**APPLICATION FOR PERMIT TO DRILL OR RE-ENTER**

**APPLICATION TO DRILL** ☑

**RE-ENTER OLD WELL** ☐

**NAME OF COMPANY OR OPERATOR**

**HNZ POTASH LLC**

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900 N. Akard</td>
<td>Dallas</td>
<td>Tx.</td>
<td>214.978.8684</td>
</tr>
</tbody>
</table>

**Drilling Contractor**

Stewart Brothers Drilling

| Address | F.O. Box 2067 | 306 Airport Rd. | Milan, NO. 57021 |

**DESCRIPTION OF WELL AND LEASE**

Federal, State or Indian Lease Number, or if fee lease, name of lessee:

Mineral fee lease HNZ Potash

Well number:

HNZ Potash SW #11

Elevation (ground):

5420’

Distance from proposed location to property or lease line:

Feet:

N/A

Fact:

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:

N/A

Field and reservoir (if wildcat, so state):

Stratigraphic test well for potash:

County:

Apache

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

Organized report:

On file

Attached

Bond status:

Posted

Amount:

$50,000

Remarks:

API 02-017-2054

**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.

C. Brian Boutte

Signature:

Date:

2/25/11

**Permit Number:** 1032

**Approval Date:** 3-9-2011

**Approved By:** S. R. [Signature]

**STATE OF ARIZONA**

**OIL & GAS CONSERVATION COMMISSION**

Application to Drill or Re-enter

File Two Copies

Form No. 3

(Complete Reverse Side) 5/96
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 [x]

5. If the answer to question four is no, have the interests of all owners been consolidated by a written 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 15, T. 16 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.

[Signature]

Registered Land Surveyor
Kenneth Flygare, PLS

Certificate No.  LS 23947

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' 4.5&quot;</td>
<td>20.1#</td>
<td>PWT HWT</td>
<td>5420'</td>
<td>1050'</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>

Expires 12/31/2011

Date Surveyed  02/21/2011