

## APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

**HNZ POTASH LLC**

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

Drilling Contractor **STEWART BROTHERS**

Address **MILAN, NM.**

**DESCRIPTION OF WELL AND LEASE**

Federal, State or Indian Lease Number, or if fee lease, name of lessor <b>Mineral Lease, HNZ Potash</b>	Well number <b>HNZ Potash #SW # 13</b>	Elevation (ground) <b>5417 ft.</b>
Nearest distance from proposed location to property or lease line: <b>N/A</b> feet	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease: <b>N/A</b> feet	
Number of acres in lease <b>Approximately 74,000 acres</b>	Number of wells on lease, including this well, completed in or drilling to this reservoir: <b>N/A</b>	

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

Well location (give footage from section lines) <b>1664 from the north line, 2516 from the east line</b>	Section - Township - Range or Block and Survey <b>sec. 22 T16N 22E</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>Stratigraphic test well for potash</b>	County <b>Navajo</b>
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Distance in miles and direction from nearest town or post office  
**About 25 miles from Holbrook, AZ.**

Proposed depth: <b>1050 ft.</b>	Rotary or cable tools <b>Rotary</b>	Approximate date work will start <b>5/1/11</b>
Bond status <u>Posted</u> Amount <b>\$50,000 for up to 49 wells</b>	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/> <b>yes</b>

Remarks

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.

**API # 02-017-20056**

**C. Brian Boutte**

Digitally signed by C. Brian Boutte  
DN: cn=C. Brian Boutte, o=Hunt NZ LLC, ou=Hunt  
Consolidated, email=bboutte@huntoll.com, c=US  
Date: 2011.04.18 11:02:36 -0500

Signature 

Date **4/18/11**

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

Permit Number: 1048  
Approval Date: 4-19-11  
Approved By: SL Rain

**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

1048

- 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 X
- If the answer to question four is no, have the interests of all owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_\_ NO X If answer is yes, give type of consolidation \_\_\_\_\_
- If the answer to question four is no, list all of the owners and their respective interests below:

**HNZ Potash has 100% of all mineral interests**

Owner	Land Description Sec 22, T. 16 N., R. 22 E.
Scale 1" = 1200'	
<p><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	
Position	
Company	
Date	
<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>	
Expires 12/31/2011	
Date Surveyed	04/14/2011
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 1/4"	20.1#	Q10T	5417'	1050'	C56y temp	6-9 scks	Driller
4 1/2"	11.8#	MWT	Surface	TD	Removed At completion	for surface CCLs	Supply