APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL [X]  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

Address
2432 Private Drive, Camp Verde, Arizona 85322

DESCRIPTION OF WELL AND LEASE

<table>
<thead>
<tr>
<th>Federal, State or Indian Lease Number, or if fee lease, name of lessee</th>
<th>Well number</th>
<th>Elevation (ground)</th>
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<tr>
<td>State Lease 06-113992</td>
<td>PP-2011-48</td>
<td>5770'</td>
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Nearest distance from proposed location to property or lease line:
152 feet

Number of acres in lease
640

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

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

Well location (give footage from section lines)
152' FNL; 2253' FWL

Section - Township - Range or Block and Survey
S24 - T17N - R25E

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

Field and reservoir (if wildcard, 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:
1480

Rotary or cable tools
Rotary / Core

Approximate date work will start
June, 2011

Bond status
On File

Organization Report

Filing Fee of $25.00

Amount
$50,000

On file [X] Or attached [ ]

Remarks

API #: 02-001-20411

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

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

Permit Number: 1060

Approval Date: 6-15-2011

Approved By: SL Rains

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 accordance with A.A.C. 14.13-7-107.
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 plot below?  YES _X_  NO ___
5. If the answer to question four is no, have the interests at all owners been consolidated by commutation 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:

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<tr>
<th>Owner</th>
<th>Southwest Exploration/Passport Pteach</th>
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**CERTIFICATION**

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

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

**PROPOSED CASING PROGRAM**

| Size of Casing | Weight | Grade & Type | Top | Completion Date | Static Casing
|----------------|--------|--------------|-----|----------------|-----------------
| 7-1/2"        | 20-1   | PNT          | 1350'TD | 50' Plug at Fresh/Salt Interval | 4-9 Bags for Surface Casing | Driller Supplied

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