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

Date: FEB 19 2003

total: CONSERVATION DIVISION
WICHITA, KS

For KCC Use:
Effective Date: 2/25/03
District #: 4
SGA? Yes No

Expected Spud Date: March 1, 2003

Spot

Ap E/NE

Sec 18

Twp 5

S. R. 41

East West

feet from S (circle one) Line of Section

feet from E (circle one) Line of Section

Is SECTION Regular Irregular?

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

County: Cheyenne

Lease Name: Uiplinger

Well #: 5-18

Field Name: Cherry Creek

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Niobrara

Nearest Lease or unit boundary: 1050' to the South of the well location

Ground Surface Elevation: 3605

feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 150

Depth to bottom of usable water: 180

Surface Pipe by Alternate: X

Length of Surface Pipe Planned to be set: 300

Length of Conductor Pipe required: None

Projected Total Depth: 1800

Formation at Total Depth: Niobrara

Water Source for Drilling Operations: Farm Pond

DWR Permit #: X

Will Cores be taken? Yes No

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 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: 2/18/03 Signature of Operator or Agent: [Signature]

Title: Office Manager

For KCC Use ONLY

API # 15 - 023 20495 0000

Conductor pipe required None feet

Minimum surface pipe required 230 feet per All

Approved by: RSP 2/10/03

This authorization expires: 8/20/03

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: Agent:

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: Uplinger
Well Number: 5-18
Field: Cherry Creek

Number of Acres attributable to well:

QTR / QTR / QTR of acreage: NE SE NW

Location of Well: County: Cheyenne
1590 Location from S (circle one) Line of Section
2425 Location from E (circle one) Line of Section
Sec. 18 Twp. 5 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; CG-8 for gas wells).
This is a paid up Oil and Gas Lease, all reference to annual rentals contained in paragraph 4 have been paid in full.

This Lease Agreement is made as of the 22nd day of November, 2002, between Ronald M. Gallaher, a single woman, 138-85, and Kansas Oil & Gas LLC, P.O. Box 2778, Cheyenne, Wyoming 82003, as Lessee. All printed portions of this agreement were prepared by attorneys named as Lessee, but all other provisions (including the completion of blanks spaces) were prepared jointly by Lessee and Lessor.

1. Description: In consideration of a cash bonus in full paid and the covenants hereinafter contained, Lessor hereby grants, leases and assigns exclusively to Lessee the following described land, hereinafter called leased premises (see Exhibit "A" for long description):

Township 5 South, Range 41 West, 6th P.M.
Section 16: Lots 1, 2, E2/W4, NE4

This is a paid up Oil and Gas Lease, all reference to annual rentals contained in paragraph 4 have been paid in full.

In the County of Cheyenne, State of Wyoming, containing 320.16 acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise, for the purpose of exploring for, developing, producing and marketing oil and gas, along with any hydrocarbons and other substances produced in association therewith. The term "oil" as used herein includes heterocyclic compounds, coal tar and other commercial gases.

2. Term of Lease: Subject to the other provisions hereinafter contained, this lease shall remain in force for a term of Four (4) years from the date hereof called "primary term" and, as long thereafter as oil, gas or their respective products, or any of them, is produced from said land or land upon which said land is a part.

3. Royalty Payment: Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: For oil and other liquid hydrocarbons, the oil shall be delivered to the nearest wellhead or to Lessor's separator facilities, produced by Lessor shall have the continuing right to sell such production to itself or an affiliate at the wellhead market or at a price prevailing in the same field, or if there is no such price than prevailing in the same field, then in the nearest field or, if there is such a prevailing price for production of similar grade and gravity, at such price for gas containing casinghead gas and all other substances covered hereby, this royalty shall be one-eighth (1/8th) of the proceeds realized by Lessee from the sale thereof, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price paid for production of similar quality in the same field or at no such price than prevailing in the same field, then in the nearest field, or, if there is no such price than prevailing in the same field, then in the nearest field, or, if there is such a prevailing price for production of similar grade and gravity, at such price.

4. Rental Payments: If operations for drilling are not commenced on said land or on the same therewith on or before the date hereof called "primary term", the lessor shall receive as to both parties, unless on or before the date hereof called "primary term", the sum of Three Hundred Twenty and 00/100 Dollars ($320.00), which shall be deemed the pro rata part of total consideration of such operations for a period of one (1) month.

5. Operations: The lessor hereby grants, leases and assigns to the lessee an option to explore, develop and produce oil and gas and to enter into leasing transactions or to sell or exchange interests in the lessor's interest, including rights to theforesaid, to any other person, firm or corporation at any time during the primary term or at any time thereafter, upon such terms as the lessee may desire, provided, however, that the lease shall not be extended for the purpose of obtaining an extension of the primary term or any extensions thereof.