APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL [X] RE-ENTER OLD WELL [ ]

NAME OF COMPANY OR OPERATOR
Southwest Exploration / Passport Potash

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>3268 W. Galveston Dr. #101</td>
<td>Apache Junction</td>
<td>Arizona</td>
<td>480-288-8530</td>
</tr>
</tbody>
</table>

Drilling Contractor
Boart Longyear 7773 W. Seldon Lane Peoria, AZ 85345

Address

DESCRIPTION OF WELL AND LEASE

<table>
<thead>
<tr>
<th>Federal, State or Indian Lease Number, or if lease, name of lessor</th>
<th>Well number</th>
<th>Elevation (ground)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option to purchase the Twin Buttes Ranch</td>
<td>TBR-2010 #2</td>
<td>564' 6660'</td>
</tr>
</tbody>
</table>

Nearest distance from proposed location to property or lease line:
2302.9' FEL

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:
N/A

Number of acres in lease
640 (approx.)

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 whom purchased:
Name

Well location (give footage from section lines)
2607-6-FEL - 2300-9-FEL - 2810 FEL - 2853 FEL

Section - Township - Range or Block and Survey
S13 - T17N - R23E

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

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:
1500'

Rotary or cable tools
Rotary / Core
Organization Report
On file X

Approximate date work will start
September 2010

Filing Fee of $25.00

Remarks
Amended location

API: 02-017-20029

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

Agent
of the

Southwest Exploration / 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
June 28, 2010

Date

Permit Number:
993

Approval Date:
7-7-2010

Approved By:
SC Rauz

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Drill or Re-enter
File Two Copies

Form No. 3

(Complete Reverse Side)
1. The 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 communization agreement or otherwise?  YES  NO

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>Southwest Exploration / Passport Potash</th>
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<tr>
<td>Land Description</td>
<td>213 - T17N - R23E</td>
</tr>
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<td></td>
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**CERTIFICATION**

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

Name: Joshua Blask
Position: Agent
Company: Southwest / Passport
Date: June 28, 2010

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: 6/8/10
Registered Land Surveyor: Gerald K. Wood
Certificate No.: LS 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>Suckers</th>
<th>Type</th>
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<tr>
<td>6.625&quot;</td>
<td>20.1</td>
<td>PWT</td>
<td>5550'</td>
<td>1500' TD</td>
<td>60' Plug at</td>
<td>Driller</td>
<td></td>
</tr>
<tr>
<td>4.5&quot;</td>
<td>11.8</td>
<td>HWT</td>
<td></td>
<td></td>
<td>Fresh / Salt Interval</td>
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APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL X
RE-ENTER OLD WELL □

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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 the lease, name of lessor:
Option to purchase the Twin Buttes Ranch

Well number: TBR-2010 #2
Elevation (ground): 5643.0

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:
N/A

Number of acres in lease: 640 (approx.)
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 whom purchased:
Name: N/A
Address: N/A

Well location (give footage from section line): S13 - T17N - R23E
Field and reservoir (if wildcat, so state): Wildcat - Stratigraphic - Potash
County: Navajo

Distance from nearest town or post office: Approx. 15 miles SE of Holbrook, AZ

Proposed depth: 1500'
Rotary or cable tools: Rotary / Core
Approximate date work will start: February 2011
Bond status: On File
Amount: $50,000
Organization Report: On file X
Filing Fee of $25.00: Attached X

Remarks:

Amended location
API 02-017-20025

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: Agent of the Southwest Exploration / 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: 03/01/11

Mail completed form to:
Oil and Gas Program Administrator
Arizona Geological Survey
418 W. Congress, #300
Tucson, AZ 85701-1516

Permit Number: 993
Approval Date: 3-8-11
Approved By: [Signature]

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

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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:

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**CERTIFICATION**

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

**Signature**

Name: Joshua Bleak

Position: Agent

Company: Southwest / Passport

Date: 03/01/11

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**PROPOSED CASING PROGRAM**

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<td>Surface Casing</td>
<td>Supplied</td>
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