APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL (A)  RE-ENTER OLD WELL (B)

NAME OF COMPANY OR OPERATOR

AMERICAN WEST POTASH

Address: 600 W 7th St. Suite 2005  Denver  CO 80202  303-639-2239

Drilling Contractor: STEWART BROS.
Address: P.O. Box 2067  Milan  NM  87201

DESCRIPTION OF WELL AND LEASE

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

ASH L.O. 08-19129

Nearest distance from proposed location to property or lease line:

S.W. Corner (Sec. 34  T18N  R26E)

Number of acres in lease

640

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

Well location (gives footage from section lines)

S Line N 270°, W Line E 164.7

Field and reservoir (if watched, so state)

Holbrook Basin

County: Apache

Distance in miles and direction from nearest town or post office

37 Miles East of Holbrook

Proposed depth:

1700'

Bore or cable tools

Rotary

Bed status

On file

Organization Report

Filed

Remarks

Potosi Exploitation

API 02-001-20437

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: 1-14-2012

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Drill or Re-enter
Fill Two Copies

Form No. 3

Permit Number: 10.92

Approval Date: 2-6-2012

Approved By: ____________________________

Notice: Before signing this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.
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 SE 1/4 Sec. 34 T18N, R26E</td>
</tr>
</tbody>
</table>

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CERTIFICATION

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name
Position
Company
Date

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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&quot;</td>
<td></td>
<td></td>
<td>0</td>
<td>± 800'</td>
<td>base Coamino</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7&quot;</td>
<td></td>
<td></td>
<td>0</td>
<td>± 1700'</td>
<td>bottom up</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Date Surveyed: 12/23/2011
Registered Land Surveyor: Gerald K. Wood
Certificate No.: LS 22290