

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

HNZ POYASH LLC

Address City State Phone Number

1900 N. Akard Dallas Tx. 214.978.8684

Drilling Contractor

Stewart Brothers Drilling

Address *PO Box 2067 306 Airport Rd. Midland, TX. 79701*

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor Mineral fee lease HNZ Potash	Well number HNZ Potash SW #10	Elevation (ground) 5252'
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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: N/A feet
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Number of acres in lease 640 acres	Number of wells on lease, including this well, completed in or drilling to this reservoir: N/A
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If lease purchased with one or more wells drilled, from whom purchased.	Name	Address
N/A		

Well location (give footage from section lines) 2779.7' from south line, 823' from east line of sec. 5	Section - Township - Range or Block and Survey sec. 5 T15N R23E	Dedication per A.A.C. R12-7-104(A)(3) N/A
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Field and reservoir (if wildcat, so state) Stratigraphic test well for potash	County Apache Navajo
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Distance in miles and direction from nearest town or post office
Approximately 25 miles from Holbrook, AZ.

Proposed depth: 1050 ft.	Rotary or cable tools Rotary	Approximate date work will start 3/30/11
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Bond status <u>Posted</u> Amount \$50,000	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached
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Remarks

API 02-017-20053

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: General Manager of the HNZ Potash LLC (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.

Cedric Bonitto
Signature

Date 2/25/2011

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

Permit Number: 1031
Approval Date: 3-4-2011
Approved By: SL Rainey

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.

PN 1031

- 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.
- 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 communization agreement or otherwise? YES NO If answer is yes, give type of consolidation MINOR INTEREST OWNERS
- If the answer to question four is no, list all of the owners and their respective interests below:

Owner	Land Description Sec 05, T. 15 N., R. 23 E.
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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 _____

Position _____

Company _____

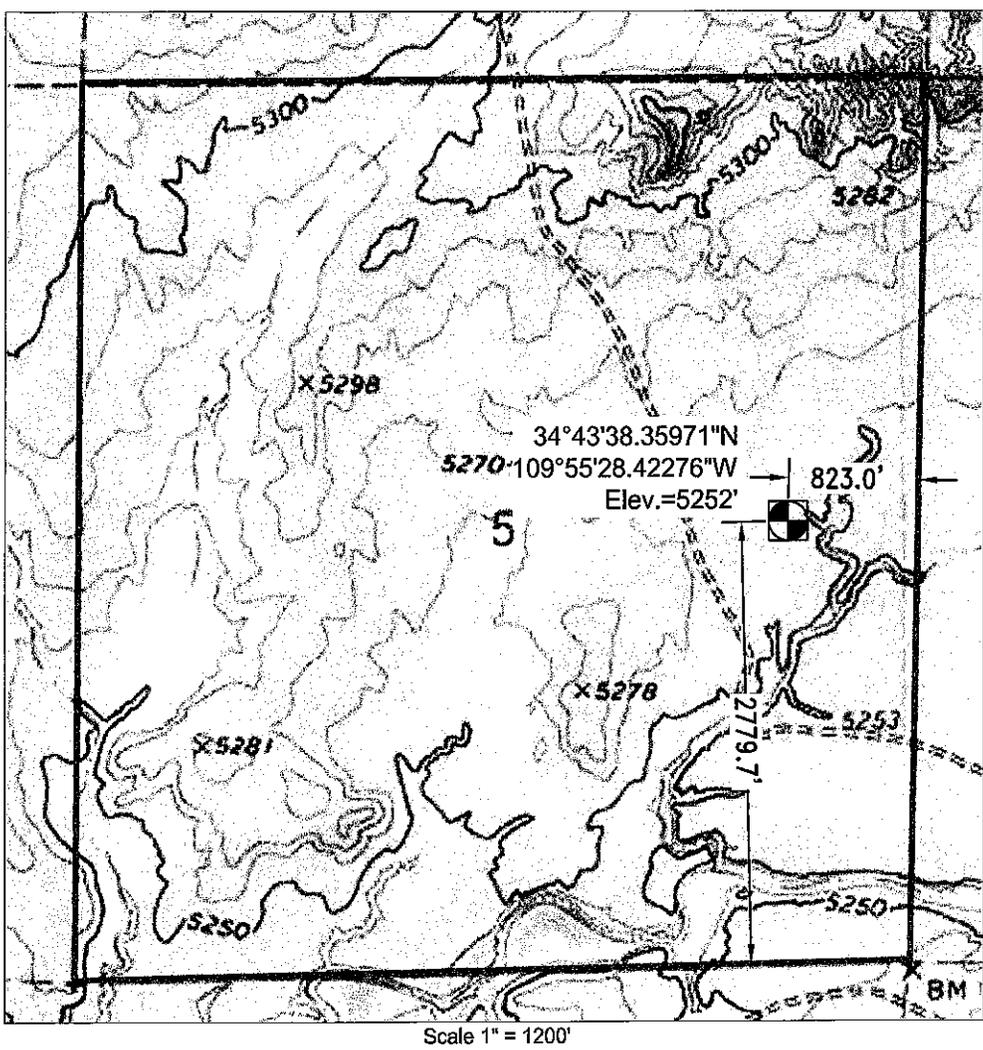
Date _____

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.



Expires 12/31/2011

Date Surveyed	02/21/2011
Registered Land Surveyor	Kenneth Flygare, PLS
Certificate No.	LS 23947



PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
6.625"	20.1#	PWT	5252'	1050'	Csg. temp. removed at well completion	6-9 sacks for surface csg.	Driller supply
4.5"	11.8#	HWT	(surface)	TD			