

## 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 <b>Option to Purchase Twin Buttes Ranch</b>	Well number <b>TBR #18</b>	Elevation (ground) <b>5510'</b>
Nearest distance from proposed location to property or lease line:  <b>2020</b> feet	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:  <b>N/A</b> feet	
Number of acres in lease  <b>640</b>	Number of wells on lease, including this well, completed in or drilling to this reservoir:  <b>0</b>	

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

Well location (give footage from section lines) <b>2431.2' FSL; 2020.1' FEL</b>	Section - Township - Range or Block and Survey <b>S17 - T17N - R23E</b>	Dedication per A.A.C. R12-7-104(A)(3) <b>N/A</b>
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Field and reservoir (if wildcat, so state) <b>Wildcat - Stratigraphic - Potash</b>	County <b>Navajo</b>
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Distance in miles and direction from nearest town or post office  
**Approx. 15 miles SE of Holbrook, AZ**

Proposed depth: <b>1450</b>	Rotary or cable tools <b>Rotary / Core</b>	Approximate date work will start <b>July, 2011</b>
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Bond status <b>On File</b> Amount <b>\$50,000</b>	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached <input checked="" type="checkbox"/>
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Remarks

**API # 02-017-20064**

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: 1074  
Approval Date: 7-18-2011  
Approved By: SL Rain

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 1074

- 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.	S17 - T17N - R23E

  

<div style="text-align: center; margin-bottom: 20px;"> <p>sec 17 T17N R23E</p> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>N 34° 52' 21.9" W GS 84 W 109° 55' 20.4" WGS 84 Elev. 5510 NAVD 88</p> </div> <div style="width: 50%; text-align: center;"> <p>TBR-18</p> </div> </div> <div style="margin-top: 20px;"> </div>	<div style="text-align: center; margin-bottom: 20px;"> <p>CERTIFICATION</p> </div> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p>Joshua Bleak Name CEO Position Passport Potash, Inc. Company 7/13/2011 Date</p> <p style="text-align: right;"><i>[Signature]</i></p> <p>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.</p> <p>Date Surveyed 7/09/11 Registered Land Surveyor Gerald K. Wood Certificate No. LS 22290</p>
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**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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