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 85322

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if lease, name of lessor: ASLD 08-113280
Well number: PP-2011-06
Elevation (ground) -5948.0' S 312'
Nearest distance from proposed location to property or lease line:
2002
E 2699.5' 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: 1

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

Name
Address

Well location (give footage from section lines): S 2746.0' E 2699.5' 2002
Section - Township - Range or Block and Survey: S28 - 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
Organization Report
Bond status: On File
Amount: $50,000
Approximate date work will start: February 2011
Filing Fee of $25.00
On file X
Or attached
Attached X

Remarks

Amended location

API #: 02-017-20041

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: [Signature]
Date: 1-21-2011

Permit Number: 1024
Approval Date: 2-4-2011
Approved By: [Signature]

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 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:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Southwest Exploration, Inc. / Passport Potash, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Land Description S28 - 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  1/12/2011

Registered Land Surveyor  Gerald K. Wood

Certificate No.  222290

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>53'</td>
<td>1450' TD</td>
<td>50' Plug at Fresh / Salt Interval</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.5&quot;</td>
<td>11.8</td>
<td>HWT</td>
<td></td>
<td></td>
<td></td>
<td>6-9 Bags for Surface Casing</td>
<td></td>
</tr>
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Driller Supplied
APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

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

Address 3266 W. Galveston #101
Apartment 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 no lease, name of lessee
Twin Buttes Ranch

Well number PP-2011-06
Elevation (ground) 5312

Nearest distance from proposed location to property or lease line:

2002 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

Number of acres in lease
840

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

Name

Address

Wall location (give footage from section lines)
2002.5' FSL; 2454.7' FEL

Section - Township - Range or Block and Survey
S28 - T16N - R23E

Dedication per A.A.C. R127-104(A)(3)
N/A

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

County
Navejo

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
May, 2011

Bond status On File

Organization Report

Filing Fee of $25,000

Amount $50,000

On file X

Or attached

Remarks
Amended location

API # 02-017-20041

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the ___ of the Passport Potash 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 accurate to the best of my knowledge.

Signature

Date 5/12/2011

Permit Number: 1024

Approval Date: 5-13-11

Approved By: S. Ramirez

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

(Oil & Gas Conservation Commission)
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 ____________________________

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<tr>
<td>Position</td>
<td>PASSPORT POTASH</td>
</tr>
<tr>
<td>Company</td>
<td>5/12/2011</td>
</tr>
<tr>
<td>Date</td>
<td>(sign)</td>
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| 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. |

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<tr>
<td>Registered Land Surveyor</td>
<td>Gerald K. Wood</td>
</tr>
<tr>
<td>Certificate No.</td>
<td>LS 22290</td>
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