

**CONFIDENTIAL**

STATE OF NEVADA  
DIVISION OF MINERAL RESOURCES  
Airport Complex—201 South Fall Street  
Carson City, Nevada 89710  
Telephone (702) 885-4380

Original—Permit  
Duplicate—Division—Co.  
Triplicate—Division—Well  
Quadruplicate—Division—Chr. File

**APPLICATION FOR PERMIT TO DRILL OIL AND GAS WELLS**

(Applications must be accompanied by \$50 permit fee.)

Company or Operator Amoco Production Co.

Send permit to:  
Street or P.O. Box 501 Airport Dr. City Farmington State New Mexico

Zip 87401 Telephone (505) 325-8841

Lease name Blackburn well number 16 within the SE  $\frac{1}{4}$  NE  $\frac{1}{4}$


Sec. 7, T. 27N, R. 52E M.D.B.M.

Pool Chainman, NV, County Eureka

The well is 2310 feet from (N) (S) line and 950 feet from (E) (W) line of the section. (Give location from section line, cross out wrong directions.)

If patented land, fee owner is \_\_\_\_\_

Address \_\_\_\_\_

If government land, lease serial number is N11348

Address \_\_\_\_\_

Lessee is Blackburn Co. Merle C. Chambers General Partner

Address 7800 E. Union Ave., Suite 1100, Denver, Co. 80237

Section 7

Locate well correctly.

It is proposed to drill the well to 7500' foot depth using (cable tool) (rotary) rig. The elevation is 5290.9 feet above sea level.

If this is a wildcat well, attach plat by licensed surveyor showing location.

The status of a bond for this well in conformance with Rule 103 of the Division is: \_\_\_\_\_  
No. 718732

If bond posted with U. S. Government, what is name of surety company? Seaboard Surety Company  
Of New York Bond number? 35583

I certify that I have personal knowledge of the facts above stated and that they are true, correct, and complete.

Signed B. D. Shaw

Name B. D. Shaw

Position Adm. Supervisor

Date October 21, 19 85

Permit number 458

API number 27-011-05232

Approval date November 13, 1985

By Original signed by R.L. Reyburn

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RECEIVED

MAY 06 2014

Division of Minerals

STATE OF NEVADA  
COMMISSION ON MINERAL RESOURCES  
DIVISION OF MINERALS  
400 W. King Street, Suite 106  
Carson City, Nevada 89703  
(775) 864-7040 | Fax: (775) 684-7052

OIL, GAS, AND GEOTHERMAL  
SUNDRY NOTICE AND REPORT ON WELLS

- Notice of Intention to Change or Extend Plans
- Notice of Intention to Reopen or Repair Well
- Notice of Intention to Stimulate Well
- Notice of Intention to Pull or Abandon Casing
- Notice of Intention to Abandon Well
- Notice of Escalation to Sample Water
- Subsequent Report of Fracture Treatment
- Subsequent Report of Reopening or Repair
- Subsequent Report of Stimulation
- Subsequent Report of Abandon Casing
- Supplementary Well History
- Notice of Intention to Fracture Treat Formation(s)
- Other (specify)

(Indicate above by check mark nature of report, notice or other data.)

Permit Number	458
Well No	16
County	Eureka
Operator Name	Grant Canyon Oil & Gas, LLC
Field or Area	Blackburn Unit
Form of Lease	Blackburn
Date	4/23/2014

SUMMARY OF WORK

(State names of and expected depths to objective zones or formations; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, screenings points, and A.S.L. other pertinent data.) Attachments permitted if necessary.

See attached Summary of Work.

I understand that this plan of work must receive approval in writing of the Division of Minerals before operations may be commenced.

Company	Grant Canyon Oil & Gas, LLC
Address	717 17th Street, Suite 1400
	Denver, CO 80202
Name	Stephen W. Barnes
Position	Engineer
Signature	<i>Stephen W. Barnes</i>

REMARKS: CONDITIONS OF APPROVAL ATTACHED

DO NOT WRITE IN THESE SPACES

Approved by: *ADMINISTRATOR*

Position: *ADMINISTRATOR*

Date: *5-23-14*



**BRIAN SANDOVAL**  
*Governor*

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<http://minerals.state.nv.us/>

**Las Vegas Branch:**  
2030 E. Flamingo Rd.  
Suite #220  
Las Vegas, Nevada 89119  
(702) 486-4343  
Fax (702) 486-4345

**RICHARD PERRY**  
*Administrator*

May 23, 2014

**Operator: Grant Canyon LLC**  
**Lease Name: Blackburn**  
**Well: 16**  
**Permit Number: 458**

The sundry notice for the proposed well stimulation procedure of the Blackburn 16 well, dated April 23, 2014, and received on May 6<sup>th</sup>, 2014, has been approved by the Division of Minerals. The approved sundry notice is subject to the following Conditions of Approval:

1. The Oil, Gas, and Geothermal Program Manager is to be notified 24 hours in advance of the well stimulation.
2. Chemical use is to be reported to fracfocus.org within sixty (60) days of the completion of the well stimulation operations.
3. Stimulation pressure is not to exceed the 4,980 psig burst rating of the 7 inch (26 pound, K-55 grade) production casing.
4. The annular spaces between the surface and intermediate casing, and the intermediate and production casing, are to be monitored for pressure change. Grant Canyon LLC shall immediately stop the hydraulic fracturing process and notify the Division of Minerals if any change in annular pressure is observed suggesting a communication with the hydraulic fracturing fluids.
5. All back-flushed hydraulic fracturing fluids must be contained in enclosed containers while the fluids are on the Blackburn 16 drill pad, unless method of storage is otherwise approved by the Nevada Division of Environmental Protection.
6. Grant Canyon LLC must obtain approval from the Nevada Division of Environmental Protection for the proper disposal of back-flushed hydraulic fracturing fluids if the fluids are to be re-injected into Blackburn 21.
7. If the back-flushed hydraulic fracturing fluids are removed from the Blackburn Field area for proper disposal, Grant Canyon LLC must provide to the Division of Minerals a copy of the bill of lading involved, or a related document, illustrating the transport of all back-flushed hydraulic fracturing fluids from the Blackburn 16 drill pad to the approved final destination. If the back-flushed fluids are to be disposed of in Nevada, other than re-use of the back-flushed fluids for subsequent stimulation procedures, Grant Canyon LLC will need approval from the Nevada Division of Environmental Protection for the disposal of the back-flushed fluids in Nevada.
8. All spills are to be reported to the Division of Minerals (775-721-1774) and the Nevada Division of Environmental Protection (In-state: 1-888-331-6337, Out of state: 1-775-687-9485).