APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL ☒ RE-ENTER OLD WELL ☐

NAME OF COMPANY OR OPERATOR
Southwest Exploration, Inc. / Passport Potash, Inc.

Address  City  State  Phone Number
3266 W. Galveston #101  Apache Junction  Arizona  480-288-8530

Drilling Contractor K & M Drilling

Address  2432 Private Drive, Camp Verde, Arizona 86322

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessee
ASLD 08-113252

Well number  PP-2011-01

Elevation (ground) -3,986.0 - 5,364'

Nearest distance from proposed location to property or lease line:
-N28145.2  2067 feet

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

Number of acres in lease
454.50

Number of wells on lease, including this well, completed in or drilling to this reservoir:
0

If lease purchased with one or more wells
drilled, from whom purchased.

Name

Address

Well location (give footage from section lines)
-W2771.6  -N2815.2  2067.64'E  243 2.7'N

Section - Township - Range or Block and Survey
S14 - T16N - R23E

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

Field and reservoir (if wildcat, so state)
Wildcat - Stratigraphic - Potash

County  Navajo

Distance in miles and direction from nearest town or post office
Approx. 15 miles SE of Holbrook, AZ

Proposed depth:  1450'

Rotary or cable tools

Rotary / Core

Approximate date work will start
February 2011

Bond status  On File

Organization Report

Amount  $50,000

Remarks

Amended location

API 02-017-20037

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the:

Agent  of the
Southwest Exploration, Inc / Passport Potash, Inc.

Mail completed form to:
Oil and Gas Program Administrator
Arizona Geological Survey
416 W. Congress, #106
Tucson, AZ 85701-1315

Signature

Date  1-21-2011

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. R127-7-107.

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:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southwest Exploration, Inc.</td>
<td>S14-T16N-R23E</td>
</tr>
<tr>
<td>Passport Potash, Inc.</td>
<td></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: Joshua Bleak
Position: Agent
Company: Southwest / Passport
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.

Date Surveyed: 11/10/2011
Registered Land Surveyor: Gerald K. Wood
Certificate No. LS22290

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' 4.5'</td>
<td>20.1</td>
<td>PWT</td>
<td>536'</td>
<td>1450' TD</td>
<td>50' Plug at Fresh / Salt Interval</td>
<td>6-9 Bags for Surface Casing</td>
<td>Driller Supplied</td>
</tr>
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APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL ☑
RE-ENTER OLD WELL ☐

NAME OF COMPANY OR OPERATOR
Southwest Exploration, Inc. / Passport Potash, Inc.

Address: 3206 W. Galveston #101
City: Apache Junction
State: Arizona
Phone Number: 480-280-6530

Drilling Contractor: K & M Drilling
Address: 2432 Private Drive, Camp Verde, Arizona 88322

DESCRIPTION OF WELL AND LEASE

Well number: PP-2011-01
Elevation (feet): 5364'

Nearest distance from proposed location to property or lease line:
2067 feet

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

Number of wells on lease, including this well, completed in or drilling to this reservoir:
1

Well location (give footage from section lines):
2067.6' FSL; 2442.9' FEL

Section - Township - Range or Block and Survey:
S14 - T16N - R3E

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

Field and reservoir (if wildcat, or state):
Wildcat - Stratigraphic - Potash

County:
Navajo

Distance in miles and direction from nearest town or post office:
Approx. 15 miles SE of Holbrook, AZ

Proposed depth:
1450 feet

Rotary or cable tools:
Rotary / Core

Organization Report:
On file

Filing Fee of $25.00:
Attached

Amount:
$50,000

Remarks:
Amended location

API: 02-017-20037

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: 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, complete to the best of my knowledge.

Signature:
5/12/2011

Date:

Permit Number: 1019
Approval Date: 5-12-11
Approved By: SC Raig

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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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 ______________

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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: ____________________
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.

Date Surveyed: 4/29/2011
Registered Land Surveyor: Gerald K. Wood
Certificate No: LS 22290

**PROPOSED CASING PROGRAM**

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<tr>
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<td>11.8</td>
<td>HWT</td>
<td></td>
<td></td>
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