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 86322

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessee
Option to Purchase the Twin Buttes Ranch

Well number
TBR-2011 #9

Elevation (ground)
-6599.0 5541

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:

W 2616.2 feet N/A feet

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

640 0

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

Well location (give footage from section lines)
S 2608.2' W 2616.2' 2397.0 ft 2397.0 ft

Section - Township - Range or Block and Survey
S9 - T17N - 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

Amount
$50,000

On file X Or attached

Remarks
Amended location

API 02-017-20044

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 1-21-2011

Date

Permit Number: 1027

Approval Date: 2-4-2011

Approved By: SL R. 5

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

Form No. 3

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

(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 ☒  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>Land Description</th>
</tr>
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<tbody>
<tr>
<td>Southwest Exploration, Inc. / Passport Potash, Inc.</td>
<td>S9 - T17N - R23E</td>
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</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:**

**Registered Land Surveyor**

- **Date Surveyed:**
- **Certificate No.:** 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>
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<tbody>
<tr>
<td>6.625&quot; 4.5&quot;</td>
<td>20.1</td>
<td>PWT HWT</td>
<td>553'</td>
<td>1450' TD</td>
<td>50' Plug at Fresh / Salt Interval</td>
<td>6-9 Bags for Surface Casing</td>
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Federal, State or Indian Lease Number, or If fee lease, name of lessee:
Option to Purchase the Twin Buttes Ranch

Nearest distance from proposed location to property or lease line:

Well number: TBR-2011 #9
Elevation (ground): 5561

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:
0

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

Name
Address

Well location (give footage from section lines):
S from N line 3241.6, W from E 897.4
Section - Township - Range or Block and Survey: 2B - T17N - R23E

Field and reservoir (If wildcard, 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 tool:

Organization Report

Rotary / Core
On file X Or attached

Approximate date work will start:
February 2011

Bond status: On File
Amount: $50,000

Remarks
Amended Location

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

of the (company), and that I am authorized by said company to make this report; and that this
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Signature
Date

Permit Number: 1027

Approval Date: 3-8-11
Approved By: L. Raig

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

*Signature*

Name: Joshua Bleak  
Position: Agent  
Company: Southwest / Passport  
Date: 03/01/11

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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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</table>

**Date Surveyed**  
2/01/2011  
Registered Land Surveyor

*Signature*  
Certificate No.  
LS 22290