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
3200 W. Galveston #101      Apache Junction            Arizona            480-288-6530

Drilling Contractor          K & M Drilling

Address                      K & M Drilling
2432 Private Drive, Camp Verde, Arizona 85322

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor:
ASLD 08-113270

Well number                   Elevation (ground)
PP-2011-08                   5,574'

Nearest distance from proposed location to property or lease line:
2,024' 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      Number of wells on lease, including this well, completed in or drilling to this reservoir:
671.78                        1

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

Well location (give footage from section lines)
S26282.2' E2790.6'

Section - Township - Range or Block and Survey
S30 - T10N - R24E

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

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

County                        Name
Navajo                        Apache

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
Organization Report

Rotary / Core
On file X

Approximate date work will start
February 2011

Bond status
On File

Bond amount
$50,000

Attached X

Filing Fee of $25.00

Amended location

API 02-001-20396

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

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

of said 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
1-21-2011

Date

State of Arizona
Oil & Gas Conservation Commission
Application to Drill or Re-enter
File Two Copies

Form No. 3
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>S30 - T16N - R24E</td>
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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: 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: VIII/11
Registered Land Surveyor: Gerald K. Wood
Certificate No: 65 22290

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>538'</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>
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RE-ENTER OLD WELL ☐

NAME OF COMPANY OR OPERATOR
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Address
3266 W. Galveson #101
Apache Junction, Arizona 85119

City
Phone Number
Apache Junction
480-288-6530

State
Drilling Contractor
K & M Drilling

Address
2432 Private Drive, Camp Verde, Arizona 86322

DESCRIPTION OF WELL AND LEASE

Well number
PP-2011-06

Elevation (ground)
5374'

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

Number of acres in lease
2024 feet

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)
2024.1' FSL; 2621.5' FEL

Section - Township - Range or Block and Survey
S30 - T18N - R24E

Dedication per A.A.G. R12-1-104(A)(3)
N/A

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

County
Apache

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

Proposed depth
1450

Rotary or cable tool
On file

Appropriate date work will start
May, 2011

Bond status
Amount
On File
$50,000

Organizational Report
On file

Filing Fee of $25.00
Attached

Remain
Amended location
API 02-001-20396

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, complete, complete to the best of my knowledge.

Signature
5/4/2011

Date

Permit Number: 1026

Approval Date: 5-13-11
Approved By: SC Rand

NOTICE: Before sending 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

(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.
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4. Is the owner 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 ________________________________
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<tbody>
<tr>
<td>Allen Wells</td>
<td>Mine Eng</td>
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