

## APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

American West Potash

Address

City

State

Phone Number

600 17th Street Suite 2800S Denver CO 80202 303-634-2239

Drilling Contractor

Stewart Bros.

Address

PO Box 2067 Milan, NM 87021

### DESCRIPTION OF WELL AND LEASE

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

ASLD 08-114155

Well number

KG-5

Elevation (ground)

5786 5773

Nearest distance from proposed location to property or lease line:

8' ~~100'~~ ft from E Line of Sec 18 feet

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

KG-6 6000 feet

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.

Name

Address

1014' fnl 0' fel -

Well location (give footage from section lines)

100' ft from E Line of Sec 18

Section, Township, Range or Block and Survey

NE 1/4 NE 1/4 Sec 18 T17N R26E

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

n/a

Field and reservoir (if wildcat, so state)

County

Apache

Distance in miles and direction from nearest town or post office

37 miles from Holbrook

Proposed depth:

1500'

Rotary or cable tools

Rotary

Approximate date work will start

April 20, 2011

Bond status

on file

Organization Report

Filing Fee of \$25.00

Amount

\$ 50,000

On file

Attached

Attached

Remarks

Plan

1. Drill - use wireline tools
2. Temporary case - 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 02-001-20390

Signature

Potash Agency

Date

4-4-2011

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

Permit Number:

1037

Approval Date:

4-18-2011

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

- Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107. 1037
- A registered surveyor shall show on the plat the location of the well and certify this information in the space provided. 165
- 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 <b>18-17n-26e</b>
<p>Sec. 18</p> <p>N 34° 52' 37.11"</p> <p>W 109° 36' 54.30"</p> <p>Elev. 5773.0'</p>	
<p><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>	
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 <b>3/23/2011</b>	
Registered Land Surveyor	
<b>Gerald K. Wood</b>	
Certificate No. <b>LS 22290</b>	

**General Plan**

**PROPOSED CASING PROGRAM**

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