

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 86322

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor Option to Purchase the Twin Buttes Ranch	Well number TBR-2011 #12	Elevation (ground) Elev. 5580.0
Nearest distance from proposed location to property or lease line: feet	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease: 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) Section - Township - Range or Block and Survey Dedication per A.A.C. R12-7-104(A)(3)
N line Sec. 25 1984-9; E line 2005-5 **S25 - T17N - R23E** **N/A**

Field and reservoir (if wildcat, so state) County
Wildcat - Stratigraphic - Potash **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 **On file X** Filing Fee of \$25.00 **Attached X**
Amount **\$50,000** Or attached

Remarks

API # 02-017-20052

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Agent of the Southwest Exploration / 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, correct and complete to the best of my knowledge.


Signature
2/23/2011
Date

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

Permit Number: 1030
Approval Date: 3-3-2011
Approved By: SL Rawls

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

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

(Complete Reverse Side)

5/99

- 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 1030
- 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 Southwest Exploration, Inc. / Passport Potash, Inc.	Land Description S25 -T17N - R23E	
		<p style="text-align: center;">CERTIFICATION</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: right;"><i>Joshua Bleak</i></p> <p>Name Joshua Bleak</p> <p>Position Agent</p> <p>Company Southwest / Passport</p> <p>Date 2/23/2011</p>
<p style="text-align: center;">Sec. 25</p> <div style="text-align: center;"> <p style="text-align: center;">Gerald K. Wood Exp. 2013</p> </div>		<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 style="text-align: right;"><i>Gerald K. Wood</i></p> <p>Date Surveyed 2/24/2011</p> <p>Registered Land Surveyor Gerald K. Wood <i>Gerald K. Wood</i></p> <p>Certificate No. LS 22290</p>

PROPOSED CASING PROGRAM

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