

## APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

**HNZ POTASH LLC**

Address City State Phone Number

**1900 N. Akard Dallas TX. 214.978.8684**

Drilling Contractor  
**Stewart Brothers Drilling**

Address **306 Airport Road, Milan, New Mexico 87021**

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor <b>HNZ private fee land</b>	Well number <b>HNZ Mine Shaft Core Well #1</b>	Elevation (ground) <b>5405 ft.</b>
Nearest distance from proposed location to property or lease line:  <b>N/A</b> feet	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:  <b>HNZ Milky #19 aprx. 100 ft.</b> feet	
Number of acres in lease <b>Approximately 74,000</b>	Number of wells on lease, including this well, completed in or drilling to this reservoir: <b>N/A</b>	

If lease purchased with one or more wells drilled, from whom purchased. Name Address  
**N/A**

Well location (give footage from section lines) <b>1513 ft. from west line and 2740 ft. from north line</b>	Section - Township - Range or Block and Survey <b>sec. 2 T 15N R 24E</b>	Dedication per A.A.C. R12-7-104(A)(3) <b>N/A</b>
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Field and reservoir (if wildcat, so state) <b>Potential mine shaft location core well</b>	County <b>Apache</b>
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Distance in miles and direction from nearest town or post office  
**Approximately 25 miles from Holbrook, AZ.**

Proposed depth: <b>1200</b>	Rotary or cable tools <b>Rotary</b>	Approximate date work will start <b>May 15, 2013</b>
Bond status <u>Posted \$50,000</u> Amount	Organization Report On file Yes Or attached	Filing Fee of \$25.00 Attached <b>Attached</b>

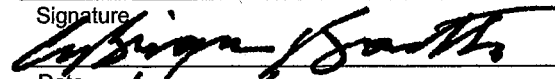
Remarks  
**Potential mine shaft location geo-mechanical core well**

**API 02-001-20459**

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: General Manager of the HNZ Potash LLC (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.

**C. Brian Boutte**

Signature



Date

**4/12/13**

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

Permit Number: 1149  
Approval Date: 4-17-2013  
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

- 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 of the owners and their respective interests below:

Owner	Land Description Sec 02, T. 15 N., R. 24 E.
<p style="text-align: center;"><b>CERTIFICATION</b></p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p>	
Name	
Position	
Company	
Date	
<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>	
Expires 9/30/2015	
Date Surveyed	
Registered Land Surveyor	
Stacy Waite, PLS	
Certificate No. LS 53794	

**PROPOSED CASING PROGRAM**

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
13 5/8"	23#	DWT	0	20'	20'	25	CONTRACTOR
9 5/8"	20#	HWT	0	650'	650'	200	CEMENT
7"	17#	HWT	0	1200'	1150'	205	