APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL ☑ RE-ENTER OLD WELL ☐

NAME OF COMPANY OR OPERATOR

American West Potash

Address 1621 18th St., City Denver State CO Phone Number 303-890-8901

Drilling Contractor Stewart Bros.

Address Box 2067 Milan, NM 87021

DESCRIPTION OF WELL AND LEASE

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

PRIVATE

Well number AWP 39

Elevation (ground) 5793

Nearest distance from proposed location to property or lease line:

feet

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

feet

Number of acres in lease 640

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

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

Name

Address

Well location (give footage from section lines)

877 from Chino Sec 21

Section - Township - Range or block and survey

1 13N 26E Sec 21

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

Field and reservoir (if wildcat, so state)

Holbrook Basin

County Apache

Distance in miles and direction from nearest town or post office

37 miles east of Holbrook

Proposed depth 1500

Rotary or cable tool rotary

Approximate date work will start Nov. 1, 2012

Bond status on file

Organization Report on file

Filing Fee of $25.00

Schedule of bonds on file

Remarks Potash Exploratory well

API 02-001-20450

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the [CEO] 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 10-17-2012

Permit Number: 1127

Approval Date: 10-23-2012

Approved By: SC Raizes

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
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 communilization 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>SE ¼ Sec. 21, T17N R26E</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></th>
</tr>
</thead>
<tbody>
<tr>
<td>Position</td>
<td></td>
</tr>
<tr>
<td>Company</td>
<td></td>
</tr>
<tr>
<td>Date</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></th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Land Surveyor</td>
<td></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>9 5/8&quot;</td>
<td></td>
<td></td>
<td>0</td>
<td>± 800</td>
<td>base Coconino</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7&quot;</td>
<td></td>
<td></td>
<td>0</td>
<td>± 1500</td>
<td>bottom up</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>