

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 08-114130

Well number

KG-8

Elevation (ground)

5856 5872

Nearest distance from proposed location to property or lease line:

2506' E
2500 ft from Whine of Sec 4 feet

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

from KG-5 1000 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

3283' fnl 2506' fel -

Well location (give footage from section lines)

2500 ft from Whine - Sec 4

Section, Township - Range or Block and Survey

Center, Sec 4 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:

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 02-001-20397

Signature

Potash Potash

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:

1040

Approval Date:

4-18-11

Approved By:

SK Rantz

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

1040
156-8

- Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
- A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.
- 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 <u>4-17n-26e</u>
<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p>	
<p>Name</p> <hr/> <p>Position</p> <hr/> <p>Company</p> <hr/> <p>Date</p> <hr/>	
<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>	
<p>Date Surveyed <u>3/23/2011</u></p>	
<p>Registered Land Surveyor</p> <p style="text-align: center;"><u>Gerald K. Wood</u></p>	
<p>Certificate No. <u>LS 22290</u></p>	

PROPOSED CASING PROGRAM

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	