**APPLICATION FOR PERMIT TO DRILL OR RE-ENTER**

**APPLICATION TO DRILL** ☑

**RE-ENTER OLD WELL** ☐

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**NAME OF COMPANY OR OPERATOR**

**AMERICAN WEST POTASH**

**Address**

1401 17th St., Suite 1550

**City**

DENVER

**State**

CO

**Phone Number**

990-8444

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**Drilling Contractor**

**BOART LONGYEAR**

**Address**

7773 W. Sedona Lane, Peoria AZ 85345

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**DESCRIPTION OF WELL AND LEASE**

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

PRIVATE

**Well number**

AWP 34

**Elevation (ground)**

-5736

**Nearest distance from proposed location to property or lease line:**

N/A

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

N/A

**Number of acres in lease**

640

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

N/A

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**Well location (give footage from section lines)**

1783' from W. line; 1813.6' from N. line

**Section - Township - Range or Block and Survey**

SEC 27, T17N R26E

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

N/A

**Field and reservoir (if wildcat, 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'

**Drill rig or cable tools**

Rotary or cable tools

**Approximate date work will start**

7/30/13

**Bond status**

ON FILE

**Organization Report**

On file

**Filing fee of $25.00**

**Amount**

$150,000

**Or attached**

Attached

**Remarks**

Potash exploratory well

API 02-001-20465

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**CERTIFICATE:** I, the undersigned, under the penalty of perjury, state that I am the: PRESIDENT AND 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.

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**Signature**

[Signature]

**Date**

6/30/13

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**Permit Number:**

1155

**Approval Date:**

7-31-2013

**Approved By:**

[Signature]

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**STATE OF ARIZONA**

**OIL & GAS CONSERVATION COMMISSION**

Application to Drill or Re-enter

File Two Copies

Form No. 3

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(Complete Reverse Side)

5/98
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  X  NO

5. If the answer to question four is no, have the interests of all owners been consolidated by communization 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>SE 1/4 NW 1/4 Sec 27, T17N, 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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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.

Gerald K. Wood

Date Surveyed: 6/9/2013

Registered Land Surveyor: Gerald K. Wood

Certificate No: 15 22290

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**PROPOSED CEMENTING PROGRAM**

<table>
<thead>
<tr>
<th>Size of Casing</th>
<th>Weight</th>
<th>Grade &amp; Type</th>
<th>Top Depth</th>
<th>Balloon</th>
<th>Cementing Depth</th>
<th>Sacks Cement</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5&quot;</td>
<td>20.1</td>
<td>PWT</td>
<td>0'</td>
<td>40'</td>
<td>0'-40' Casing pulled upon completion</td>
<td>5.5</td>
<td>Class A</td>
</tr>
<tr>
<td>4.5&quot;</td>
<td>11.8</td>
<td>HWT</td>
<td>0'</td>
<td>1160'</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>