# 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.

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>3266 W. Galveston #101</td>
<td>Apache Junction</td>
<td>Arizona</td>
<td>480-288-6530</td>
</tr>
</tbody>
</table>

**Drilling Contractor**
K & M Drilling

<table>
<thead>
<tr>
<th>Address</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2432 Private Drive, Camp Verde, Arizona 85322</td>
<td>5/66</td>
</tr>
</tbody>
</table>

## DESCRIPTION OF WELL AND LEASE

**Federal, State or Indian Lease Number, or if fee lease, name of lessor**
ASLD 08-113257

<table>
<thead>
<tr>
<th>Well number</th>
<th>Elevation (ground)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP-2011-04</td>
<td>-5344.9 5'328'</td>
</tr>
</tbody>
</table>

**Nearest distance from proposed location to property or lease line:**
1988 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

**Well location (give footage from section lines)**
S 2023.0' W 2767.5' 1987 4'E S 22 T 16N R 23E

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

<table>
<thead>
<tr>
<th>County</th>
<th>Navajo</th>
</tr>
</thead>
</table>

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

<table>
<thead>
<tr>
<th>Proposed depth</th>
<th>Rotary or cable tools</th>
<th>Rotary / Core</th>
<th>Approximate date work will start</th>
</tr>
</thead>
<tbody>
<tr>
<td>1450'</td>
<td></td>
<td></td>
<td>February 2011</td>
</tr>
</tbody>
</table>

**Bond status**
On File

**Bond amount**
$50,000

**Remarks**
Amended location

**API** 02-017-20039

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

**Signature**

**Date**

1-21-2011

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**Permit Number:** 1022

**Approval Date:** 2-4-2011

**Approved By:**

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**STATE OF ARIZONA**

**OIL & GAS CONSERVATION COMMISSION**

Application to Drill or Re-enter
File Two Copies

Form No. 3

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**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 X  NO

5. If the answer to question four is no, have the interests of all owners been consolidated by communilization 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>Southwest Exploration, Inc. / Passport Potash, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Description</td>
<td>S22-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.

**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**  10/20/2011  
**Registered Land Surveyor**  Gerald K. Wood  
**Certificate No.**  22290

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**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&quot;</td>
<td>20.1</td>
<td>PWT</td>
<td>534'</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>
</tbody>
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APPLICATION FOR PERMIT TO DRILL OR RE-ENTER
APPLICATION TO DRILL X  RE-ENTER OLD WELL □

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

Address  City  State  Phone Number
3268 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 the lease, name of lessee
Twin Buttes Ranch

Well number  PP-2011-04
Elevation (ground)  5328’

Nearest distance from proposed location to property or lease line:
1988 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)
1988.8’ FSL; 2386.2’ FEL

Section - Township - Range or Block and Survey
S22 - T16N - R23E

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

Field and reservoir (if wildcat, no 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  On file

Filing Fee of $25.00  Attached

Remarks
Amended location
APL 02-017-20039

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 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 5/12/2011

Permit Number: 1022

Approval Date: 5-13-11

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 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 plot below? YES X 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:

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**CERTIFICATION**

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<th>Position</th>
<th>Company</th>
<th>Date</th>
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<tbody>
<tr>
<td>ALLEN WILLS</td>
<td>MINE ENG.</td>
<td>Passport Potash</td>
<td>5/12/2011</td>
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I hereby certify that the well location shown on the plot 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.

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<tr>
<th>Date Surveyed</th>
<th>Registered Land Surveyor</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/29/2011</td>
<td>Gerald K. Wood</td>
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