APPLICATION FOR PERMIT TO DRILL OR RE-ENTER
APPLICATION TO DRILL ☑ RE-ENTER OLD WELL ☐

NAME OF COMPANY OR OPERATOR
American West Potash

Address
60017th St. Suite 2000
Denver, CO 80202 303-634-2239

Drilling Contractor
Stewart Bros

Address
P.O. Box 2067 Milon, NM 87021

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor
ASLD DE-114003

Well number
KG-14

Elevation (ground)
5983

Nearest distance from proposed location to property or lease line:
2623' E 2000' H from line Sec 26

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:
KG-13 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.
3044' for 2623' Ap

Well location (give footage from section lines)
2400' E from W1/2 line Sec 26

Section | Township - Range or Block and Survey
11 S | 26 T1W 26E

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

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

Approximate date work will start
April 20, 2011

Bond status
On file

Organization Report
On file

Amount
$50,000

Or attached

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
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.

American West Potash

Signature

Date

State of Arizona
Oil & Gas Conservation Commission
Application to Drill or Re-enter
File Two Copies

Form No. 3

(Complete Reverse Side)

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

Permit Number:
1046

Approval Date:
4-18-11

Approved By:
SL Rainey

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

05/06
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

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>26-19n-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>
<tbody>
<tr>
<td>8½ hole 0-500'</td>
<td>31.68#</td>
<td>Left Hand Thread Re-useable</td>
<td>0</td>
<td>0</td>
<td>0-40'</td>
<td>20-40</td>
<td>Class IIA</td>
</tr>
</tbody>
</table>