

## 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

City

State

Phone Number

3266 W. Galveston #101

Apache Junction

Arizona

480-288-6530

Drilling Contractor

K & M Drilling

Address

2432 Private Drive, Camp Verde, Arizona 88322

### DESCRIPTION OF WELL AND LEASE

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

Twin Buttes Ranch

Well number

TBR 2011 #13

Elevation (ground)

5739

Nearest distance from proposed location to property or lease line:

60.5 feet

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

1942 feet

Number of acres in lease

640

Number of wells on lease, including this well, completed in or drilling to this reservoir:

2

If lease purchased with one or more wells drilled, from whom purchased.

Name

Address

Well location (give footage from section lines)

1761' FNL; 60.5' FEL

Section - Township - Range or Block and Survey

S24 - T17N - R23E

Dedication per A.A.C. R12-7-104(A)(3)

N/A

Field and reservoir (if wildcat, so state)

Wildcat - Stratigraphic - Potash

County

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

April, 2011

Bond status

On File

Organization Report

Filing Fee of \$25.00

Amount

\$50,000

On file

Or attached

Attached

Remarks

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the:

President

of the

Passport Potash, Inc.

(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 02-017-20057

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

Signature

Date

**STATE OF ARIZONA**  
**OIL & GAS CONSERVATION COMMISSION**

Application to Drill or Re-enter  
File Two Copies

Form No. 3

Permit Number: 1049

Approval Date: 4-25-2011

Approved By: SL Rainey

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

- Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107. 1049
- 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 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: 828-T16N-R29E-24-17n-23
	<p style="text-align: center;"><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> <p style="text-align: center;"><i>[Signature]</i></p> <p>Name: Joshua Bleak</p> <p>Position: Agent</p> <p>Company: Southwest / Passport</p> <p>Date: 4/15/11</p> <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>Date Surveyed: 4-13-11</p> <p>Registered Land Surveyor: <b>Gerald K. Wood</b></p> <p>Certificate No.: LS. 22290</p>
<p>Sec 24</p> <p style="text-align: center;"> </p>	

**PROPOSED CASING PROGRAM**

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depth	Sacks Cement	Type
8.625"	20.1	PWT		1450' TD	50' Plug at Fresh / Salt Interval	8-9 Bags for Surface Casing	Driller Supplied
4.5"	11.8 lbs / ft	HWT					