APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL ☑

NAME OF COMPANY OR OPERATOR

HNZ Potash LLC

Address: 1900 N. Akard
City: Dallas
State: TX.
Phone Number: 214.978.8684

Drilling Contractor: Stewart Brothers Drilling
Address: Milan, New Mexico

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor: Well number: HNZ SW #15
Fee Mineral Lease, HNZ Potash: Elevation (ground): 5498 ft.

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

n/a feet: 1.2 miles SW from HNZ SW #14 feet

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

Approximately 74,000: n/a

If lease purchased with one or more wells drilled, from whom purchased:
Name: n/a
Address:

Stratigraphic test well for potash

Field and reservoir (if wildcard, so state):
County:

n/a: 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:

bond status:
Amount:

Post $50,000
Organization Report:

On file: Yes
Or attached: Attached

Remarks:

API: 02-001-20424

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: [Signature]
Date: [Date]

Permit Number: 1077
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 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 NO

5. 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

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 26, T. 15 N., R. 24 E.</td>
</tr>
<tr>
<td></td>
<td>TRACT 14, RIVER MEADOWS RANCHES 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.

Name

Position

Company

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.

23947  
KENNETH FLYGARE  
D.S. 8/14/11

Expires 12/31/2011

Date Surveyed 06/09/2011

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</th>
<th>Bottom</th>
<th>Cementing Depths</th>
<th>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
</table>
| 13 3/8" × 9 5/8" | 235' | 20wt | 0' | 20' | 0-20', 0-650', 1150-1150 | 25 | Contrator Lemex