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 lease, name of lessee
State Lease 08-113988

Well number     PP-2011-45
Elevation (ground)     5811'

Nearest distance from proposed location to property or lease line:
943 feet

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

Number of acres in lease
640

Number of wells on lease, including this well, completed in or drilling to this reservoir:
0

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

Name     Address

Well location (give footage from section lines)
1400' FSL; 943' FEL

Section - Township - Range or Block and Survey
S16 - T17N - R25E

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

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

County     Apache

Distance in miles and direction from nearest town or post office
Approx. 30 miles SE of Holbrook, AZ

Proposed depth:     1450

Rotary or cable tools
Rotary / Core

Organization Report
Bond status     On File
Amount     $50,000

On file X Or attached

Filing Fee of $25.00

Remarks

APL # 02-001-20408

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     02/10/11

Date

Permit Number:     1057
Approval Date:     6-15-2011
Approved By:     SC Ralong

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

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 plot the acreage dedicated to the well in compliance with A.A.C. R13-7-107.
2. A registered surveyor shall show on the plot 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 a consolidation 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>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southwest Exploration/Pasquale Petralph</td>
<td>SE 1/4 S-16 T-11N R-05E</td>
</tr>
</tbody>
</table>

CERTIFICATION

[Signature]

[Name]

[Company]

[Date]

June 10, 2011

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>Drilling Diameter</th>
<th>Grade Casing</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-625&quot; 4-5&quot;</td>
<td>20-1</td>
<td>PWT</td>
<td>1350'TD</td>
<td>50' Plug at Fresh/Salt interval</td>
<td>6-9 Bags for Surface Casing</td>
<td>Driller Supplied</td>
<td></td>
</tr>
</tbody>
</table>