**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 28005, 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 a lease, name of lessor: ASLD 08-114086

Well number: KG-10

Elevation (ground): 6,001'

Nearest distance from proposed location to property or lease line: 4,237' E 1500' S from line - Sec 26

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease: KG-9 10,000 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: 3142' NFL 2437' Fel

Well location (give footage from section lines): 2500' E 1500' S from line - Sec 26

Section - Township - Range or Block and Survey: E 4637N R 26E n/a

Field and reservoir (if wildcat, so state): Apache

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

Proposed depth: 1500'

Bond status: on file

Bond amount: $50,000

Remarks: 1. Drill with 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

**STATE OF ARIZONA**

**OIL & GAS CONSERVATION COMMISSION**

Application to Drill or Re-enter

File Two Copies

Permit Number: 1042

Approval Date: 4-18-11

Approved By: S.L. Reis

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

Form No. 3
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>26 - 18n - 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
Registered Land Surveyor
Certificate No.

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>
</table>
| 8 1/2 hole    | 31.68# | 7-
| 2 1/2 casing  | 0-500' | Thread-
|               |        | Re-useable   | O   | 0 prox. | 0-40' 9 5/8" Conductor | Appx. 20-40 | Class-I-A |