APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL  ☐ RE-ENTER OLD WELL  ☐

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 lessor

Well number
HNZ Potash SW #7

Elevation (ground)
5441'

Fee land HNZ Potash

Nearest distance from proposed location to property or lease line:

feet
N/A

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

feet
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.

Name
Address

Well location (give footage from section lines)
194' from E. line, 2218' from S. line Sec. 23

Section - Township - Range or Block and Survey
Sec. 23, T16N R22E

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 25 miles from Holbrook, AZ.

Proposed depth:
1200'

Rotary or cable tools
Rotary

Bond status
Posted

Organization Report
On file  Or attached

Approximate date work will start
3/30/11

Filing Fee of $25.00
Attached  Yes

Remarks

Thanks Atchley 19 NMA (PIN 362)

API # 02-06-20-392

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 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

Date 5/9/11

Permit Number: 1016

Approval Date: 1-28-2011

Approved By: S L Raing

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 23, 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.

<table>
<thead>
<tr>
<th>Name</th>
<th>Kenneth Flygare, PLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position</td>
<td></td>
</tr>
<tr>
<td>Company</td>
<td>Terra Visa Group, Inc</td>
</tr>
<tr>
<td>Date</td>
<td>12/30/10</td>
</tr>
</tbody>
</table>

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.

**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>5441' (surface)</td>
<td>1200' TD</td>
<td>Casing temporarily removed at completion of hole</td>
<td>6-9 Sacks for surface casing</td>
<td>Driller Supply</td>
</tr>
</tbody>
</table>