

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

Passport Potash, inc.

Address

City

State

Phone Number

3346 W. Guadalupe Rd

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

ASLD #113256

Well number

PP-2012-52 *State*

Elevation (ground)

5329'

Nearest distance from proposed location to property or lease line:

2670 feet

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

Approx. 20 feet

Number of acres in lease

640

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

1

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

Name

Address

Well location (give footage from section lines)

3335.6' FNL; 2670.0' FEL

Section - Township - Range or Block and Survey

S20- T16N - 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

June, 2012

Bond status

On File

Organization Report

Filing Fee of \$25.00

Amount

\$50,000

On file

Or attached

Attached

Remarks

API 02-017-20082

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: President 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

Date

Mail completed form to:
Oil and Gas Program Administrator
Arizona Geological Survey
416 W. Congress, #100
Tucson, AZ 85701-1315

Permit Number: 1110

Approval Date: 6-4-2012

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

May 22 12 10:37a

McPherson Collision

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p.23

PP-2012-52

PN 1110

- 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: Passport Potash, Inc.	Land Description: NW 1/4 NE 1/4 Sec. 20, T16N, R 23E NE SW
<p>CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i></p> <p>Name: Joshua Bleak Position: President Company: Passport Potash, Inc. Date: 5/21/2012</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: 5/15/2012 Registered Land Surveyor: Gerald K. Wood Certificate No. LS 22290</p>	

PROPOSED CASING PROGRAM

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