

## 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

City

State

Phone Number

3266 W. Galveston #101

Apache Junction

Arizona

480-288-6530

Drilling Contractor

K & M Drilling

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

Option to Purchase Twin Buttes Ranch

Well number

TBR #16

Elevation (ground)

5530'

Nearest distance from proposed location to property or lease line:

1981 feet

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:

1804 feet

Number of acres in lease

640

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

1

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

Name

Address

Well location (give footage from section lines)  
1981.0' FSL; 2458.5' FEL

Section - Township - Range or Block and Survey  
S5 - T17N - R23E

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

Field and reservoir (if wildcat, so state)

Wildcat - Stratigraphic - Potash

County

Navajo

Distance in miles and direction from nearest town or post office

Approx. 15 miles SE of Holbrook, AZ

Proposed depth:

1450'

Rotary or cable tools

Rotary / Core

Approximate date work will start

July, 2011

Bond status On File

Amount \$50,000

Organization Report

On file  Or attached

Filing Fee of \$25.00

Attached

Remarks

API # 02-017-20062

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Agent of the Passport Potash, Inc. (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

7/13/2011

Date

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

Permit Number: 1072

Approval Date: 7-18-2011

Approved By: SL Rainey

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

PN 1072

- Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
- A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.
- ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
- Is the operator the only owner in the dedicated acreage outlined on the plat below? YES  NO
- 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 \_\_\_\_\_
- If the answer to question four is no, list all the owners and their respective interests below:

Owner	Land Description
Southwest Exploration, Inc. / Passport Potash, Inc.	S5 - T17N - R23E

  

**CERTIFICATION**

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

Joshua Bleak  
Name  
CEO  
Position  
Passport Potash, Inc.  
Company  
7/13/2011  
Date

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

Date Surveyed 7/09/2011  
Registered Land Surveyor  
Gerald K Wood  
Certificate No. LS 22290

**PROPOSED CASING PROGRAM**

Size of Casing 6.625" 4.5'	Weight 20.1 11.8 lbs/ft	Grade & Type PWT HWT	Top	Bottom 1450' TD	Cementing Depths 50' plug at fresh/ salt interval	Sacks Cement 6-9 bags for surface casing	Type Driller supplied
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