

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

AMERICAN WEST POTASH

(303)

Address **1401 17th ST, SUITE 1550**

City **DENVER**

State **CO 80202**

Phone Number **990-**

8444

Drilling Contractor

MAJOR DRILLING

Address

2200 S 4000 W, SALT LAKE CITY, UT 84120

DESCRIPTION OF WELL AND LEASE

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

PRIVATE

Well number

AWP 38

Elevation (ground)

5934'

Nearest distance from proposed location to property or lease line:

N/A

feet

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

N/A

feet

Number of acres in lease

631.68

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

N/A

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

Name

Address

N/A

Well location (give footage from section lines)

565' from E. line; 1828' from N. line

Section - Township - Range or Block and Survey

SEC 31, T 18N 26E

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:

1600'

Rotary or cable tools

Approximate date work will start

7/30/13

Bond status

ON FILE

Organization Report

Filing Fee of \$25.00

Amount

\$50,000

On file

Or attached

Attached

Remarks

POTASH EXPLORATORY WELL

API 02-001-20468

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.

Signature

Date

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

Permit Number: **1158**

Approval Date: **7-31-2013**

Approved By: **SLR**

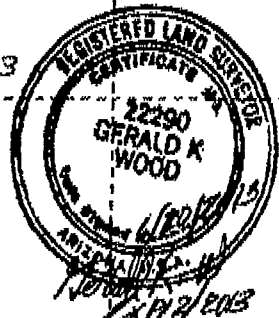
NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

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

Application to Drill or Re-enter
File Two Copies

Form No. 3

- 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	
		SE 1/4 NE 1/4 Sec. 31, T18N, R26E	
<p style="text-align: center;">T18N R26E</p> <p style="text-align: center;">Sec 31</p> <p>Lat N 34° 55' 04.96" Long W 109° 36' 55.769" E 141.5934 N 1425871.43 E 865-232-428</p>		<p style="text-align: center;">W65-84</p> <p style="text-align: center;">SP 83</p>	
			
<p style="text-align: center;">AWP 38</p> <p style="text-align: right;">1828'</p> <p style="text-align: right;">565.0'</p>		<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>	
		<p style="text-align: right;"><i>Gerald K. Wood</i></p>	
		Date Surveyed <i>6/09/2013</i>	
		Registered Land Surveyor	
		<p style="text-align: right;"><i>Gerald K. Wood</i></p>	
		Certificate No. <i>LS 22290</i>	

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
8"	22.4	API 51b	0	20'	0-20 3/8 hole plug	N/A	3/8 hole plug
5.5"	13.7	PWT	0	1200'	1000'-1200'	20	portland type II