APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL  ☑ RE-ENTER OLD WELL  ☐

NAME OF COMPANY OR OPERATOR
Passport Potash, 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>480-288-6530</td>
</tr>
</tbody>
</table>

Drilling Contractor: K & M Drilling

Address: 2432 Private Drive, Camp Verde, Arizona 88322

DESCRIPTION OF WELL AND LEASE

<table>
<thead>
<tr>
<th>Federal, State or Indian Lease Number, or if fee lease, name of lessor</th>
<th>Well number</th>
<th>Elevation (ground)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint exploration agreement w/ the Hopi</td>
<td>B</td>
<td>5351'</td>
</tr>
</tbody>
</table>

Nearest distance from proposed location to property or lease line: [feet] [feet]

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

Number of acres in lease: 640

Number of wells on lease, including this well, completed in or drilled to this reservoir: 0

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

<table>
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<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
</table>

Well location (give footage from section lines)

2069' FNL; 2474' FWL

Section - Township - Range or Block and Survey

S23 - T16N - R23E

Field and reservoir (if wildcat, so state)

Wildcard - Stratigraphic - Potash

County: Navajo

Distance in miles and direction from nearest town or post office

Approx. 15 miles SE of Holbrook, AZ

Proposed depth: 1480

Rotary or cable tool: Rotary/Core

Organization Report

Filing Fee of $25.00

Attachment: X

Remarks

API: 02-017-20089

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: President of the Passport Potash (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: [Signature]

Date: 11/5/12

Permit Number: 1132

Approval Date: 11-8-2012

Approved By: SCR

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.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 __ X __
5. If the answer to question four is no, have the interests of all owners been consolidated by communization agreement or otherwise? YES __ NO __ X __ 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>Hopi Tribe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Description</td>
<td>Sec. T16N, T23E</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 D. Bleak
Position: President
Company: Passport Potash, Inc.
Date: 11/5/2012

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: 11/4/2012
Registered Land Surveyor: Gerald K. Wood
Certificate No: L5 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; 4.5'</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>
</tbody>
</table>