APPLICATION FOR PERMIT TO DRILL OR RE-ENTER
APPLICATION TO DRILL □ RE-ENTER OLD WELL □

NAME OF COMPANY OR OPERATOR

AMERICAN WEST POTASH
Address 1401 17TH ST, SUITE 1550  City DENVER  State CO Phone Number 490-8444

Drilling Contractor

MAJOR DRILLING
Address 7200 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 N/A

Address N/A

Well location (give footage from section lines)

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

Section - Township - Range or Men.: Sec. 21, T1N, 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: 1600' rotary, cable tools

Approximate date work will start 7/30/13

Bond status On File Organization Report

Amount $50,000 (Or attached) Filling Fee of $25.00

Remarks P O T A S H EXPLORATORY W E L L

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 6/30/13

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

Permit Number: 1158
Approval Date: 7-31-2013
Approved By: S. E. R. M. S.

NOTICE: Before sending 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 communication 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 1/4 NE 1/4 Sec. 31, T18N, R26E</td>
</tr>
</tbody>
</table>

7. If the answer to question four is no, list all the owners and their respective interests below:

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8. If the answer to question four is no, list all the owners and their respective interests below:

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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

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.

[Signature]
Date Surveyed: 6/27/2013
Registered Land Surveyor

PROPOSED CASING PROGRAM

<table>
<thead>
<tr>
<th>Site 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&quot;</td>
<td>22.4</td>
<td>API 5 1/2</td>
<td>0</td>
<td>20'</td>
<td>0-20 9/16 hole</td>
<td>N/A</td>
<td>3/8&quot; pipe plug</td>
</tr>
<tr>
<td>5.5&quot;</td>
<td>13.7</td>
<td>PUT</td>
<td>0</td>
<td>1200'</td>
<td>1000'-1200'</td>
<td>20</td>
<td>Pumper Type II</td>
</tr>
</tbody>
</table>