

## 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 08-113256

Well number  
PP-2011-03

Elevation (ground)

~~5347.0~~ 5330'

Nearest distance from proposed location to property or lease line:

1923  
~~52654.3~~ 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

640

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)

~~S-2654.3 W-2662.2~~ 1923' fsl 2687' fe1

Section - Township - Range or Block and Survey  
S20 - 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

Filing Fee of \$25.00

Amount

\$50,000

On file X

Or attached

Attached X

Remarks

Amended location

API 02-017-20038

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

Mail completed form to:  
Oil and Gas Program Administrator  
Arizona Geological Survey  
416 W. Congress, #100  
Tucson, AZ 85701-1315

Permit Number:

1021

Approval Date:

2-4-2011

Approved By:

SK Rainey

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

**STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION**

Application to Drill or Re-enter  
File Two Copies

Form No. 3

PW 1021

- Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
- A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.
- ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
- Is the operator the only owner in the dedicated acreage outlined on the plat below? YES  NO
- 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 \_\_\_\_\_
- If the answer to question four is no, list all the owners and their respective interests below:

Owner <b>Southwest Exploration, Inc. / Passport Potash, Inc.</b>	Land Description <b>S20 -T16N - R23E</b>
<p><i>See amended location Plat</i></p> <p><i>S 2654.3</i></p> <p><i>W 2662.2'</i></p> <p><i>N 34° 46' 16.4"</i></p> <p><i>W 109° 55' 54.3</i></p> <p><i>Elev. 5347.0</i></p>	
<p><b>CERTIFICATION</b></p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p>	
<p>Name <b>Joshua Bleak</b></p>	
<p>Position <b>Agent</b></p>	
<p>Company <b>Southwest / Passport</b></p>	
<p>Date</p>	
<p>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.</p>	
<p>Date Surveyed <i>1/10/2011</i></p>	
<p>Registered Land Surveyor <i>Gerald K. Wood</i></p>	
<p>Certificate No. <i>LS 22290</i></p>	

**PROPOSED CASING PROGRAM**

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
6.625"	20.1	PWT	5347'	1450' TD	50' Plug at	6-9 Bags for	Driller Supplied
4.5"	11.8	HWT			Fresh / Salt Interval	Surface Casing	
	lbs / ft						

Location Change Only

### APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

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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 <b>Twin Buttes Ranch</b>	Well number <b>PP-2011-03</b>	Elevation (ground) <b>5330'</b>
Nearest distance from proposed location to property or lease line:  <b>1923</b> feet	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:  feet	
Number of acres in lease <b>640</b>	Number of wells on lease, including this well, completed in or drilling to this reservoir: <b>1</b>	

If lease purchased with one or more wells drilled, from whom purchased.	Name	Address
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Well location (give footage from section lines) <b>1923.3' FSL; 2686.7' FEL</b>	Section - Township - Range or Block and Survey <b>S20 - T16N - R23E</b>	Dedication per A.A.C. R12-7-104(A)(3) <b>N/A</b>
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Field and reservoir (if wildcat, so state) <b>Wildcat - Stratigraphic - Potash</b>	County <b>Navajo</b>
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Distance in miles and direction from nearest town or post office  
**Approx. 15 miles SE of Holbrook, AZ**

Proposed depth: <b>1450</b>	Rotary or cable tools <b>Rotary / Core</b>	Approximate date work will start <b>May, 2011</b>
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Bond status <b>On File</b>	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 <b>Attached X</b>
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Remarks

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: MINE ENG of the PASSPORT POTASH (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

Mail completed form to:  
Oil and Gas Program Administrator  
Arizona Geological Survey  
416 W. Congress, #100  
Tucson, AZ 85701-1315

Permit Number: 1021

Approval Date: 5-13-11

Approved By: SL Rainey

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

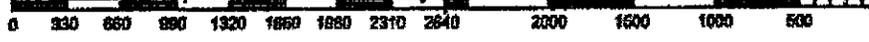
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- If the answer to question four is no, list all the owners and their respective interests below:

<b>Owner</b> Southwest Exploration/Passport Potash	<b>Land Description</b> S 20 T16N R23E
T16N R23E SEC 20	
N 34° 46' 09.2" W 109° 55' 54.4" Elev. 5330	2686.7'
	1923.3'
	
<b>CERTIFICATION</b> I hereby certify that the information above is true and complete to the best of my knowledge and belief.	
Allen Wells Name Mine Eng. Position Passport Potash Company 5/12/2011 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 4/28/2011 Registered Land Surveyor Gerald K. Wood Certificate No. 15 22290	

**PROPOSED CASING PROGRAM**

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
6.625" 4.5"	20.1 11.8 Lbs/ft	PWT HWT		1450' TD	50' plug at Fresh/Salt Interval	6-9 Bags for surface Casing	Driller Supplied