KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: March 15, 2001

OPERATOR: License#: 31609
Name: Priority Oil & Gas LLC
Address: 633 17th St., Ste. 1520
City/State/Zip: Denver, CO 80202
Contact Person: Robbie Gries
Phone: (303) 296-3435

CONTRACTOR: License#: 32765
Name: Stewart Brothers Drilling Company

Well Drilled For:
- Oil
- Gas
- Storage
- Disposal
- Seismic: N/A
- Other

Well Class:
- Enh Rec
- Infield
- Pool Ext.
- Air Rotary
- Wildcat
- Cable
- Other

Type Equipment:
- Mud Rotary
- Air Rotary
- Cable

If OWOC: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:

Directional, Deviated or Horizontal wellbore? Yes

Bottom Hole Location:
KCC DKT #:

Spot W2, W2 SW Sec. 24 Twp. 3 S, R.42 X

Is SECTION Regular X Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Cheyenne
Lease Name: Raile
Field Name: Cherry Creek
Well #:

Target Formation(s):
- Niobrara

Nearest Lease or Unit boundary:
- 335 fwl

Ground Surface Elevation:
- 3586.3 ft MSL

Water well within one-quarter mile:
- Yes X No

Public water supply well within one mile:
- Yes X No

Depth to bottom of fresh water:
- 450 ft MSL

Depth to bottom of usable water:
- 200 ft MSL

Surface Pipe by Alternate:
- 1/2 ft

Length of Surface Pipe Planned to be set:
- 300 ft

Length of Conductor Pipe required:
- None

Projected Total Depth:
- 1679 ft

Formation & Total Depth:
- Niobrara

Water Source for Drilling Operations:
- Farm Pond

DWR Permit #:
- N/A

(Notes: Apply for Permit with DWR if applicable)

Will Cores be taken? Yes X No

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion, and eventual plugging of this well will comply with K.S.A. 55-101, et seq.

It is agreed that the following minimum requirements will be met:
1. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases, surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an alternate completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. In all cases, NOTIFY district office prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 3/12/01
Signature of Operator or Agent: [Signature]

Remember to:
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACC-I within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing of injecting salt water.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

If the intended well is in a prorated or spaced field please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - ____________________________
Operator: ________________________________
Lease: ________________________________
Well Number: __________________________
Field: ________________________________
Number of Acres attributable to well: __________________________
QTR / QTR / QTR of acreage: __________________________

Location of Well: County: __________________________
feet from S / N (circle one) Line of Section
feet from E / W (circle one) Line of Section
Sec. ______ Twp. ______ S. R. ______  □ East □ West
Is Section ______ Regular or ______ Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: _____NE _____NW _____SE _____SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

NOTE: In all cases locate the spot of the proposed drilling location.

In plotting the proposed location of the well, you must show:
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached; (CG-7 for oil wells; CG-8 for gas wells).