

## APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

Southwest Exploration Inc

Address

City

State

Phone Number

3266 W Galveston Dr #107

Apache Jct

AZ

480-577-5039

Drilling Contractor

Boart Longyear

Address 12225 W Peoria Ave, El Mirage, AZ 85335

### DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor  
ASLD Lease #08-113252

Well number HB-08-#2

Elevation (ground)  
5406'

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:

feet

358, #25 State 8-17-1966 500'

feet

Number of acres in lease

480.0'

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

2 Stratigraphic Wells

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

Name

Address

Well location (give footage from section lines)

2564FWL + 2084FEL

Section - Township - Range or Block and Survey

S18 T16N R23E

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

Field and reservoir (if wildcat, so state)

Stratigraphic Well (Potash)

County

Navajo

Distance in miles and direction from nearest town or post office

AZMUTH 303.5°

14.35 Miles to Holbrook

Proposed depth:

1095'

Rotary or cable tools

Rotary & Core

Approximate date work will start

May 2009

Bond status

on file

Organization Report

Filing Fee of \$25.00

Amount

\$25,000

On file

Or attached

✓

Attached

✓

Remarks

API# 02-017-20024

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Agent of the Southwest Exploration 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

April 3, 2009

Date

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

Permit Number: 983

Approval Date: 6-12-2009

Approved By: SL Ruiz

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 the owners and their respective interests below:

Owner	Land Description <b>NE 1/4 S 18 T 16 N R 23 E</b>
	<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> <p>Name _____</p> <p>Position _____</p> <p>Company _____</p> <p>Date _____</p> <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> <p>Date Surveyed <b>3-30-2009</b></p> <p>Registered Land Surveyor <i>Gerald K. Wood</i></p> <p>Certificate No. <b>RLS 22290</b></p>

**PROPOSED CASING PROGRAM**

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type Prescribed by
6.625"	20.1 lbs/ft	PWT	5406'	1095'	900' - 950'	6-9 Bags for Surface Casing	Boart Mud Engineer
4.5"	11.8 lbs/ft	HWT		(TD)			