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
Denver CO 80202

City
State
Phone Number
Denver CO
303-631-2239

Drilling Contractor
Stewart Bros

Address
P.O. Box 2067
Milan, NM 87021

DESCRIPTION OF WELL AND LEASE

<table>
<thead>
<tr>
<th>Federal, State or Indian Lease Number, or if fee lease, name of lessor</th>
<th>Well number</th>
<th>Elevation (ground)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASLD 08-114199</td>
<td>KG-1</td>
<td>6745 5686'</td>
</tr>
</tbody>
</table>

Nearest distance from proposed location to property or lease line:
1840' from White Line Sec16

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:

1840' feet
2633' Tul
t

Well location (give footage from section lines):

25000' from White Line Sec26

Section - Township - Range or Block and Survey
NEMIS W/G Sec8 T18N R26E

Dedication per A.A.C. R12-7-104(A)(3)

Field and reservoir (if wildcat, so state)
Agacie

County

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
Apr 1, 2011

Bond status
On file

Organization Report
On file

Filing Fee of $25.00

Amount
52,000

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.

API 02-001-20400

Mail completed form to:
Oil and Gas Program Administrator
Arizona Geological Survey
415 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

(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 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>16 - 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.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Company</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</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.

<table>
<thead>
<tr>
<th>Date Surveyed</th>
<th>Registered Land Surveyor</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/24/2011</td>
<td>Gerald K. Wood</td>
</tr>
</tbody>
</table>

**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</td>
<td>31.68</td>
<td>Left Hand</td>
<td>0</td>
<td>0</td>
<td>0-40'</td>
<td>Appo.</td>
<td>Class-IA</td>
</tr>
<tr>
<td>7&quot; casing</td>
<td>0-500'</td>
<td>Re-useable</td>
<td>0</td>
<td>500'</td>
<td>9 3/8&quot; Conductor</td>
<td>20-40</td>
<td></td>
</tr>
</tbody>
</table>