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 2800 S
Denver, CO 80202

Drilling Contractor
Stewart Bros.

Address
P.O. Box 2067, Milan, NM 87031

DESCRIPTION OF WELL AND LEASE
Federal, State or Indian Lease Number, or if fee lease, name of lessor
BLD 08-11-1430

Well number
KG-8

Elevation (ground)
5872

Nearest distance from proposed location to property or lease line:
2500' E from line of Sec 9

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:
7000 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.
3283 frl 2500' fe

Well location (give footage from section lines)
2500' E from line of Sec 9

Section - Township - Range or Block and Survey
39 - S15 - T31 N R26 E

Field and reservoir (if wildcat, so state)
Apache

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

Proposed depth:
1500'

Rotary or cable tools
Rotary

Organization Report

Filing Fee of $25.00

Approximate date work will start
Apr 1, 2011

Bond status
On file

Amount
$50,000

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.

Signature
Pach Tract
Date
4-1-2011

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: [Signature]

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Drill or Re-enter
File Two Copies

Form No. 3

COMPLETE REVERSE SIDE

(C) 2002-2012 ARIZONA GEOLOGICAL SURVEY
5/96
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>4-17n-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 3/23/2011

Registered Land Surveyor

Gerald K. Wood

Certificate No. 652290

PROPOSED CASING PROGRAM

<table>
<thead>
<tr>
<th>General Plan</th>
<th>PROPOSED CASING PROGRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size of Casing</strong></td>
<td><strong>Weight</strong></td>
</tr>
<tr>
<td>8 1/2 hole</td>
<td>31.68</td>
</tr>
</tbody>
</table>