**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
Apache Junction, Arizona 480-288-6530

**Drilling Contractor**
K & M Drilling

**Address**
2432 Private Drive, Camp Verde, Arizona 86322

**DESCRIPTION OF WELL AND LEASE**

<table>
<thead>
<tr>
<th>Federal, State or Indian Lease Number, or if fee lease, name of lessee</th>
<th>Well number</th>
<th>Elevation (ground)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TBR-2011 #10</td>
<td>-5959.0 5641</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nearest distance from proposed location to property or lease line:</th>
<th>Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:</th>
</tr>
</thead>
<tbody>
<tr>
<td>W 2573.2 feet</td>
<td>N/A feet</td>
</tr>
</tbody>
</table>

**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.**

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
</table>

**Well location (give footage from section lines)**
S 2660.7 W 2673.2 2350 fal 2440 fel

**Section - Township - Range or Block and Survey**
S11 - T17N - R23E

**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**
On file

**Rotary / Core**
Organization Report

**Approximate date work will start**
February 2011

**Bond status**
On File

**Amount**
$50,000

**Remarks**
Amended location

**API 02-017 - 20045**

**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

**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 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:

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Owner
Southwest Exploration, Inc. / Passport Potash, Inc.

Land Description
S11 - T17N - R23E

---

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
11/11/11

---

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
11/10/11

Registered Land Surveyor
Gerald K. Wood

Certificate No.
LS 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 Depth</th>
<th>Bottom Depth</th>
<th>Cementing Depths</th>
<th>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.625&quot; 4.5&quot;</td>
<td>20.1</td>
<td>PWT</td>
<td>5680'</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>
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NAME OF COMPANY OR OPERATOR
Southwest Exploration, Inc. / Passport Potaeh, Inc.

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<th>Phone Number</th>
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<td>480-268-8530</td>
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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: Yes

Nearest distance from proposed location to property or lease line:

<table>
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<tr>
<th>Unit</th>
<th>Number of Acres</th>
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<td>feet</td>
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Distance from proposed location to nearest drilling, completed or applied for well on the same lease:

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

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Well location (give footage from section lines):

5 S 11T 17N R23E

Section - Township - Range or Block and Survey

Field and reservoir (if wildcat, see #59)

Wildcat - Stratigraphic - Potaeh

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

Bond status:

On File

Organization Report

Amount: $50,000

Remarks

Amended location

APL: 02-017-20045

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: [Signer's Name] of the [Company Name] 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: [Signer's Signature]

Date: 03/01/11

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
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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:

Owner: Southwest Exploration, Inc. / Passport Polesh, Inc.

Land Description: S11 -T17N - R23E

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: 03/01/11

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