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 480-289-6530

Drilling Contractor: K & M Drilling

Address
2432 Private Drive, Camp Verde, Arizona 86322

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor
ASLD #113252

Well number
PP-2012-57 State

Elevation (ground)
5395'

Nearest distance from proposed location to property or lease line:
2631 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
454.5

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 whose purchased:

Name

Address

Well location (give footage from section lines)
2630.9' FNL, 2638.7' FEL

Section - Township - Range or Block and Survey
S14 - T10N - 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 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 X

Attached X

Remarks

API 02-017-20085

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

05/01/12

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 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 the owners and their respective interests below:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passport Potash, Inc.</td>
<td>Center Sec. 14, T16N, R23E</td>
</tr>
</tbody>
</table>

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

Joshua Blank
President

5/31/2012

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>PWT</td>
<td></td>
<td>1450' TD</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'</td>
<td>11.8</td>
<td>HWT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>