

## APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

American West Potash

Address 600 17th Street Suite 2800 S City Denver State CO Phone Number 303-634-2239

Drilling Contractor

Stewart Bros. PO Box 2067 Milan NM 87021

Address

### DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor <u>ASHD 08-113470</u>	Well number <u>KG-2</u>	Elevation (ground) <del>5675</del> <u>5658'</u>
Nearest distance from proposed location to property or lease line: <u>753</u> <del>1000</del> <u>ft</u> from <u>FW Line</u> <u>Whine Sec 32</u> feet	Distance from proposed location to nearest drilling, completed or applied-for well on the same lease: <u>6000 ft</u> from <u>KG-1</u> feet	
Number of acres in lease <u>640</u>	Number of wells on lease, including this well, completed in or drilling to this reservoir: <u>1</u>	

If lease purchased with one or more wells drilled, from whom purchased.	Name	Address
<u>3057' x 1 754' FWL</u>	<u>NW SW</u>	
Well location (give footage from section lines) <u>1000 ft from Whine Sec 32</u>	Section - Township - Range or Block and Survey <u>SW 1/4 NW 1/4 Sec 32 17N R 25E</u>	Dedication per A.A.C. R12-7-104(A)(3) <u>n/a</u>
Field and reservoir (if wildcat, so state)	County <u>Apache</u>	

Distance in miles and direction from nearest town or post office  
37 miles from Holbrook

Proposed depth: <u>1500</u>	Rotary or cable tools <u>rotary</u>	Approximate date work will start <u>April 20, 2011</u>
Bond status <u>on file</u>	Organization Report <u>On file</u>	Filing Fee of \$25.00 <u>Attached</u>
Amount <u>\$50,000</u>	<u>Or attached</u>	

Remarks PLAN

1. Drill - use wireline tools
2. Temporary casing - 0-500'
3. Core - 1000-1500'

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the: President of the American West 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.

API 02-001-20387

[Signature]  
Signature

4-4-2011  
Date

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

Permit Number: 1034  
Approval Date: April 18, 2011  
Approved By: SL Rain

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

1034

- 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. *K6-2*
- 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 <i>32-17n-25e</i>
<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p>	
Name	
Position	
Company	
Date	
<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>	
Date Surveyed <i>3/23/2011</i>	
Registered Land Surveyor	
<p style="text-align: center;"><i>Gerald K. Wood</i></p> <p style="text-align: center;">Certificate No. <i>LS 22290</i></p>	

General Plan

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
<i>8" hole 0-500' 2" casing</i>	<i>31.68#</i>	<i>Left Hand Thread- Re-useable</i>	<i>0</i>	<i>approx. 500'</i>	<i>0-40' 9 5/8" Conductor</i>	<i>appo. 20-40 Class I-IA</i>	