

## 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 <b>State Lease 08-113917</b>	Well number <b>PP-2011-40</b>	Elevation (ground) <b>5777'</b>
Nearest distance from proposed location to property or lease line:  <b>480</b> feet	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:  feet	
Number of acres in lease  <b>640</b>	Number of wells on lease, including this well, completed in or drilling to this reservoir:  <b>0</b>	

If lease purchased with one or more wells drilled, from whom purchased.	Name	Address
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Well location (give footage from section lines) <b>480' FNL; 1872' FWL</b>	Section - Township - Range or Block and Survey <b>S2 - T17N - R25E</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>Wildcat - Stratigraphic - Potash</b>	County <b>Apache</b>
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Distance in miles and direction from nearest town or post office  
**Approx. 30 miles SE of Holbrook, AZ**

Proposed depth: <b>1450</b>	Rotary or cable tools <b>Rotary / Core</b>	Approximate date work will start <b>June, 2011</b>
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Bond status <u>On File</u> Amount <b>\$50,000</b>	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/>
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Remarks

*API # 02-001-20405*

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Agent of the Southwest / Passport (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 06/10/11

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

Permit Number: 1054  
Approval Date: 6-15-2011  
Approved By: SK Rainey

**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

1054

1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R13-7-107.
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 communication 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:

Owner: Southwest Exploration/Passport Potash	Land Description: NW 1/4 S.2 T17N, R25E
	<p style="text-align: center;"><b>CERTIFICATION</b></p> <p>I hereby certify that the information shown in this plat complies to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>Joshua Bleak</i></p> <p>Name: <u>JOSHUA BLEAK</u></p> <p>Position: <u>Agent</u></p> <p>Company: <u>Southwest/Passport</u></p> <p>Date: <u>06/10/11</u></p> <hr/> <p>I hereby certify that the well location shown on this 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: <u>11/18/08</u></p> <p>Registered Land Surveyor:</p> <p style="text-align: center;"><i>Gerald K. Wood</i></p> <p>Certificate No. <u>22290 PLS</u></p>

**PROPOSED CASING PROGRAM**

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depth	Backs Cement	Type
6-625"	20-1	PWT		1350'TD	50' Plug at Fresh/Salt Interval	6-9 Bags for Surface casing	Driller Supplied
4-5"	11-8 lbs/ft	HWT					