NO  X

5. If the answer to question four is no, have the interests of all owners been consolidated by communilization agreement or otherwise?  YES  NO  X  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>IACX ENERGY LLC &amp; TWIN BRIDGES RESOURCES LLC LEASEE</td>
<td>LOT 451, WOOD RIDGE RANCH U11 15-14-25</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: Brian Wood
Position: Consultant
Company: Ranger Development LLC
Date: 11-22-17

Date Surveyed: 9/14/2017
Registered Land Surveyor: DANIEL R. MUTH PLS
Certificate No: AZ RLS NO. 31028

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>10.75&quot; in 16&quot;</td>
<td>40.5</td>
<td>B</td>
<td>GL</td>
<td>20'</td>
<td>GL - 20'</td>
<td>6</td>
<td>Class G</td>
</tr>
<tr>
<td>7.00&quot; in 9.625&quot;</td>
<td>23 or 26</td>
<td>J-55</td>
<td>GL</td>
<td>650'</td>
<td>GL - 650'</td>
<td>254</td>
<td>ditto</td>
</tr>
<tr>
<td>4.5&quot; in 6.75&quot;</td>
<td>9.5</td>
<td>J-55</td>
<td>GL</td>
<td>1500'</td>
<td>GL - 1500'</td>
<td>175</td>
<td>ditto</td>
</tr>
</tbody>
</table>
CERTIFICATE for PERMIT to DRILL an  
OIL, GAS, INJECTION or GEOTHERMAL WELL  
PERMIT / LTF NUMBER  1222 LTF #69172  

Has been issued to  Ranger Development L.L.C.  
to drill a well known as  Fee Ranger 15-1 Oso  
located  2025 FNL 1028 FWL  

Section 15 Township 14N Range 25E, Apache County, Arizona.  
The entirety of Sec 15, 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 
and restricted by the OGCC’s letter dated February 28, 2018. Ranger 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.  

API No.:  02-001-20512  

Issued:  February 28, 2018  
Expires*:  August 27, 2018  

*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))  

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

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