APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL ☐
RE-ENTER OLD WELL ☐

NAME OF COMPANY OR OPERATOR
American West Potash

Address 6001 7th Street Suite 2800S Denver CO 80222 303-634-2239

Drilling Contractor: Stewart Bros
Address: Po Box 2057 Milan, NM 87031

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor
ASLD 08-114206

Well number KG-7

Elevation (ground) 5853'

Nearest distance from proposed location to property or lease line:
190' feet from W1/2NE- SEC 6

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:
KG-5 19,000 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.

Well location (give footage from section lines)

Field and reservoir (if wildcat, so state)
Apache

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

Proposed depth: 1500'

Rotary or cable tools Rotary

Bond status: on file

Organization Report: on file

Amount: $50,000

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

APL 02-001-20 39

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

STATE OF ARIZONA

OIL & GAS CONSERVATION COMMISSION
Application to Drill or Re-enter
File Two Copies
Form No. 3

Permit Number: 10 39

Approval Date: 4-18-11

Approved By: SC Rags

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

Signature

Date

5/98

(Complete Reverse Side)
1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-1 07.

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 communization 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>6-17n-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 3/24/2011

Registered Land Surveyor

Certificate No. 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>8 1/2 hole 0-500'</td>
<td>31.62</td>
<td>Left Hand Threaded</td>
<td>0</td>
<td>0</td>
<td>0-40'</td>
<td>0.40 20-40</td>
<td>Class I-IA</td>
</tr>
</tbody>
</table>