NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Expected Spud Date: January 11, 2003

OPERATOR: Licensee: 31809
Name: Priority Oil & Gas LLC
Address: PO Box 27798
City/State/Zip: Denver, CO 80227-0798
Contact Person: Robble Gries
Phone: 303-296-3435

CONTRACTOR: License: 6273
Name: Excell Drilling Co.

Well Drilled For: Well Class: Type Equipment:
[Check boxes: Oil, Gas Storage, Storage, Pool Ext., Infeld, Mud Rotary, Air Rotary, Cable, Wildcat, 
Other]

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

Directional, Deviated or Horizontal wellbore?
[Yes] [No]

If Yes, true vertical depth:

Bottom Hole Location:

KCC DKT #:

TD = 1600'

Spud SW NE SE Sec. 18 Twp. 4 S. R. 41

East

West

1600 feet from [circle one] Line of Section
1000 feet from [circle one] Line of Section
Is SECTION Regular [Yes] [No] Irregular

(Note: Locate well on the Section Plat on reverse side)

County: Cheyenne
Lease Name: Oschner
Well #: 1-18
Field Name: Cherry Creek
Is this a Prorated / Spaced Field? [Yes] [No]
Target Formation(s): Niobrara

Nearest Lease or unit boundary: 1000 ft
Ground Surface Elevation: 3056
Water well within one-quarter mile:
Public water supply well within one mile:

Depth to bottom of fresh water:

Depth to bottom of usable water:

Surface Pipe by Alternate: X
Length of Surface Pipe Planned to be set:
Length of Conductor Pipe required:
Projected Total Depth:

Formation at Total Depth:

Water Source for Drilling Operations:

DWR Permit #: [Yes] [No]

Will Cores be taken?

If Yes, proposed zone:

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 a 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 II 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: 1-11-03  Signature of Operator or Agent: [Signature]

Remember to:
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACC-1 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 or 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

Plat of acreage attributable to a well in a prorated or spaced field

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: Priority Oil & Gas LLC
Lease: Oschner
Well Number: 1-18
Field: Cherry Creek
Number of Acres attributable to well: 
QTR / QTR / QTR of acreage: SW - NE - SE

Location of Well: County: Cheyenne
1600 feet from S / N (circle one) Line of Section
1000 feet from E / W (circle one) Line of Section
Sec. 18  Twp. 4  S. R. 41  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: (CO-7 for oil wells; CO-8 for gas wells).