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
3266 W. Galveston #101
Drilling Contractor
K & M Drilling

City
Apache Junction
Phone Number
480-288-6530
State
Arizona

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
State Lease 08-113919
Well number
PP-2011-50
Elevation (ground)
5569'

Nearest distance from proposed location to property or lease line:
1739 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 drilled 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)
1739' FNL; 2170' F WL
Section - Township - Range or Block and Survey
S8 - 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
Approximate date work will start
June, 2011
Bond status
On File
Organization Report
On file X
Amount
$50,000
Or attached
Filing Fee of $25.00
Attached X

Remarks

API # 02-001-20413

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
02/10/11

Permit Number:
1062
Approval Date:
6-15-2011
Approved By:

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 dedicated to the well in compliance with A.A.C. R16-7-107.
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 X NO**
5. If the answer to question four is no, have the interests of all owners been consolidated by communization 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/Passport Potash</td>
<td>NW1/4 S8T17N R25E</td>
</tr>
</tbody>
</table>

**CERTIFICATION**

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

**Joshua Bleak**

**Agent**

**Southwest/Passport**

**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>Cementing Depth</th>
<th>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-625&quot;</td>
<td>20.1</td>
<td>PWT</td>
<td>1350' TD</td>
<td>50' Plug at Fresh/Salt Internal</td>
<td>6-9 Bags for Surface Casing</td>
<td>Driller Supplied</td>
<td></td>
</tr>
</tbody>
</table>