APPLICATION FOR PERMIT TO DRILL OR RE-ENTER
APPLICATION TO DRILL ☑
RE-ENTER OLD WELL ☐

NAME OF COMPANY OR OPERATOR
HNZ POTASH LLC

Address
City State Phone Number
1900 N. Akard Dallas TX 214.978.8684
Drilling Contractor

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor
Fee Lease HNZ Potash
Well number
HNZ Potash #6
Elevation (ground)
5879 ft.
Nearest distance from proposed location to property or lease line:
434' feet
Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:
8963' to Arkla Exploration Strat #27
Number of acres in lease
Approximately 74,000 acres.
Number of wells on lease, including this well, completed in or drilling to this reservoir:
N/A
If lease purchased with one or more wells drilled, from whom purchased.
Name
Address
N/A

Well location (give footage from section lines)
22S1/2, 434.3'
Section - Township - Range or Block and Survey
sec. 35 T17N, R24E
Dedication per A.A.C. R12-7-104(A)(3)
N/A
Field and reservoir (if wildcard, so state)
Stratigraphic test well for potash
County
Apache

Distance in miles and direction from nearest town or post office
Approximately 24 miles to Holbrook, AZ.

Proposed depth:
1450 ft. below surface elev.
Rotary or cable tools
Rotary
Organization Report
On file ☑ Or attached
Bond status
Amount
$25,000 for up to 10 core hole wells

Remarks
Expected Tops: Chinle/Moenkopi (0)[5979], Coconino (600'4971'), Supai (1188'4591'), Salt (1276'4591'), Upper Potash (1358'4451'), Main Potash (1388'4431'), Base of Salt (1627) NR 4079'

API # NR-247-20 3' 81

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: General Manager of the
HNZ Potash 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.

C. Brian Boutte
Signature
Date 10/20/10

Mail completed form to:
Oil and Gas Program Administrator
Arizona Geololgical Survey
416 W. Congress, #100
Tucson, AZ 85701-1315

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 accordance 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:

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**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>6.625&quot; 4.5&quot;</td>
<td>20.1#</td>
<td>PWT</td>
<td>5679'</td>
<td>850’ TD</td>
<td>Casing Temporary, Removed at completion of hole</td>
<td>6-9 Bags for surface casing</td>
<td>Driller Supply</td>
</tr>
<tr>
<td></td>
<td>11.8#</td>
<td>HWT</td>
<td>(Surface)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
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