

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 # 08-113263	Well number HB-08-#4	Elevation (ground) 5295'
Nearest distance from proposed location to property or lease line: feet	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease: 921, CT-#99 7-6-1965 500' feet	
Number of acres in lease 640.0'	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) Section - Township - Range or Block and Survey Dedication per A.A.C. R12-7-104(A)(3)
2556ENL + 1864FEL S34 T16N R23E

Field and reservoir (if wildcat, so state) County
Stratigraphic Well (Potash) Navajo

Distance in miles and direction from nearest town or post office
AZMUTH 306.0 18.57 Miles to Holbrook


Proposed depth: **1050'** 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 # 02-017-20026

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: 985
Approval Date: 6-12-2009
Approved By: SL Raring

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

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:

Owner	Land Description NE 1/4 S34 T16N R23E
CERTIFICATION I hereby certify that the information above is true and complete to the best of my knowledge and belief.	
Name	
Position	
Company	
Date	
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 3-30-2009	
Registered Land Surveyor <i>Gerald K. Wood</i>	
Certificate No. RLS 22290	

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
6.625"	20.1 lbs/ft	PWT	5295'	1050' (TD)	840'-890'	6-9 bags for Surface Casing	Prescribed by Boart Mud Engineer
4.5"	11.8 lbs/ft	HWT					