# Application for Permit to Drill or Re-enter

## Application to Drill [ ]

### Re-enter Old Well [ ]

### Name of Company or Operator

**HNZ Potash LLC**

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900 N. Akard</td>
<td>Dallas</td>
<td>TX.</td>
<td>214.978.8684</td>
</tr>
</tbody>
</table>

### Drilling Contractor

Stewart Brothers Drilling

### Address

Milan, New Mexico

### Description of Well and Lease

**Federal, State or Indian Lease Number, or if lease, name of lessor**

**Fee Mineral Lease, HNZ Potash**

<table>
<thead>
<tr>
<th>Well Number</th>
<th>Elevation (ground)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HNZ SW #14</td>
<td>5520 ft.</td>
</tr>
</tbody>
</table>

**Nearest distance from proposed location to property or lease line:**

<table>
<thead>
<tr>
<th>n/a</th>
<th>2 miles SW from HNZ SW #9</th>
</tr>
</thead>
</table>

**Number of acres in lease**

<table>
<thead>
<tr>
<th>n/a</th>
</tr>
</thead>
</table>

**Approximately 74,000**

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

<table>
<thead>
<tr>
<th>n/a</th>
</tr>
</thead>
</table>

### Stratigraphic Test Well for Potash

**Well location (give footage from section lines)**

2610.3 ft. FSL, 2495.8 ft. FEL sec. 15

**Section - Township - Range or Block and Survey**

sec.15 T15N R24E

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

<table>
<thead>
<tr>
<th>n/a</th>
</tr>
</thead>
</table>

**Field and reservoir (if Wildcat, so state)**

<table>
<thead>
<tr>
<th>n/a</th>
</tr>
</thead>
</table>

**County**

Apache

**Distance in miles and direction from nearest town or post office**

Aprox. 25 miles from Holbrook, AZ.

**Proposed depth:**

Aprox. 1200'

**Rotary or cable tools**

Rotary

**Organization Report**

On file

**Filing Fee of $25.00**

Attached

**Remarks**

**API 2020423**

### Certificate

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**

8/16/11

### Permit Information

**Permit Number:**

1076

**Approval Date:**

8-22-2011

**Approved By:**

[Signature]

**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

(Complete Reverse Side)
1. Operator shall outline on the plot the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
2. A registered surveyor shall show on the plot 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 plot 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 [X] 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. 15 N., R. 24 E.</td>
</tr>
<tr>
<td></td>
<td>LOT 157, RIVER MEADOWS RANCH U2</td>
</tr>
</tbody>
</table>

**CERTIFICATION**

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Company</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>12/31/2011</td>
</tr>
</tbody>
</table>

Expires 12/31/2011

**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 Depth</th>
<th>Bottom Depth</th>
<th>Cementing Depths</th>
<th>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 3/8&quot; 9 5/8&quot;</td>
<td>2.30</td>
<td>DW T</td>
<td>0'</td>
<td>20'</td>
<td>0-20', 0-65'</td>
<td>25</td>
<td>20&quot;</td>
</tr>
<tr>
<td></td>
<td>20.4</td>
<td>NWT</td>
<td></td>
<td>1100-1150</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>17.4</td>
<td>Readerable</td>
<td>20'</td>
<td>1150</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>