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.

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>3266 W. Galveston #101</td>
<td>Apache Junction</td>
<td>Arizona</td>
<td>480-288-6530</td>
</tr>
</tbody>
</table>

Drilling Contractor: K & M Drilling

<table>
<thead>
<tr>
<th>Address</th>
<th>Drilling Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2432 Private Drive, Camp Verde, Arizona 85322</td>
<td>K &amp; M Drilling</td>
</tr>
</tbody>
</table>

DESCRIPTION OF WELL AND LEASE

<table>
<thead>
<tr>
<th>Federal, State or Indian Lease Number, or if fee lease, name of lessor</th>
<th>Well number</th>
<th>Elevation (ground)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twin Buttes Ranch</td>
<td>TBR 2011 #14</td>
<td>5590 feet</td>
</tr>
</tbody>
</table>

Nearest distance from proposed location to property or lease line:

<table>
<thead>
<tr>
<th>Distance from proposed location to nearest drilling, completed or applied for well on the same lease:</th>
</tr>
</thead>
<tbody>
<tr>
<td>3653 feet</td>
</tr>
</tbody>
</table>

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:

<table>
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<tr>
<th>Name</th>
<th>Address</th>
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</thead>
</table>

Well location (give footage from section lines):

246° FSL, 794° FEL

Section - Township - Range or Block and Survey:
S25 - T17N - R23E

County: Navajo

Field and reservoir (if wildcat, so state):
Wildcat - Stratigraphic - Potash

Distance in miles and direction from nearest town or post office:
Approx. 15 miles SE of Holbrook, AZ

Proposed depth:
1400 feet

Rotary or cable tools:
Rotary / Core

Organization Report:
On file

Bond status: On File
Bond amount: $50,000

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.

Signature: [Signature]
Date: APRIL 15, 2011

API # 02-017-20058

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Drill or Re-enter
File Two Copies

Form No. 3

(Complete Reverse Side)
1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.G. 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 X** **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 the owners and their respective interests below:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Southwest Exploration, Inc. / Passport Potash, Inc.</th>
</tr>
</thead>
</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:** Joshua Sleak

**Position:** Agent

**Company:** Southwest / Passport

**Date:** 4/15/11

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**Data Surveyed:** 4-13-11

**Registered Land Surveyor:** Gerald K. Wood

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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>Casinging Depth</th>
<th>Bails Cement</th>
<th>Sacks Cement</th>
<th>Type Driller Supplied</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.875&quot; 4.5&quot;</td>
<td>20.1</td>
<td>PWT</td>
<td>1450 TD</td>
<td>50' Plug at Fresh / Ball Interval</td>
<td>8-9 Bags for Surgeon Cement</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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