

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR Rare Earth Exploration, LLC
1111 Beltline Rd. #200 Garland TX 75040 469-480-3141
 Address City State Phone Number

Hurricane Air + Swabbing
 Drilling Contractor
5949 U.S. Hwy 64 Farmington, NM 87402
 Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor <u>13-119056</u>	Well number <u>24-1</u>	Elevation (ground) <u>5640'</u>
Nearest distance from proposed location to property or lease line: <u>400.7</u> feet	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease: <u>N/A</u> feet	
Number of acres in lease <u>240</u>	Number of wells on lease, including this well, completed in or drilling to this reservoir: <input checked="" type="checkbox"/>	

If lease purchased with one or more wells drilled, from whom purchased. Name Address
N/A

Well location (give footage from section lines) <u>400.9' FEL and 400.7' FSL</u>	Section - Township - Range or Block and Survey <u>Sect 24 T20N R26E</u>	Dedication per A.A.C. R12-7-104(A)(3) <u>SESW S2SE</u>
Field and reservoir (if wildcat, so state) <u>Pinta Dome</u>	County <u>Apache</u>	<u>A20 26 24 ccc</u>

Distance in miles and direction from nearest town or post office
10 mile SW of Chambers, AZ

Proposed depth: <u>1,250'</u>	Rotary or cable tools <u>Rotary</u>	Approximate date work will start <u>6-5-17</u>
Bond status <u>\$10,000</u>	Organization Report <u>Attached</u>	Filing Fee of \$25.00 <u>Attached</u>
Amount <u>Attached</u>	On file <u>Or attached Yes</u>	<u>Attached Yes</u>

Remarks
PLACE ID 151002
CUSTOMER ID # 91113
API # 02-001-20508

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: P. of the Rare Earth Exploration, 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 Department of Environmental Quality
 1110 W. Washington Street
 Phoenix, AZ 85007

Signature [Signature]

Date 5-17-17

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


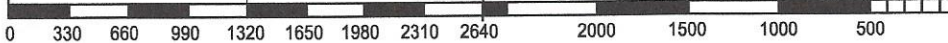
Permit / LTF No.: 1218/66023
 Approval Date: MAY 19, 2017
 Approved By: Dennis L. Turner

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

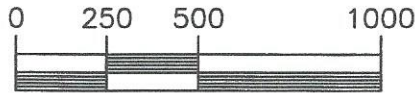
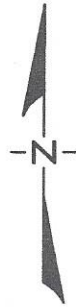
Form No. 3

- 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 NO
- 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 _____
- If the answer to question four is no, list all the owners and their respective interests below:

Owner <i>Rare Earth Exploration, LLC</i>	Land Description <i>Lease # 13-11 9056</i>
<i>120 acres - Sect. 24, T20N, R26E S2SW S2SE</i> <i>120 acres - Sect. 22, T20N, R26E W2SW S2SW</i>	
	<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: center;"><i>[Signature]</i></p> <p>Name <i>Brad Haycraft</i></p> <p>Position</p> <p>Company <i>Rare Earth Exploration, LLC</i></p> <p>Date <i>5-17-17</i></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> <p>Date Surveyed</p> <p>Registered Land Surveyor</p> <p>Certificate No.</p>
	

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
<i>7"</i>	<i>26</i>	<i>J-55</i>	<i>GL</i>	<i>650'</i>	<i>GL-650'</i>	<i>100 SX</i>	<i>Prem Light</i>
<i>Open Hole</i>	<i>N/A</i>	<i>N/A</i>	<i>650'</i>	<i>1250'</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>



SCALE: 1" = 500'

BLM BRASS CAP
T20N R26E
C1/4 S24

BLM BRASS CAP
T20N R26E
S1/16
S23S24

N00°07'15"W - 1319.11'

N00°12'54"E - 2655.11'

400.9' WELLSITE

400.7'

BLM BRASS CAP
T20N R26E
W 1/16
S24
S25

WELLSITE 351.3'

350.5'

N89°54'26"W - 1314.53'

N89°55'11"W - 1314.42'

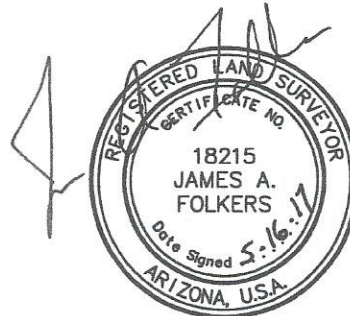
BLM BRASS CAP
T20N R26E
S23S24
S26S25

BLM BRASS CAP
T20N R26E
S24
S25

LEGEND



SECTION CORNER AS NOTED
STAKED WELL LOCATION



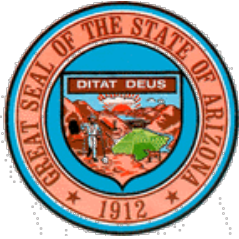
EXPIRES 12-31-2017

DRAWN BY: JAF
DATE: 5-16-2017
FN: 117527 svy
PROJECT NO.: 117527

WOODSON
ENGINEERING AND SURVEYING, INC.
124 N. ELDEN ST.
FLAGSTAFF, AZ 86001
PHONE: (928) 774-4636 FAX: (928) 774-4646

WELLSITE LOCATIONS
T20N R26E, G&SRM
APACHE COUNTY, ARIZONA

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
Robert L. Wagner, Vice Chair
Stephen R. Cooper
William C. Feyerabend
J. Dale Nations, Ph.D.

**CERTIFICATE for PERMIT to DRILL an
OIL, GAS, INJECTION or GEOTHERMAL WELL
PERMIT / LTF NUMBER 1218/ 66023**

Has been issued to **Rare Earth Exploration, LLC**

to drill a well known as **Rare Earth Exploration 24-1 (State13-119056)**

located **400.9 FEL 400.7 FSL**

in Section **24** Township **20N** Range **26 E**, **Apache** County, Arizona

The **240** 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 **May 18, 2017**. **Rare Earth Exploration, 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 107 and R12-7-175 to 176.

API No.: **02-001-20508**

Issued: **May 19, 2017**

Money Order No. **9404307495**

Expires*: **November 15, 2017**

*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**