APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL ☐ RE-ENTER OLD WELL ☐

Amended location

NAME OF COMPANY OR OPERATOR

HNZ Potash

Address City State Phone Number

1900 N. Akard Dallas Tx. 214.978.8684

Drilling Contractor

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessee
Fee land HNZ Potash

Well number
HNZ Potash SW #5

Elevation (ground)
5270 - 5255'

Nearest distance from proposed location to property or lease line:

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:

N/A

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.

5/8.2 S 4'1 179.3 R 61 Sec 33

Well location (give footage from section lines)
2043' from N line, 285' from E line, sec 5

Section - Township - Range or block and survey
Sec. 5 T16N R26E 33-16n-23e

Dedication per A.A.C. R12-7-104(A)(3)

N/A

Field and reservoir (If wildcat, so state)

Stratigraphic test well for potash

County

Apache - Navajo

Distance in miles and direction from nearest town or post office

Approximately 24 miles from Holbrook, AZ.

Proposed depth:

1050'

Rotary or cable tools

Rotary

Organization Report

Approximate date work will start

3/30/11

Bond status

Posted

Organization Report

Bond amount

50,000

On file ✅ Or attached

Filing Fee of $25.00

Attached

Yes

Remarks

Amended location

API # 02-017-20049

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the General Manager of the company, and that I am authorized by said company to make this report; 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

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 of 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 05, T. 15 N., R. 22 E.</td>
</tr>
</tbody>
</table>

**CERTIFICATION**

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 Viso 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.

Date Surveyed: 12/21/2010
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>5270'</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&quot;</td>
<td>11.8#</td>
<td>HWT (surface)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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

6. If the answer to question four is no, list all of 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 33, T. 16 N., R. 22 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.

Registered Land Surveyor
Kenneth Flygare, PLS

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>
</table>

Scale 1" = 1200'

Date Surveyed 02/21/2011
Certificate No. LS 23947
Expires 12/31/2011