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>3260 W. Galveston #101</td>
<td>Apache Junction</td>
<td>Arizona</td>
<td>480-288-0530</td>
</tr>
</tbody>
</table>

Drilling Contractor: K & M Drilling

Address: 2432 Private Drive, Camp Verde, Arizona 88322

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>State Lease 08-113989</td>
<td>PP-2011-46</td>
<td>5591'</td>
</tr>
</tbody>
</table>

Nearest distance from proposed location to property or lease line:

1347 feet

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

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): 1347' FSL: 2644' FEL

Section - Township - Range or Block and Survey
S18 - T17N - R25E

Wildcat - Stratigraphic - Potash

Well and reservoir (if wildcat, use state): 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

Filing Fee of $25.00

Remarks

API #: 02-001-20409

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

Permit Number: 1058

Approval Date: 6-15-2011

Approved By: SC Rivera

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 plat the acreage described to the well in compliance with A.C. R12-7-167.

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 of the described acreage outlined on the plat below? YESS 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 current and their respective interests below:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CERTIFICATION

I hereby certify that the information shown in this plat is true and complete to the best of my knowledge and belief.

[Signature]

Name: Joshua Bleak
Position: Agent
Company: Southwest Explorations
Date: June 10, 2011

PROPOSED CAMPG PROGRAM

<table>
<thead>
<tr>
<th>Size of Casing</th>
<th>Weight</th>
<th>Grade &amp; Type</th>
<th>Top</th>
<th>Method</th>
<th>Casing Capacity</th>
<th>Shells Casing</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.625&quot; x 4.5&quot;</td>
<td>20.1</td>
<td>PNT HNT</td>
<td>1350' TD</td>
<td>50' Plug at Fresh/Salt</td>
<td>6-9 bags for surface casing</td>
<td>Driller Supplied</td>
<td></td>
</tr>
</tbody>
</table>