# APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

**APPLICATION TO DRILL** ☑
**RE-ENTER OLD WELL** ☑

**NAME OF COMPANY OR OPERATOR**

**HNZ POTASH LLC**

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900 N. Akard</td>
<td>Dallas</td>
<td>TX.</td>
<td>214.978.8684</td>
</tr>
</tbody>
</table>

**Drilling Contractor**

### DESCRIPTION OF WELL AND LEASE

- **Federal, State or Indian Lease Number, or if lease, name of lessee**
  - Fee Lease HNZ Potash

- **Well number**
  - HNZ Potash #9 (Arkla 27 Twin)

- **Elevation (ground) ft.**
  - 5695 ft.

- **Nearest distance from proposed location to property or lease line feet**
  - 572'

- **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.**
  - N/A

### Well location (give footage from section lines)

| 572.1', 738.7' |

### Field and reservoir (if wildcat, so state)

- **Stratigraphic test well for potash**
  - Apache

### Distance in miles and direction from nearest town or post office

- Approximately 24 miles to Holbrook, AZ.

- **Proposed depth ft. below surface elov.**
  - 1350 ft.

- **Bond status**
  - $25,000 for up to 10 core hole wells

- **Remarks**
  - Expected Tops: Chiricahua/Moenkopi Surface (950695'), Coconino (72054692'), Supai (10904692'), Salt (11534593'), Upper Potash (12084602'), Main Potash (12524402'), Base of Salt (1612) NR 4069'

**APL # 02-001-28384**

**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**

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**Permit Number:**

**1008**

**Approval Date:**

**10-26-2010**

**Approved By:**

**SL Raines**

**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

5. If the answer to question four is no, have the interests of all owners been consolidated by communization 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:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sec 06, T. 16 N., R. 25 E.</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
Position
Company
Date

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.

Expires 12/31/2011
Date Surveyed 08/17/2010
Registered Land Surveyor
Kenneth Flygare, PLS
Certificate No. LS 23947

**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;</td>
<td>20.1#</td>
<td>PWT</td>
<td>5695' (Surface)</td>
<td>760' 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>4.5&quot;</td>
<td>11.8#</td>
<td>HWT</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tbody>
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