APPLICATION FOR PERMIT TO DRILL OR RE-ENTER APPLICATION TO DRILL Z RE-ENTER OLD WELL [NAME OF COMPANY OR OPERATOR HNZ Potash LLC City State Phone Number 1900 N. Akard **Dallas** TX. 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 lesson Well number Elevation (ground) Fee Mineral Lease, HNZ Potash HNZ Milky #22 Nearest distance from proposed location to property or lease line: Distance from proposed location to nearset drilling, completed or applied-for well on the same lease: About 2 miles east of HNZ Milky #8 feet Number of wells on lease, including this well, completed in or drifting to this reservoir: Number of acres in lease Approximately 74,000 n/a If lease purchased with one or more wells drilled, from whom purchased. Address Stratigraphic test well for potash Well location (give footage from section lines) Section - Township - Range or Block and Survey Dedication per A.A.C. R12-7-104(A)(3) 2560.9 ft. FEL and 2444.6 ft. FSL sec. 9 T16N R25E Field and reservoir (if wildcat, so state) County Apache n/a Distance in miles and direction from nearest town or post office Aprox. 25 miles from Holbrook, AZ. Approximate date work will start Proposed depth: Rotary or cable tools Aprox. 1200' Sept. 2011 rotary Filing Fee of \$25.00 Yes Posted \$50,000 Organization Report Bond status On file Yes Attached Amount Or attached Remarks 02-001-20426 CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: General Manager of the HNZ Potash LLC (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 416 W. Congress, #100 Tucson, AZ 85701-1315 Date

Approval Date: 9-14-2011

Approved By: 54 Paix

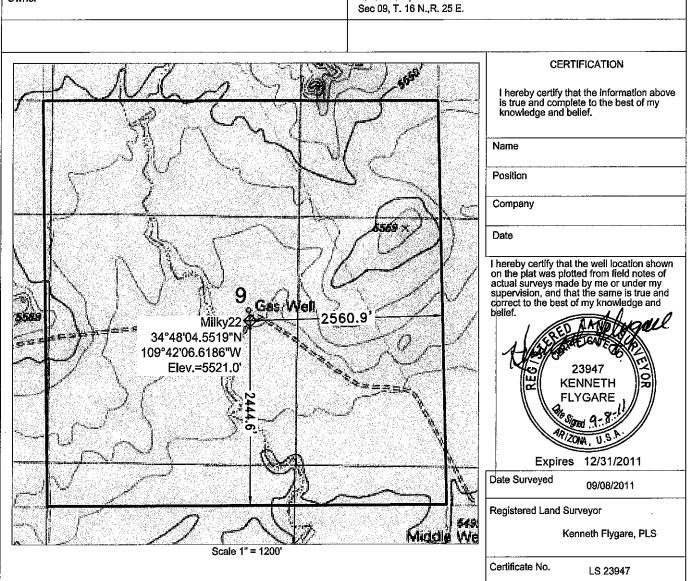
NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION

Application to Orill or Re-enter File Two Copies

Form No. 3

	1081		
1.	Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.		
2.	and surveyor shall show on the plat the location of the well and certify this information in the space provided. ANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION. attor the only owner in the dedicated acreage outlined on the plat below? YES NO		
3.	ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.		
4.	•		
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 of the owners and their respective interests below:		
Owr	Land Description Sec 09, T. 16 N.,R. 25 E.		



		Gen	PO CPRO	OPOSED CASING	PROGRAM			
Size of Casing	Weight	Grade & Type	Тор	Bottom	Cementing Depths	Sacks Cement	Туре	
133/8"	234	DWT	01	20'	0-201	25	Court Bo	10
95/8"	204	HMT	1 /	650	0-650'	200	0	
711	17#	Redrievado	601	1150'	1100-11501		Cemen	
		LHT		112	1100 1130	220		