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 2800 S Denver, CO 80202 303-631-2239

Drilling Contractor
Stewart Bros

Address
Po Box 2067 Mission, NM 87021

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor
ASLD 08-14208

Well number
KG-6

Elevation (ground)
5745

Nearest distance from proposed location to property or lease line:
646' from line of Section 16 feet

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:
6000 feet

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

Number of acres in lease
640

If lease purchased with one or more wells drilled, from whom purchased.

Well location (give footage from section lines)
646' from Wth line of Section 16

Section - Township - Range or Block and Survey
S13W Sec 16 T11N R26E

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
27 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

Amount
$150,000

Filing Fee of $25.00

Remarks

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.

Signature
Date

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

Permit Number:
1038

Approval Date:
4-18-2011

Approve By:
SC Ratliff

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Application to Drill or Re-enter

Form No. 3

File Two Copies

(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>16-17n-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.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Company</th>
<th>Date</th>
</tr>
</thead>
</table>

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: 3/23/2011
Registered Land Surveyor: Gerald K. Wood
Certificate No.: LS 22290

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>8½ hole 0-500’</td>
<td>31.68#</td>
<td>Left Hand</td>
<td>0</td>
<td>approx. 500’</td>
<td>0-40’</td>
<td>API-20-40</td>
<td>Class I-A</td>
</tr>
<tr>
<td>7” casing</td>
<td></td>
<td>Thread-re-useable</td>
<td></td>
<td></td>
<td>9 3/8” Conductor</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>