

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

**RECEIVED**  
JUL 24 2017  
DIVISION OF MINERALS

**APPLICATION FOR PERMIT TO DRILL AN OIL OR GAS WELL**

(Application must be accompanied with permit fee. Submit proposed drilling program with this application.)

Company/Operator Major Oil International LLC

Send permit to:

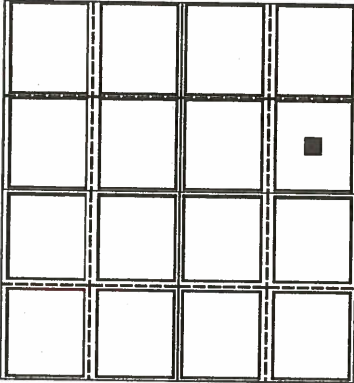
Street/ PO Box 5100 Westheimer Road, Suite 200

City Houston State TX

Zip 77056 Telephone 7138981691

Lease name NVN 87414 Split Estate?  Yes  No

**WELL LOCATION**



Section \_\_\_\_\_

Locate well correctly.

Well No. Eblana 3 within the SE Q SE Q

Sec 25, T. 7N, R. 50E M.D.B.M.

UTM Northing 38.432186014 N; UTM Easting -116.288893923 E (NAD83 Datum)

Field N/A

County NYE

The well is 560 feet from the  North /  South line and  
and 560 feet from the  East /  West line of the section.

(Give location from section line, cross out wrong directions.)

Distance and direction from nearest town 70

If patented land, Fee Owner is

N/A

Fee Owner Address

N/A

If government land, lease serial No. is NVN87414

Land Type:  Federal (BLM, USFS, etc.)  Private  State

Lessee is N/A

Address \_\_\_\_\_

Is the proposed well being considered for unconventional well stimulation?  Yes  No

It is proposed to drill the well to a depth of 12,600 feet using a rotary rig.

The elevation is 5372 feet above sea level.

The KB will be 5372

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

The status of a bond for this well is conformance with NRS 522.230 of the Nevada Revised Statutes is:

NVB001448

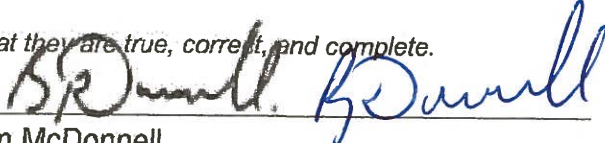
If bond posted with U.S. Government, what is name of surety company?


N/A

Bond number? \_\_\_\_\_

Please be advised: NAC 522.540 Confidentiality of well records. 1. Records concerning a well will not be kept confidential by the division unless the owner of the well requests confidentiality in writing or marks "confidential" on the logs of an exploratory well. Upon receiving such a request or log, the division will keep the records confidential for 6 months after their receipt unless the owner provides a written authorization for an earlier release.

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

Signed   
Name Brian McDonnell  
Position Managing Member  
Date 16 July 2017

Permit No. 973  
API No. 27-023-05630  
Approval Date 1-10-2018  
By 

**CONDITIONS OF PERMIT**

1. Please send daily drilling reports to : **Lowell Price.....[lprice@minerals.nv.gov](mailto:lprice@minerals.nv.gov)**  
and  
**Linda Wells.....[lwells@minerals.nv.gov](mailto:lwells@minerals.nv.gov)**
2. See attached "Conditions of Approval."
3. Additional Conditions/Comments

A.	
B.	
C.	

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal, and local agencies.

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**BRIAN SANDOVAL**  
 Governor

**Las Vegas Office:** 2030 E. Flamingo Rd. #220, Las Vegas, NV 89119  
 Phone: (702) 486-4343; Fax: (702) 486-4345

**RICHARD PERRY**  
 Administrator

**CONDITIONS OF APPROVAL**

**Operator: Major Oil International LLC**  
**Lease Name: BLM NVN 87414**  
**Well: Eblana 3**

**A COPY OF THESE CONDITIONS OF APPROVAL MUST BE FURNISHED  
 TO YOUR FIELD REPRESENTATIVE TO ENSURE COMPLIANCE**

Submit forms and correspondence to: Nevada Division of Minerals  
 400 W. King Street  
 Suite 106  
 Carson City, NV 89703

Communications with the Division shall be directed to one of the following:

Lowell Price, Fluid Minerals Program Manager  
 Office 775-684-7045      Email [lprice@minerals.nv.gov](mailto:lprice@minerals.nv.gov)  
 Cell 775-721-1774  
 Fax 775-684-7052

Courtney Brailo, Field Specialist  
 Office 775-684-7046      Email [cbrailo@minerals.nv.gov](mailto:cbrailo@minerals.nv.gov)  
 Cell 775-721-2726  
 Fax 775-684-7052

Richard Perry, Division Administrator  
 Office 775-684-7045      Email [rmperry@minerals.nv.gov](mailto:rmperry@minerals.nv.gov)  
 Cell 775-721-0282  
 Fax 775-684-7052

Voicemail is available on all cell phones and office phones. Please leave a message if you are unable to speak to someone and we will return your call as quickly as possible.

