

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

American West Potash

Address

City

State

Phone Number

600 17th Street, Suite 28005 DENVER, CO 80202 303-634-2239

Drilling Contractor

Stewart Bros.

Address

PO BOX 2067

MILAN, N.M. 87021

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor

Private

Well number

AWP 15

Elevation (ground)

5669'

Nearest distance from proposed location to property or lease line:

From SW Section 21 - 2197 feet

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:

NONE

feet

Number of acres in lease

640

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

NONE - 10 in total program

If lease purchased with one or more wells drilled, from whom purchased.

Name

Address

Well location (give footage from section lines)

267' fsl & 2198.7' fwl

Section - Township - Range or Block and Survey

Sec. 21, T17N R. 25E

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

n/a

Field and reservoir (if without, so 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'

Rotary or cable tools

rotary

Approximate date work will start

February 15, 2012

Bond status

on file

Organization Report

On file

Or attached

Filing Fee of \$25.00

Attached

Amount

\$50,000

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

[Signature]

Date

Jan 13, 2012

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

Permit Number:

1085

Approval Date:

2-6-2012

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.

**STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION**

Application to Drill or Re-enter
File Two Copies

Form No. 3

P/N 1085

- Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107.
- A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.
- ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
- Is the operator the only owner in the dedicated acreage outlined on the plat below? YES _____ NO _____
- 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 _____
- If the answer to question four is no, list all the owners and their respective interests below:

Owner	Land Description <i>SW 1/4 Sec 21, T17N R 25E</i>
<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p>	
Name	
Position	
Company	
Date	
<p>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.</p>	
Date Surveyed <i>12-21-2011</i>	
Registered Land Surveyor <i>Gerald K. Wood</i>	
Certificate No. <i>LS 22290</i>	

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
<i>8 3/4</i>			<i>0</i>	<i>± 800</i>	<i>± 800 base</i>	<i>Coconino</i>	
<i>7</i>			<i>0</i>	<i>± 1500-</i>	<i>1500-1800</i>		