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 2800S Denver CO 80202 303-634-2019

Drilling Contractor: Stewart Bros.

Address: PO Box 2067 Milan, NM 87012

DESCRIPTION OF WELL AND LEASE

Well number KG-5 Elevation (ground) 5786

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:

Number of acres in lease 640

Number of wells on lease, including this well, completed in or drilling to this reservoir: 1

Well location (give footage from section lines):

Section - Township - Range or Block and Survey

Field and reservoir (if wildcat, so state):

Distance in miles and direction from nearest town or post office 3.7 miles from Holbrook

Proposed depth: Rotary or cable tools Approximate date work will start

1500' Rotary 04/18/2011

Bond status Amount

on file 50,000

Remarks:

1. Drilling use wireline tools
2. Temporary Case 500'
3. Core 1000' - 5000'

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.

Signature: Patrick O'Brien Date: 4-4-2011

Mail completed form to: Oil and Gas Program Administrator, Arizona Geological Survey, 416 W. Congress, #125, Tucson, AZ 85701-1315

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>18-17n-26e</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 ________________

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: ________________
Registered Land Surveyor: ____________________________
Certificate No. ________________

**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&quot; hole</td>
<td>31.684</td>
<td>Left Hand</td>
<td>0</td>
<td>oppx. 500’</td>
<td>0-40’</td>
<td>20-40</td>
<td>Class I-A</td>
</tr>
<tr>
<td>7” casing</td>
<td></td>
<td>Thread</td>
<td>500’</td>
<td>9 3/8” Conductor</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>