APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

NAME OF COMPANY OR OPERATOR

American West Potash

Address

60017th Street, Suite 28005 Denver, CO 80202 303-634-2239

Dipling Contractor

Stewart Bros

Address

Po Box 2657 Milan, N.M 87031

DESCRIPTION OF WELL AND LEASE

Nearest distance from proposed location to property or lease line: From SW Section 21- 2197 feet

Number of acres in lease

640

Number of wells on lease, including this well, completed or drilling to this reservoir:

None - 10 in total program

Wall location (give footage from section lines)

267'481 & 2196'7 east

Field and reservoir (if wildcat, to state)

Holbrook Basin

County

Apache County

Distance in miles and direction from nearest town or post office

37 miles East of Holbrook

Proposed depth

1500'

Property or census tools

Rotary

Apparatus date work will start

February 15, 2012

Bond statute

On file

Organization Report

On file

Filing Fee of $25.00

Attached

Remarks

Phase II Potash Program - 10 Wells

API 02-001-20430

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

Permit Number:

1085

Approval Date:

26-2012

Approved By:

SL Raines

NOTICE: Before sending in this form be sure 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

(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 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>SW 1/4 Sec 21, T17N R25E</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: 12-21-2011
Registered Land Surveyor: Gerald K. Wood
Certificate No: LS 22290

**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 3/4</td>
<td>7</td>
<td></td>
<td>± 700</td>
<td>± 800</td>
<td>1500 - 1800</td>
<td>Cicorina</td>
<td></td>
</tr>
</tbody>
</table>