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 86322

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>
</tr>
</thead>
<tbody>
<tr>
<td>State Lease 06-113518</td>
<td>PP-2011-49</td>
<td>5692'</td>
</tr>
</tbody>
</table>

Nearest distance from proposed location to property or lease line: 1614 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 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): 2592' FNL; 1614' FEL

Section - Township - Range or Block and Survey: S4 - 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: 1460

Rotary or cable tools: Rotary / Core

Organization Report: On file

Bond status: On File

Amount: $50,000

Filing Fee of $25.00

Or attached: Attached

Remarks

API # 02-001-20412

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: [Signature]

Date: 06/10/11

Permit Number: 1061

Approval Date: 6-15-2011

Approved By: [Signature]

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 area(s) 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 area(s) 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 a written agreement or otherwise? YES ☑ NO ☑. If answer is YES, give type of consolidation.
6. If the answer to question four is NO, list all owners and their respective interests below:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Southwest Exploration/Patisfaction Package</th>
</tr>
</thead>
<tbody>
<tr>
<td>NE 74S 4T 17N R 25E</td>
<td></td>
</tr>
</tbody>
</table>

**CERTIFICATION**

I hereby certify that the information shown on the plat was plotted from field notes of official survey notes by me or under my supervision, and that the plat is true and correct to the best of my knowledge and belief.

Name: Joshua A. Williams
Position: Agent
Company: Southwest/Patisfaction Package
Date: June 10, 2011

I hereby certify that the well location shown on the plat was plotted from field notes of official survey notes by me or under my supervision, and that the plat is true and correct to the best of my knowledge and belief.

Date Surveyed: 11-18-08
Registered Land Surveyor: Charles K. Wood
Certificate No: 8522290

**PROPOSED DRILLING PROGRAM**

<table>
<thead>
<tr>
<th>Size of Casing</th>
<th>Weight</th>
<th>Grade &amp; Type</th>
<th>Top</th>
<th>Bottom</th>
<th>Counting Depth</th>
<th>Rate &amp; Casing</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-6.25&quot;</td>
<td>20'</td>
<td>PNT</td>
<td>1350' TD</td>
<td>60° Plug at Fresh/Salt Interval</td>
<td>6-9 Bags for Surface Casing</td>
<td>Driller Supplied</td>
</tr>
</tbody>
</table>