APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL ☑ RE-ENTER OLD WELL ☐

NAME OF COMPANY OR OPERATOR
Passport Pctash, Inc.

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>3346 W. Guadalupe Rd</td>
<td>Apache Junction</td>
<td>Arizona</td>
<td>480-288-8530</td>
</tr>
</tbody>
</table>

Drilling Contractor
K & M Drilling

<table>
<thead>
<tr>
<th>Address</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2432 Private Drive, Camp Verde, Arizona 85322</td>
<td></td>
</tr>
</tbody>
</table>

DESCRIPTION OF WELL AND LEASE

| Federal, State or Indian Lease Number, or if fee lease, name of lessor ASLD #113260 | Well number | State PP-2012-53 | Elevation (ground) | 5309' |
| 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: | Approx. 20 feet |
| 2451 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.

<table>
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</thead>
</table>

Well location (give footage from section lines)
3288.6' NNL; 2450.8' FEL

Section - Township - Range or Block and Survey
S28 - T16N - R23E

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

Field and reservoir (if wildcard, 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 tool:
Rotary / Core

Approximate date work will start
June, 2012

Bond status
On File

Organization Report

On file X Or attached

Filing Fee of $25.00

Attached X

Remarks

API 02-017-20083

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

Permit Number: 1111

Approval Date: 6-4-2012

Approved By: SC Reny

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.C.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 communication agreement or otherwise? **YES** NO. If answer is yes, give type of consolidation

6. If the answer to question four is no, list all owners and their respective interests below:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Passport Potash, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Description</td>
<td>NW 1/4 NE 1/4 Sec. 28 T 16N R 23E</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:** Joshua Bleak  
**Position:** President  
**Company:** Passport Potash, Inc.  
**Date:** 5/21/2012

**Date Surveyed:** 5/14/2012  
**Registered Land Surveyor:** Gerald K. Wood  
**Certificate No.:** 22290

**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>
<tbody>
<tr>
<td>6.625&quot;</td>
<td>20.1</td>
<td>PW/T</td>
<td></td>
<td>1450' TD</td>
<td>50' plug at fresh/salt interval</td>
<td>6-9 bags for surface casing</td>
<td>Drillers supplied</td>
</tr>
<tr>
<td>4.5'</td>
<td>11.8</td>
<td>HW/T</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>