APPLICATION FOR PERMIT TO DRILL OR RE-ENTER
APPLICATION TO DRILL □ RE-ENTER OLD WELL □

NAME OF COMPANY OR OPERATOR

American West Potash

600 17th Street Suite 2800S Denver CO 80202 303-634-2234

Drilling Contractor

Stewart Bros.

Address

PO Box 2067 Milan, NM 87021

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or fee lease, name of lessor

KG-3 Private - AWP

Nearest distance from proposed location to property or lease line:

333 ft from E line Sec 34

Well number

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

KG-2 10,000 ft

Number of acres in lease

640

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.

2950.9' Fa1 933.7' Fa1 NE SE

Well location (square footage from section lines)

Section, Township, Range or Block and Survey

KG-3 933.7' Fa1 NE SE Sec 34 T17N R2E

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

n/a

Field and reservoir (if wildcat, so state)

Apache

Distance in miles and direction from nearest town or post office

37 miles from Holbrook

Proposed depth:

1500'

Rotary or cable tools

rotary

Organization Report

On file

Approximate date work will start

April 20, 2011

Bond status

on file

Bond amount

$50,000

Remarks

1. Drill - use unlined tools

2. Case - 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 02-001-20388

Mail completed form to:

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

Permit Number:

1035

Approval Date:

4-18-2011

Approved By:

Signature

STATE OF ARIZONA

OIL & GAS CONSERVATION COMMISSION

Application to Drill or Re-enter

File Two Copies

Form No. 3

(Complete Reverse Side)
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:

<table>
<thead>
<tr>
<th>Owner</th>
<th>Land Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34-17n-25e</td>
</tr>
</tbody>
</table>

**CERTIFICATION**

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

Name

Position

Company

Date

Date Surveyed

Registered Land Surveyor

**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>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 1/2 hole 0-500'</td>
<td>31.68#</td>
<td>Left Hand Thread Re-useable</td>
<td>0</td>
<td>980'</td>
<td>0-40'</td>
<td>API 20-40</td>
<td>Class II-A</td>
</tr>
</tbody>
</table>