# APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

## NAME OF COMPANY OR OPERATOR

**HNZ POTASH**

<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

Address

### DESCRIPTION OF WELL AND LEASE

<table>
<thead>
<tr>
<th>Federal, State or Indian Lease Number, or if fee lease, name of lessor</th>
<th>Well number</th>
<th>Elevation (ground)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Lease HNZ Potash</td>
<td>HNZ Potash SW #2</td>
<td>5319 ft.</td>
</tr>
</tbody>
</table>

**Nearest distance from proposed location to property or lease line:**

<table>
<thead>
<tr>
<th>Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:</th>
<th>feet</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

**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):**

<table>
<thead>
<tr>
<th>2586' from N. line, 2534' from E. line sec. 15</th>
<th>Section - Township - Range or Block and Survey</th>
<th>Dedication per A.A.C. R12-7-104(A)(3)</th>
</tr>
</thead>
</table>

**Field and reservoir (if wildcard, so state):**

**Startigraphic test well for potash**

| Apache | Navajo |

**Distance in miles and direction from nearest town or post office:**

**Approximately 24 miles from Holbrook, AZ.**

**Proposed depth:**

<table>
<thead>
<tr>
<th>1050' below surface elevation</th>
<th>Rotary or cable tools</th>
<th>Rotary</th>
<th>Organization Report</th>
<th>Approximate date work will start</th>
<th>Filing Fee of $25.00</th>
<th>Attached</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>On file</td>
<td>3/30/11</td>
<td></td>
<td><strong>yes</strong></td>
</tr>
</tbody>
</table>

**Bond status:**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Posted</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000</td>
<td>50,000</td>
</tr>
</tbody>
</table>

**Remarks**

**API # 02-01-2-204Y3**

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**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.

**Signature:**

C. Brian Boutte

**Date:** 4/14/11

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**Permit Number:** 1011

**Approval Date:** 1-28-2011

**Approved By:** J. R. Raiz

**NOTICE:** Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

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**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 communitization agreement or otherwise?  **YES  ** **NO**  If answer is yes, give type of consolidation  **fee simple**

6. If the answer to question four is no, list all of the owners and their respective interests below:

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**CERTIFICATION**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name  
Kenneth Flygare, PLS

Position  
President

Company  
Terra Visa Group, Inc

Date  
12/30/10

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.

[Signature]

23947  
KENNETH FLYGARE  
ARIZONA, U.S.A.

Expires 12/31/2011

Date Surveyed  
12/21/2010

Registered Land Surveyor  
Kenneth Flygare, PLS

Certificate No.  
LS 23947

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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”</td>
<td>20.1#</td>
<td>PWT</td>
<td>5320’</td>
<td>1050’ TD</td>
<td>Casing temporarily removed at completion of hole</td>
<td>6-9 Sacks for surface casing</td>
<td>Driller Supply</td>
</tr>
<tr>
<td>4.5”</td>
<td>11.8#</td>
<td>HWT</td>
<td>(surface)</td>
<td>TD</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>