By provision of the current Memorandum of Understanding between NDOM and BLM, you may contact the following individuals for information or approvals if necessary. Approvals under the MOU apply to Fee and Federal lease locations.

John Menghini, Fluid Minerals Team, Petroleum Engineer, BLM Reno  
 Office 775-861-6573      Email [John\\_Menghini@blm.gov](mailto:John_Menghini@blm.gov)  
 Cell 775- 223-1359  
 Fax 775-861-6711

**YOUR APPLICATION TO DRILL THE EBLANA 3 IS APPROVED**  
**SUBJECT TO THE FOLLOWING PERMIT CONDITIONS**

1. Approval of this permit does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. In addition, approval of this permit does not imply that the operator has legal access to the drilling location. When crossing private surface and when crossing public surface off-lease the operator must have an approved right-of-way.
2. All operations shall conform to the Nevada Revised Statutes (NRS) Chapter 522 and Nevada Administrative Code (NAC) Chapter 522.
3. A complete copy of the approved drilling permit must be at the drill site during the construction of the roads and drill pad, the drilling of the well, and the completion of the well.
4. The Oil, Gas, and Geothermal Program Manager with the Nevada Division of Minerals will be notified 24 hours prior to spudding well by either telephone or email.
5. Verbal notification shall be given to the Nevada Division of Minerals Oil, Gas, and Geothermal Program Manager at least 24 hours in advance of running and cementing casing (other than conductor casing), BOPE tests, and formation tests. BOPE pressure curves, or test charts, are to be submitted to the Nevada Division of Minerals Oil, Gas, and Geothermal Program Manager by email at the completion of testing.
6. The Nevada Division of Minerals will be included on the daily morning operational report distribution list during the drilling/completion of all wells, starting on spud date and through date of drill rig release, or date of completion rig and/or completion equipment release, whichever occurs last. The operational morning report is to be emailed to Lowell Price ([lprice@minerals.nv.gov](mailto:lprice@minerals.nv.gov)) and Linda Wells-Carrion ([lwells@minerals.nv.gov](mailto:lwells@minerals.nv.gov)) email. The operational morning reports will include the spud date, casing information such as size, grade, weight, hole size, setting depth, and as needed, the amount and type of cement used, top of cement, depth of cementing tools, casing test method, as well as intervals tested, perforated, acidized, fractured and results obtained and the dates all work was performed.
7. Any changes in the drilling and/or completion program require verbal or written approval by the Nevada Division of Minerals prior to any work being performed related to the change in operation. A sundry notice and the proposed change of procedure will be submitted to the Nevada Division of Minerals for approval. The submission of the sundry notice and the proposed change of procedure can be submitted by email.
- 8. Introduction of diesel fuel, or any derivative thereof, cannot be introduced to the wellbore for any reason.**
9. Directional surveys (inclination and azimuth) are to be run at a minimum of every 500 feet. If the inclination of the wellbore exceeds 10°, or the projected bottom hole location is within 200 feet of the spacing unit or lease or unit boundary, directional surveys (inclination and azimuth) are to be run at a minimum of every 100 feet.
10. A Hydrogen Sulfide (H<sub>2</sub>S) Contingency Plan will be submitted when required by the Nevada Division of Minerals. However, minimum safety precautions must be taken at all times. Personal

safety equipment, including a portable hydrogen sulfide detector situated in a position to detect gas from the well must be on location. If company policy requires a higher standard, supply the Nevada Division of Minerals with a copy of the company plan or requirement, if not already submitted.

11. Two copies of all logs run on the well and where possible, one copy of the computed logs in electronic format such as LAS or PDF, are to be submitted to the Nevada Division of Minerals within 30 days of the date of being run. Any data the company wants to remain confidential for a period of six months after drilling rig is released must be marked as "Confidential", or a separate request for all of the well's down hole data to remain confidential for the six month period can be made to the Nevada Division of Minerals.

