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 3266 W. Galveston #101
City Apache Junction
State Arizona
Phone Number 480-288-6530

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 lessor
ASLD 08-113254

Well number PP-2011-02

Elevation (ground) 5413.0

Nearest distance from proposed location to property or lease line:
2010 E-2576.1

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

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

Number of acres in lease 640

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

Name

Address

Well location (give footage from section lines)
N2007.4 E2576.1 2010 ft 2418 fe1

Section - Township - Range or Block and Survey S10 - T16N - R23E

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

Field and reservoir (if wildcard, 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

On file X or attached

Filing Fee of $25.00

Attached X

Remarks Amended location

API 02-017-20036

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Agent of the Southwest Exploration, Inc. / Passport Potash, Inc. 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

Date 1-21-2011

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Drill or Re-enter
File Two Copies

Form No. 3

5/86
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 X** **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>Southwest Exploration, Inc. / Passport Potash, Inc.</td>
<td>S16 - T16N - R23E</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>Position</th>
<th>Company</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joshua Bleak</td>
<td>Agent</td>
<td>Southwest / Passport</td>
<td></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.

<table>
<thead>
<tr>
<th>Date Surveyed</th>
<th>Registered Land Surveyor</th>
<th>Certificate No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/04/2011</td>
<td>Gerald K. Wood</td>
<td>522290</td>
</tr>
</tbody>
</table>

**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>54'</td>
<td>1450' TD</td>
<td>50' Plug at Fresh / Salt Interval</td>
<td>6-9 Bage for Surface Casing</td>
<td>Driller Supplied</td>
</tr>
<tr>
<td>4.5&quot;</td>
<td>11.8</td>
<td>HWT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Diagram and certification details]
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        480-288-6530

Drilling Contractor
K & M Drilling

Address
2432 Private Drive, Camp Verde, Arizona 88322

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number; or if fee lease, name of lessor
Twin Buttes Ranch

Well number
PP-2011-02

Elevation (ground)
5413'

Nearest distance from proposed location to property or lease line:
2010 feet

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

Number of acres in lease
640

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

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

Name

Address

Well location (give footage from section lines)
2010.4' FSL; 2417.9' FEL

Section - Township - Range or Block and Survey
S16 - T16N - R23E

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

Field and reservoir (oil, gas, etc. 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

Organization Report

Amount
$50,000

Filing Fee of $55.00

Remarks
Amended Location

API
02-017-2003C

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the:  of the
Passport Potash
(company), and that I am authorized by said company to execute 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
5/12/2011

Date

Permit Number: 1020

Approval Date: 5-13-11

Approved By: SC Rausch

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

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

Form No. 3

(Complete Reverse Side)
1. Operator shall outline on the plot the acreage dedicated to the well in compliance with A.A.C. R12-7-107.

2. A registered surveyor shall show on the plot 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:

---

Owner:
Southwest Exploration/Passport Potash

Land Description:
SECTION 16 T16N R23E

---

CERTIFICATION

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

Name:
Allen Wells

Position:
Mine Eng.

Company:
Passport Potash

Date:
5/12/2012

---

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 Depth</th>
<th>Socks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.625&quot;</td>
<td>20.1</td>
<td>PWT</td>
<td></td>
<td>1450' Td</td>
<td>50&quot; Plug at Fresh/Salt Interval</td>
<td>6-9 Bags for surface casing</td>
<td>Driller Supplied</td>
</tr>
<tr>
<td>4.5&quot;</td>
<td>11.8</td>
<td>HWT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

Date Surveyed:
4/28/2011

Registered Land Surveyor:
Gerald K. Wood

Certificate No:
LS 22290