# Application for Permit to Drill or Re-enter

**Application to Drill** ☐  **Re-enter Old Well** ☐

## Name of Company or Operator

HNZ POTASH LLC

**Address** 1900 N. Akard  **City** Dallas  **State** TX  **Phone Number** 214.978.8684

**Drilling Contractor** Stewart Brothers Drilling

**Address** Milan, New Mexico

## Description of Well and Lease

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feder. State or Indian Lease Number, or if fee lease, name of lessor</td>
<td></td>
</tr>
<tr>
<td>Fee Mineral Lease, HNZ Potash</td>
<td></td>
</tr>
<tr>
<td>Nearest distance from proposed location to property or lease line:</td>
<td>N/A</td>
</tr>
<tr>
<td>Well number</td>
<td>HNZ Potash #15</td>
</tr>
<tr>
<td>Elevation (ground)</td>
<td>5495 ft.</td>
</tr>
<tr>
<td>Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:</td>
<td>Approx. 1 mile NE of HNZ 13</td>
</tr>
<tr>
<td>Number of wells in lease</td>
<td>N/A</td>
</tr>
<tr>
<td>Number of wells on lease, including this well, completed in or drilling to this reservoir:</td>
<td>Approximately 74,000</td>
</tr>
</tbody>
</table>

If lease purchased with one or more wells drilled, from whom purchased: N/A

## Well Location

- **Field and reservoir**: (if wildcat, or state)
- **Stratigraphic test well for potash**: Apache

## Proposed Depth

- **Proposed depth**: Approximately 1200’

## Bond Status

- **Amount**: Posted $50,000

## Organization Report

- **On file**: Yes
- **Attached**: Yes

## API Number

- API # 02-001-20417

## Certificate

I, the undersigned, under the penalty of perjury, state that I am the General Manager of the HNZ Potash (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** 9/13/11

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**State of Arizona**

**Oil & Gas Conservation Commission**

Applicant to Drill or Re-enter

Filo Two Copies

**Form No. 3**

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**Permit Number** 1066

**Approval Date** 7-18-2011

**Approved By**

**NOTICE**: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.
1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.

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 __ NO __

5. If the answer to question four is no, have the interests of all owners been consolidated by communilization agreement or otherwise?  YES ___ NO ___ If answer is yes, give type of consolidation  

6. If the answer to question four is no, list all of the owners and their respective interests below:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sec 15, T. 16N., R. 24E.</td>
</tr>
</tbody>
</table>

**CERTIFICATION**

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

Name ___________________________

Position _______________________

Company _______________________

Date ___________________________

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

23947 KENNETH FLYGARE
AZ Reg. Land Surveyor

Expires 12/31/2011

Date Surveyed 07/12/2011

Registered Land Surveyor

Kenneth Flygare, PLS

Certificate No. LS 23947

**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 Depths</th>
<th>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 3/8&quot; 9 1/4&quot; 7&quot;</td>
<td>23 # 20 # 17 #</td>
<td>DWT HUT Reticw</td>
<td>0'</td>
<td>0'</td>
<td>0' - 20' 6' - 650' 1100' - 1150'</td>
<td>25 200 20%</td>
<td>Cement Cement Cement</td>
</tr>
</tbody>
</table>