**12. The State of Nevada (NAC 522A.215) - Cuttings – requirements for permit. Samples of cuttings shall be collected and submitted to the Nevada Bureau of Mines and Geology (NBMG). The Nevada Division of Minerals conditions of approval further require a minimum of 30-foot intervals from surface to the surface casing point and 10-foot intervals from surface casing shoe to total depth.**

TWO separate sets of cuttings are to be sent prepaid to the Great Basin Science Sample and Records Library, Nevada Bureau of Mines and Geology, 2175 Raggio Parkway, Reno, Nevada 89512. For more information call 775-682-8766 or e-mail [nbmg@unr.edu](mailto:nbmng@unr.edu).

EACH SET is to consist of at least 15 milliliters of cuttings per sampling interval that must be cleaned, dried, and placed into 3"x5" sample envelopes. The envelopes are to be placed in order by interval into common drill boxes with the approximate dimensions of 3"x5"x20". The envelopes are to be identified by the Nevada Division of Minerals permit number, well name/number as noted on the Application for Permit to Drill an Oil or Gas Well (Kettleman number alone will suffice if given), and depth interval.

The sets are to be PROPERLY IDENTIFIED as follows: Each box is to have legibly written on one end the name of the operator and well, the Division permit number, total interval (missing intervals noted), and set number.

NOTE: the cuttings are not to be sent to the Nevada Division of Minerals. The cuttings are due within 15 days of completion of the well. The operator will be responsible for the cost of any further handling of the samples by NBMG required to meet standards set out in this permit condition.

13. The production casing will be cemented in place to a minimum of 500 feet above the top of the shallowest identified potentially producible zone.

**14. Casing perforation and subsequent testing operations must receive prior approval from the Nevada Division of Minerals before any such operations can commence.** A Cement Bond Log (CBL), or an ultrasonic equivalent, may be required to prove adequate cement behind casing within the proposed intervals to perforate, as well as above and below these intervals. Digital and hard copies of this log, if required, must be provided to the Nevada Division of Minerals upon request.

15. A Well Completion Report will be filed with the Nevada Division of Minerals within thirty (30) days of the completion of drilling operations/release date of drill rig. If the well is to be completed prior to the drill rig being released, the Well Completion Report is due within thirty (30) days after completion operations are completed and drill rig is released. If a completion rig and/or completion equipment is brought onto location at a later date to complete the well, an amended Well Completion Report is to be filed with the Nevada Division of Minerals within thirty (30) days after completion rig and/or completion equipment is released. A complete set of daily operational reports are to be submitted with each Completion Report for the time period covered.
16. Any production of oil and/or gas will be reported on the Nevada Division of Minerals Oil and Gas Operator's Monthly Report, starting with the month in which production operations commence and continuing each month until the well is physically plugged and abandoned. The Oil and Gas Operator's Monthly report is to be filed with the Nevada Division of Minerals, along with the Administrative fee, by the last day of the month following the month for which production occurred.
17. All wells, whether drilling, producing, suspended or abandoned shall be identified by a sign or marker with the name of the operator, the well number, and the surveyed description of the well. The sign or marker will also have the BLM lease serial number if the well is located on or enters a Federal lease at depth.
18. No well abandonment operations will be commenced without the prior approval of the Nevada Division of Minerals. A sundry notice along with the plugging and abandonment procedure will be submitted to the Nevada Division of Minerals for approval.
19. Upon completion of approved plugging, a well identification marker will be erected at the wellsite location. The following information will be permanently placed on the marker: operator name, well name and number, location by quarter/quarter section, township, range, and federal lease number (if location is on a federal lease, or enters a federal lease at depth).
20. A Well Plugging Report (Form 12) will be submitted within thirty (30) days following the actual plugging of the wellbore.
21. Any venting or flaring of gas during drilling or initial well evaluation tests will be conducted in accordance with Nevada Division of Minerals regulations.
22. Lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner which conforms to applicable State of Nevada laws and regulations, as well as Federal laws and regulations if exploration, development, production, and construction operations are being conducted on a Federal lease.
23. All undesirable events (fires, accidents, blowouts, spills, and discharges) will be orally reported to the Oil, Gas, and Geothermal Program Manager, or the Administrator of the Nevada Division of Minerals immediately. These events will be followed with a written report within fifteen (15) days. The Nevada Division of Environmental Protection will also be notified of blowouts and abnormal surface spills and discharges through their 24 hour telephone notification hotline (in-state 1-888-331-6337, out of state 1-775-687-9485).

24. The enclosed Abandoned Mine brochures shall be posted in common personnel areas at the well site. The operator shall inform all drilling personnel and contractors associated with the drilling of the well of potential dangers, including bodily injury and death, associated with the exploration of abandoned mine workings, as well as the disturbance of possible bat habitats.