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 990-8444

Drilling Contractor

BOART LONGYEAR
Address 7773 W. SEDON LANE, PEORIA AZ, 85345

DESCRIPTION OF WELL AND LEASE

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

PRIVATE
Well number AWP 50
Elevation (ground) 5845'
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

640
Number of wells on lease, including this well, completed 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)

1766.4' from W line, 1683.7' from N line
Section - Township - Range or Block and Survey SEC 25, T17N R26E
Dedication per A.A.C. R12-7-104(A)(3)
Field and reservoir (if wildcat, so state)

HOLBROOK BASIN
APACHE COUNTY

Distance in miles and direction from nearest town or post office

37 MILES EAST OF HOLBROOK

Proposed depth: 1500'

Rotary or cable tools

Approximate date work will start 8/30/13
Bond status ON FILE
Organization Report
Amount $50,000
On file Or attached Attached

Remarks

POTASH EXPLORATORY WELL / STRATIGRAPHIC TEST

API # 02-001-20485

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 8/15/13

Permit Number: 1183

Approval Date: 8-23-2013

Approved By: SCR

NOTICE: Before sending 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

(Complete Reverse Side)
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 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 NW 1/4 Sec 25, 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>Position</th>
<th>Company</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

I hereby certify that the well location shown on this 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 8/20/2013
Registered Land Surveyor

<table>
<thead>
<tr>
<th>PROPOSED CASING PROGRAM</th>
<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></td>
<td>5.5&quot;</td>
<td>20.1</td>
<td>PWT</td>
<td>0'</td>
<td>40'</td>
<td>0'-40'</td>
<td>5.5</td>
<td>Class A</td>
</tr>
<tr>
<td></td>
<td>4.5&quot;</td>
<td>11.8</td>
<td>HWT</td>
<td>0'</td>
<td>1100'</td>
<td>casing pulled upon completion</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>