

## APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR  
Southwest Exploration / Passport Potash

|                            |                 |         |              |
|----------------------------|-----------------|---------|--------------|
| Address                    | City            | State   | Phone Number |
| 3266 W. Galveston Dr. #101 | Apache Junction | Arizona | 480-288-6530 |

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

Address

### DESCRIPTION OF WELL AND LEASE

|  |   |  |
|--|---|--|
| Federal, State or Indian Lease Number, or if fee lease, name of lessor<br>Option to purchase the Twin Buttes | Well number TBR-2010 #7   | Elevation (ground) <del>5593</del><br>5594 |
| Nearest distance from proposed location to property or lease line:<br><br>2624.4' FNL feet                   | Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:<br><br>N/A feet |  |
| Number of acres in lease<br><br>640 (approx.)  | Number of wells on lease, including this well, completed in or drilling to this reservoir:<br><br>1                   |  |
| If lease purchased with one or more wells drilled, from whom purchased.                                      | Name<br>N/A   | Address                                    |

|   |   |  |
|---|---|--|
| Well location (give footage from section lines)<br><del>2647.4' FNL + 2624.4' FEL</del> 3041' fnl 2124' fel | Section - Township - Range or Block and Survey<br>S25 - T17N - R23E | Dedication per A.A.C. R12-7-104(A)(3)<br>N/A |
|---|---|--|

|  |                  |
|--|------------------|
| Field and reservoir (if wildcat, so state)<br>Wildcat - Stratigraphic - Potash | County<br>Navajo |
|--|------------------|

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

|  |  |   |
|--|--|---|
| Proposed depth: 1450'                  | Rotary or cable tools<br>Rotary / Core   | Approximate date work will start<br>September 2010                    |
| Bond status On File<br>Amount \$25,000 | Organization Report<br>On file <input checked="" type="checkbox"/> Or attached | Filing Fee of \$25.00<br>Attached <input checked="" type="checkbox"/> |

Remarks Amended location

API # 02-017-20034

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

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

Permit Number: 998  
Approval Date: 7-7-2010  
Approved By: SL Rainey

**STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION**

Application to Drill or Re-enter  
File Two Copies

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

Form No. 3

PN 998

- 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 communization 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 Southwest Exploration / Passport Potash | Land Description S25 - T17N - R23E |   |
|   |                                    | <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 <b>Joshua Bleak</b></p> <p>Position <b>Agent</b></p> <p>Company <b>Southwest / Passport</b></p> <p>Date <b>June 28, 2010</b></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>6/15/10</b></p> <p>Registered Land Surveyor<br/><b>Gerald K. Wood</b></p> <p>Certificate No. <b>LS 22290</b></p> |

**PROPOSED CASING PROGRAM**

| Size of Casing | Weight                   | Grade & Type | Top   | Bottom   | Cementing Depths                     | Sacks Cement                      | Type                |
|----------------|--------------------------|--------------|-------|----------|--------------------------------------|-----------------------------------|---------------------|
| 8.625"<br>4.5" | 20.1<br>11.8<br>lbs / ft | PWT<br>HWT   | 5593' | 1450' TD | 50' Plug at<br>Fresh / Salt Interval | 8-9 Bags for<br>Surface<br>Casing | Driller<br>Supplied |

Location Change Only

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

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RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

Southwest Exploration / Passport Potash

Address

City

State

Phone Number

3266 W. Galveston Dr. #101

Apache Junction

Arizona

480-288-6530

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 fee lease, name of lessor  
Option to purchase the Twin Buttes

Well number TBR-2010 #7

Elevation (ground)

5594.0'

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:

feet

N/A

feet

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

Well location (give footage from section lines)

5 from N line 3041.0' W from E line 2124.0'

Section - Township - Range or Block and Survey

S25 - T17N - R23E

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

N/A

Field and reservoir (if wildcat, so state)

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:

1450'

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

Or attached

Filing Fee of \$25.00

Attached X

Remarks

Amended location

API 02-017-20034

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

Date

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

Permit Number: 998

Approval Date: 3-8-11

Approved By: SL Rain

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STATE OF ARIZONA  
OIL & GAS CONSERVATION COMMISSION

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File Two Copies

Form No. 3

(Complete Reverse Side)

5/98

PN 998

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|   |   |
|---|---|
| Owner <b>Southwest Exploration / Passport Potash</b>  | Land Description <b>S25 - T17N - R23E</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 style="text-align: right;"><i>Joshua Bleak</i></p>     |   |
| <p>Name <b>Joshua Bleak</b></p> <p>Position <b>Agent</b></p> <p>Company <b>Southwest / Passport</b></p> <p>Date <b>03/01/11</b></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>3/01/2011</b></p> <p>Registered Land Surveyor <i>Gerald K. Wood</i></p> <p>Certificate No. <b>LS 22290</b></p>  |   |

**PROPOSED CASING PROGRAM**

| Size of Casing | Weight        | Grade & Type | Top | Bottom   | Cementing Depths                  | Sacks Cement                | Type             |
|----------------|---------------|--------------|-----|----------|-----------------------------------|-----------------------------|------------------|
| 6.625"         | 20.1          | PWT          |     | 1450' TD | 50' Plug at Fresh / Salt Interval | 6-9 Bags for Surface Casing | Driller Supplied |
| 4.5"           | 11.8 lbs / ft | HWT          |     |          |                                   |                             |                  |