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 #08-113251	Well number HB-08-#1	Elevation (ground) 5403'
Nearest distance from proposed location to property or lease line: feet	Distance from proposed location to nearset drilling, completed or applied-for well on the same lease: 09-13, NMA #83 6-24-1965 500' feet	
Number of acres in lease 727.03	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) 1496FNL + 1959FEL	Section - Township - Range or Block and Survey S6 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 295.3" 13.32 miles to Holbrook		
Proposed depth: 1120'	Rotary or cable tools Rotary & Core	Approximate date work will start May 2009
Bond status on file Amount $25,000	Organization Report On file Or attached ✓	Filing Fee of $25.00 Attached ✓

Remarks

API # 02-017-20023

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 [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: 982
Approval Date: 6-12-2009
Approved By: SC Rainz

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

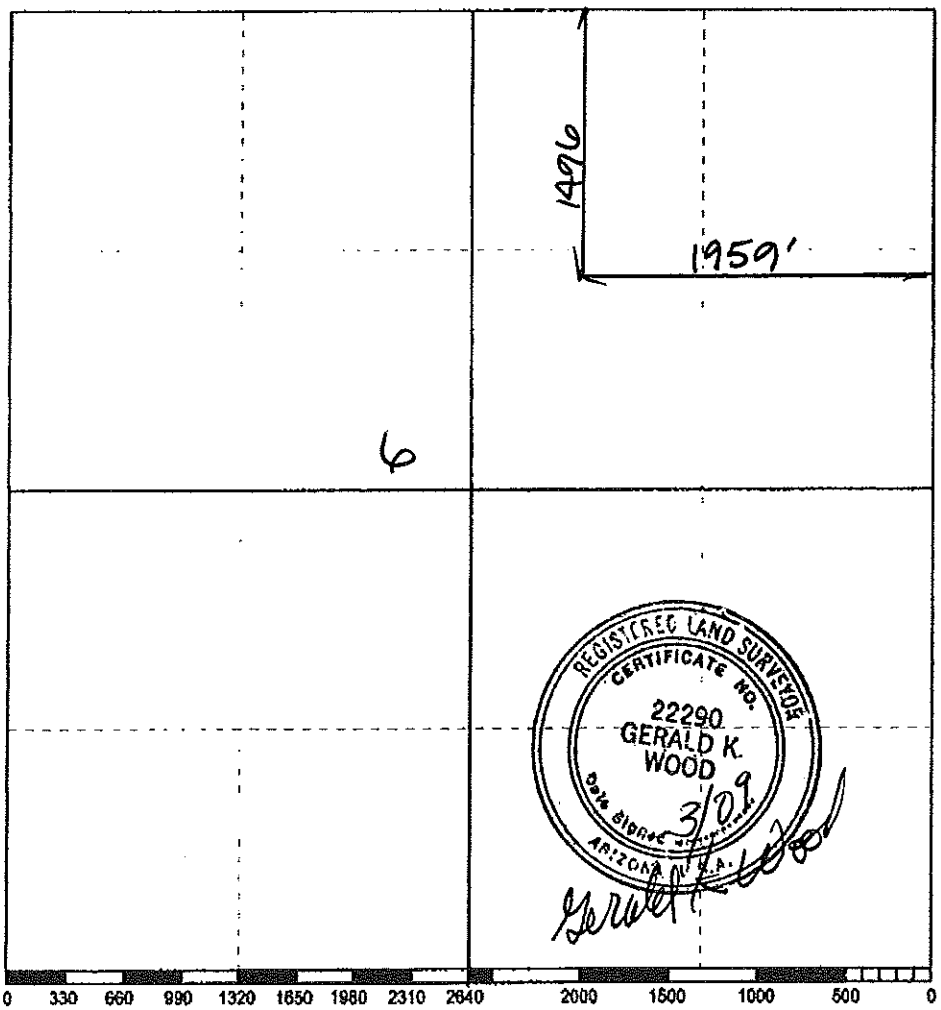
(Complete Reverse Side)

5/96

P/N 982

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/4 S6 T16N R23E



CERTIFICATION

I hereby certify that the information abov 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 Gerald K. Wood

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	5403'	1120' (TD)	840'-890'	6-9 bags for Surface Casing	Prescribed by Boart Mud Engineer
4.5"	11.8 lbs/ft	HWT					