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 #113258

Well number
PP-2012-54

Elevation (ground)
5361'

Nearest distance from proposed location to property or lease line:
2490 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)
3163.4' FNL; 2490.0' FEL

Section - Township - Range or Block and Survey
S24 - 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

Organization Report

Approximate date work will start
June, 2012

Bond status
On File

Amount
$50,000

On file X

Filing Fee of $25.00

Or attached

Attached X

Remarks

API 02-017-20084

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
415 W. Congress, #160
Tucson, AZ 85701-1315

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 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 the owners and their respective interests below:

**CERTIFICATION**

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

**Name:**

Joshua Blank

**Position:** President

**Company:** Passport Potash, Inc.

**Date:** 5/1/2012

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.

**Date Surveyed:** 5/14/2012

**Registered Land Surveyor:**

Gerald K. Wood

Certificate No. 45 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>Sacrifice Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.625&quot;</td>
<td>20.1</td>
<td>PWT</td>
<td></td>
<td>1450'</td>
<td>50' plug at fresh/salt interval</td>
<td>6-9 bags for surface casing</td>
<td>Driller supplied</td>
</tr>
<tr>
<td>4.5&quot;</td>
<td>11.8</td>
<td>HWT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
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