APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

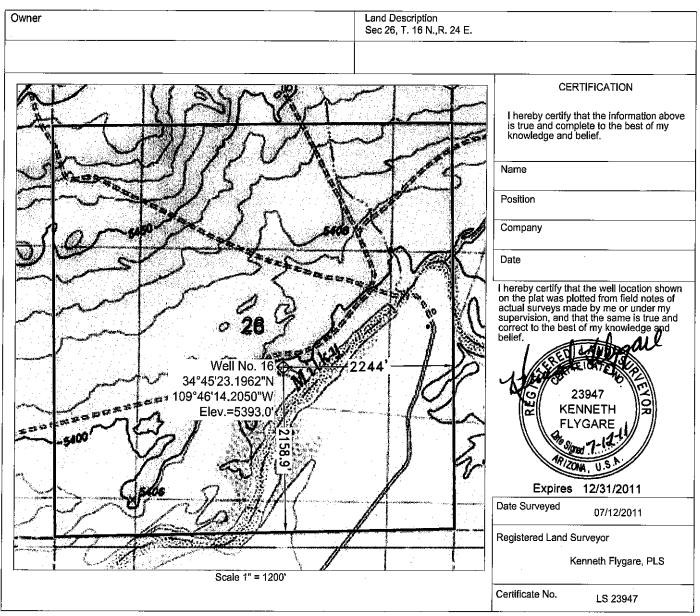
APPLICATION TO DRILL [7]

RE-ENTER OLD WELL

AT EIGHTION TO BRILL	_		1	NE-ENIER (OCD WELL [7]		
NAME OF COMPANY OR OPERATOR				•	,		
HNZ POTASH LLC							
Address		City	<u>-</u>	State	Phone Number		
1900 N. Akard Da		Dalla	as	TX.	214.978.8684		
Orilling Contractor Stewart Brothers Drilling							
Address Milan, New Mexico							
	DESC	CRIPTION OF	WELL AND LEASE				
Federal, State or Indian Lease Number, or if fee lease, name of lessor			Well number		Elevation (ground)		
Fee Mineral Lease, HNZ Potash Nearest distance from proposed location to property or lease line:			HNZ Potash #16 Distance from proposed to	cation to nears	5393 ft. et drilling, completed or applied-for		
N/A			well on the same lease:				
	teet			Approx. 1.5 mile S. of HNZ 13 feet			
Number of acres in lease Approximately 74 000			Number of wells on lease,	including this w	rell, completed in or drilling to this reservoir:		
Approximately 74,000							
If lease purchased with one or more wells Nam drilled, from whom purchased. N/A	ne		Adı	dress			
Well location (give footage from section lines)			nip - Range or Block and Sur	vey	Dedication per A.A.C. R12-7-104(A)(3)		
2244' from E. Line and 2158.9' from S. line Sec Field and reservoir (if wildcat, so state)	3. 26	Sec. 26, T. 16	County		N/A		
Stratigraphic test well for potash			Apache				
Distance in miles and direction from nearest town or post Approximately 25 miles from Holbrook, AZ							
Proposed depth: Approximately 1200'				Approximate date work will start 8/15/11			
Bond status Posted \$50,000 Amount	Organizatio On file Ye	•	attached	Filing Fee of \$25.00 Yes			
Remarks	Offile 10	o Ora	attacrieu	Attached			
API # 02-001-20418							
CERTIFICATE: I, the undersigned, under the po	enalty of ne	riury state that	t Lam the General M	anager			
HNZ Potash		•			y to make this report; and that this		
report was prepared under my supervision and d			•		• •		
			16	Bon	Mz		
Mail completed form to:			Signature	7/13	.11		
Oil and Gas Program Administrator Arizona Geological Survey 416 W. Congress, #100 Tucson, AZ 85701-1315			Date C.	B.B	outle		
Permit Number: 1067							
Approval Date: 7-18-2011			STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION				
Approved By: 54 Rein 7				Application to Drill or Re-enter			
NOTICE: Before sending in this form be sure that you requested. Much unnecessary corresponde	have given a	If information		File Two	Copies		
requested. Inden dimecessary corresponde	AIGO WIII IIIUS I	se avoided.	Form No. 3				

- 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_V NO____
- 5. If the answer to question four is no, have the interests of all owners been consolidated by communitization 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:



PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Тор	Bottom	Cementing Depths	Sacks Cement	Туре
13 3/8*	23 #	aut	0	20'	0-20	52	contractu
9.5/8"	26年	HWY	0'	650	0-650	250	Cemeso
7"	9-14	Retrouble	0	1150	1100'-1156	20-1/	Cemezo

"Cft hand tread"