APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

NAME OF COMPANY OR OPERATOR
HNZ POYASH LLC

Address: 1900 N. Akard
City: Dallas
State: TX
Phone Number: 214.978.8684

Drilling Contractor: Stewart Brothers Drilling
Address: 604 Boy Scout Rd. Midland, TX 79702

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'

Nearest distance from proposed location to property or lease line:
feet: N/A

Distance from proposed location to nearest drilling, completed or applied-for
well on the same lease:
feet: N/A

Number of acres in lease: 640 acres
Number of wells on lease, including this well, completed in or drilling to this reservoir: N/A

If lease purchased with one or more wells drilled, from whom purchased.
Name: N/A
Address: N/A

Well location (give folioage from section lines)
2779.7' from south line, 823' from east line of sec. 5
Section - Township - Range or Block and Survey
t 5 T15N R23E
Dedication per A.A.C. R12-7-104(A)(3) N/A

Field and reservoir (if wildcard, so state):
Stratigraphic test well for potash
County: Navajo

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
Organization Report
Filing Fee of $25.00
Bond status: Posted
Amount: $50,000
Remarks: Attached

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.

Signature: 
Date: 03/16/2011

Mail completed form to:
Oil and Gas Program Administrator
Arizona Geological Survey
416 W. Congress, #100
Tucson, AZ 85701-1319

Permit Number: 1031
Approval Date: 3-4-2011
Approved By: SC Rausch

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
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 communization agreement or otherwise? YES ______ NO ______ If answer is yes, give type of consolidation ______

6. If the answer to question four is no, list all of the owners and their respective interests below:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sec 05, T. 15 N., R. 23 E.</td>
</tr>
</tbody>
</table>

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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.

23947
KENNETH
FLYGARE
ARIZONA, U.S.A.

Expires: 12/31/2011

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

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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</th>
<th>Bottom</th>
<th>Cementing Depths</th>
<th>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.625&quot;</td>
<td>20.14</td>
<td>PWT</td>
<td>5252'</td>
<td>1080'</td>
<td>Ceg. temp. at TD</td>
<td>6-9 sacks</td>
<td>Driller supply</td>
</tr>
<tr>
<td>4.5&quot;</td>
<td>11.84</td>
<td>HWT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>