

# 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 lessor <b>Option to Purchase the Twin Buttes Ranch</b>	Well number <b>TBR-2011 #11</b>	Elevation (ground) <del>5747.0</del> <b>5748</b>
Nearest distance from proposed location to property or lease line:  <p style="text-align: right;">W 2680.76 feet</p>	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:  <p style="text-align: center;">N/A feet</p>	
Number of acres in lease  <p style="text-align: center;">640</p>	Number of wells on lease, including this well, completed in or drilling to this reservoir:  <p style="text-align: center;">0</p>	

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

Well location (give footage from section lines) <b>S-2809.97' W-2680.76' 3275 ft / 2384 ft</b>	Section - Township - Range or Block and Survey <b>S1 - T17N - R23E</b>	Dedication per A.A.C. R12-7-104(A)(3) <b>N/A</b>
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Field and reservoir (if wildcat, so state) <b>Wildcat - Stratigraphic - Potash</b>	County <b>Navajo</b>
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Distance in miles and direction from nearest town or post office **Approx. 15 miles SE of Holbrook, AZ**

Proposed depth: <b>1450'</b>	Rotary or cable tools <b>Rotary / Core</b>	Approximate date work will start <b>February 2011</b>
Bond status <b>On File</b> Amount <b>\$50,000</b>	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/>

Remarks **Amended location**

**API 02-017-20046**

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

Mail completed form to:  
Oil and Gas Program Administrator  
Arizona Geological Survey  
416 W. Congress, #100  
Tucson, AZ 85701-1315

Permit Number: 1029

Approval Date: 2-4-2011

Approved By: SL Ramirez

NOTICE: Before sending in 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

- Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
- A registered surveyor shall show on the plat the location of the well and certify this information in the space provided. PN 1029
- ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
- Is the operator the only owner in the dedicated acreage outlined on the plat below? YES  NO
- 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 \_\_\_\_\_
- If the answer to question four is no, list all the owners and their respective interests below:

Owner <b>Southwest Exploration, Inc. / Passport Potash, Inc.</b>	Land Description <b>S1 -T17N - R23E</b>
<p style="text-align: center;"><b>CERTIFICATION</b></p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p>	
Name <b>Joshua Bleak</b>	
Position <b>Agent</b>	
Company <b>Southwest / Passport</b>	
Date <b>1/10/11</b>	
<p>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.</p>	
Date Surveyed <b>1/10/11</b>	
Registered Land Surveyor <b>Gerald K. Wood</b>	
Certificate No. <b>LS 22290</b>	

**PROPOSED CASING PROGRAM**

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
6.625" 4.5"	20.1 11.8 lbs / ft	PWT HWT	5747'	1450' TD	50' Plug at Fresh / Salt Interval	6-9 Bags for Surface Casing	Driller Supplied

Location Change Only

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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
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Well location (give footage from section lines) <b>S from N line 3274.9' W from line 2384.2'</b>	Section - Township - Range or Block and Survey <b>S1 - T17N - R23E</b>	Dedication per A.A.C. R12-7-104(A)(3) N/A
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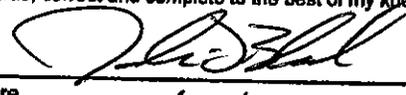
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Bond status <b>On File</b>	Organization Report <b>On file X</b>	Filing Fee of \$25.00 <b>Attached X</b>
Amount <b>\$50,000</b>	Or attached	

Remarks  
**Amended location**  
**API 02-017-20046**

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 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  
**03/01/11**

Mail completed form to:  
Oil and Gas Program Administrator  
Arizona Geological Survey  
418 W. Congress, #100  
Tucson, AZ 85701-1315

Permit Number: **1029**

Approval Date: **3-8-11**

Approved By: 

**STATE OF ARIZONA**  
**OIL & GAS CONSERVATION COMMISSION**  
Application to Drill or Re-enter  
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Form No. 3

(Complete Reverse Side)

5/98

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<p style="text-align: center;"><b>CERTIFICATION</b></p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>Joshua Bleak</i></p> <p>Name <b>Joshua Bleak</b></p> <p>Position <b>Agent</b></p> <p>Company <b>Southwest / Passport</b></p> <p>Date <b>03/01/11</b></p> <p>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.</p> <p>Date Surveyed <b>3/01/2011</b></p> <p>Registered Land Surveyor <b>Gerald K. Wood</b></p> <p>Certificate No. <b>LS 22290</b></p>	

**PROPOSED CASING PROGRAM**

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