

## 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 #17

Elevation (ground)

~~5587~~ 5546'

Nearest distance from proposed location to property or lease line:

2968.6 feet

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

N/A feet

Number of acres in lease

640

Number of wells on lease, including this well, completed in 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)

~~2968.6' FSL- 3294.5' FEL 1996' fsl + 2313' fel~~

Section - Township - Range or Block and Survey

S15 - 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

Organization Report

Filing Fee of \$25.00

Amount \$50,000

On file

Or attached

Attached

Remarks

*Amended location*

*API # 02-017-20063*

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

*[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: 1073

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.

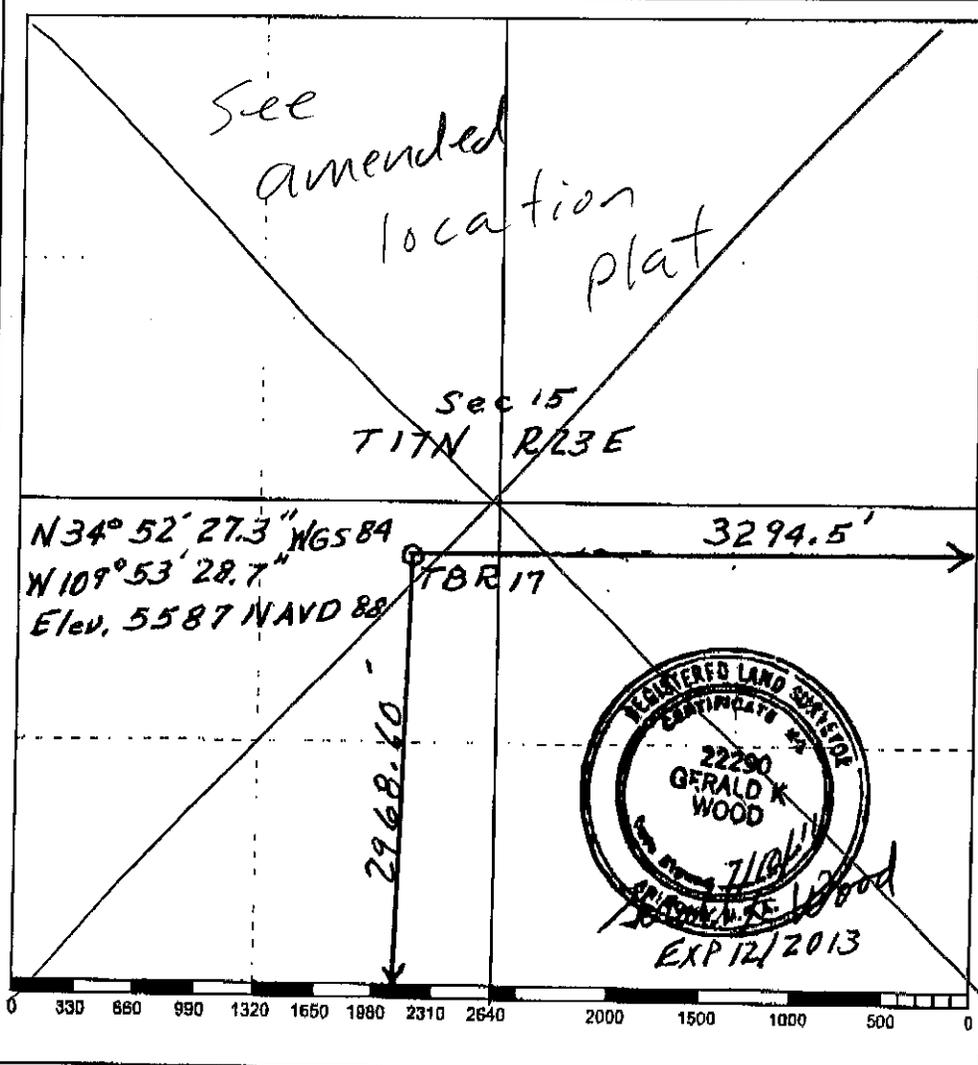
**STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION**

Application to Drill or Re-enter  
File Two Copies

Form No. 3

- Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107. PN 1073
- 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 communization 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.	S15 - 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

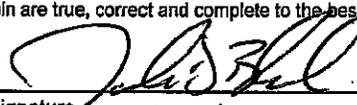
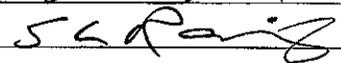
I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed 7/10/2011  
 Registered Land Surveyor  
 Gerald K Wood  
 Certificate No. LS 22290

**PROPOSED CASING PROGRAM**

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

Location Change Only

AMENDED LOCATION ONLY			
APPLICATION FOR PERMIT TO DRILL OR RE-ENTER			
APPLICATION TO DRILL <input checked="" type="checkbox"/>		RE-ENTER OLD WELL <input type="checkbox"/>	
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 #17	Elevation (ground) 5546'
Nearest distance from proposed location to property or lease line:  1996 feet		Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:  N/A feet	
Number of acres in lease  640		Number of wells on lease, including this well, completed in 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) 1996' FSL; 2313' FEL		Section - Township - Range or Block and Survey S15 - 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 Amount	On File \$50,000	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/>
Remarks  Amended location  API # 02-017-20063			
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: <u>agent</u> of the <u>Passport Potash / Southwest</u> (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.			
Mail completed form to: Oil and Gas Program Administrator Arizona Geological Survey 418 W. Congress, #100 Tucson, AZ 85701-1315		Signature  Date 08/09/11	
Permit Number: 1073	Approval Date: 8-10-2011	Approved By: 	
NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.		STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Application to Drill or Re-enter File Two Copies	
Form No. 3			

PN 1073

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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 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 the owners and their respective interests below:

Owner	Land Description						
Southwest Exploration, Inc. / Passport Potash, Inc.	S15 - T17N - R23E						
<p>T17N R23E</p> <p>Sec. 15</p>							
<p>N 34° 52' 18.1"</p> <p>W 109° 53' 17.2"</p> <p>Elev. 5546</p> 	<p style="text-align: center;">2313'</p> <p style="text-align: center;">Elev.</p> <p style="text-align: center;">1996'</p>						
<p style="text-align: center;">0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0</p>							
<b>PROPOSED CASING PROGRAM</b>							
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

**CERTIFICATION**

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

Name: Joshua Bleak

Position: CEO

Company: Passport Potash/Southwest

Date: 08/09/11

*Joshua Bleak*

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: 8/09/2011

Registered Land Surveyor

Gerald K. Wood

Certificate No. LS 22290