

For KCC Use: 3-24-2001
 Effective Date: 4
 District #: 4
 SGA? Yes No

**KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
 NOTICE OF INTENT TO DRILL**

Form C-1
 September 1999
Form must be Typed
Form must be Signed
 All blanks must be Filled

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

Expected Spud Date March 15, 2001
 month day year

Spot East West
 / W2 W2 SW Sec. 24 Twp. 3 S. R. 42
 / 1360 feet from Q / N (circle one) Line of Section
 / 335 feet from E / Q (circle one) Line of Section
 Is SECTION Regular Irregular?

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

(Note: Locate well on the Section Plat on reverse side)
 County: Cheyenne
 Lease Name: Raile Well #: 3-24
 Field Name: Cherry Creek

CONTRACTOR: License# 32765
 Name: Stewart Brothers Drilling Company

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Niobrara
 Nearest Lease or unit boundary: 335 fw1

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input checked="" type="checkbox"/> Infield	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> CWMO	<input type="checkbox"/> Storage	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic: # of Holes	<input type="checkbox"/> Pool Ext.	
<input type="checkbox"/> Other	<input type="checkbox"/> Wildcat	
	<input type="checkbox"/> Other	

Ground Surface Elevation: 3586.3 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' 200'
 Depth to bottom of usable water: 250'

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

Surface Pipe by Alternate: 1 2 300'
 Length of Surface Pipe Planned to be set: _____
 Length of Conductor Pipe required: None
 Projected Total Depth: 1679'

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

Formation at Total Depth: Niobrara
 Water Source for Drilling Operations:
 Well _____ Farm Pond _____ Other: City Water
 DWR Permit #: _____
 (Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____

AFFIDAVIT

RECEIVED
 STATE CORPORATION COMMISSION
 MAR 12 2001
 3-12-2001
 CONSERVATION DIVISION
 Wichita, Kansas

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: 3/9/01 Signature of Operator or Agent: [Signature] Title: Off. Mgr.

For KCC Use ONLY
 API # 15 - 023-20416-0000
 Conductor pipe required NONE feet
 Minimum surface pipe required 300 feet per Alt. (1) X
 Approved by: JK 3-19-2001
 This authorization expires: 9-19-2001
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

- 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.

24
3
47W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

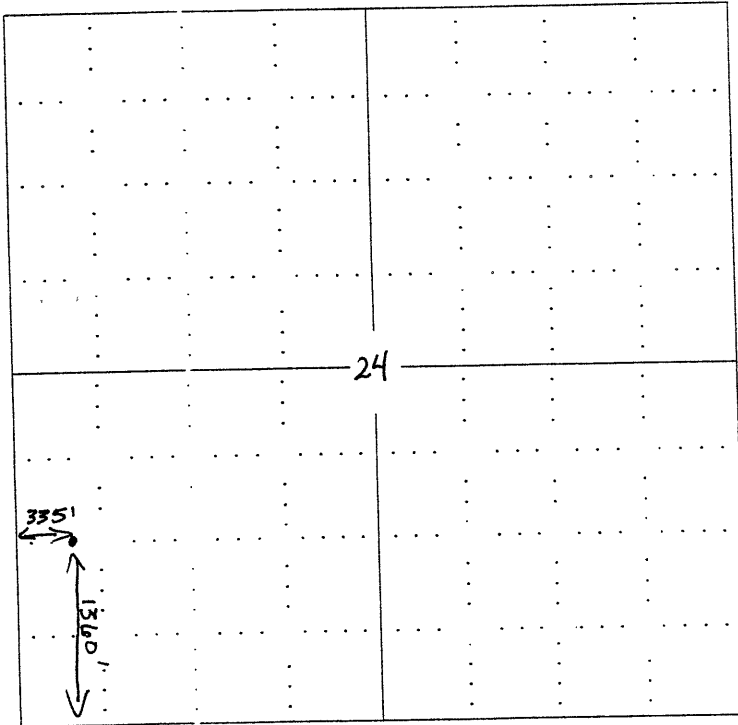
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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: _____
 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.)

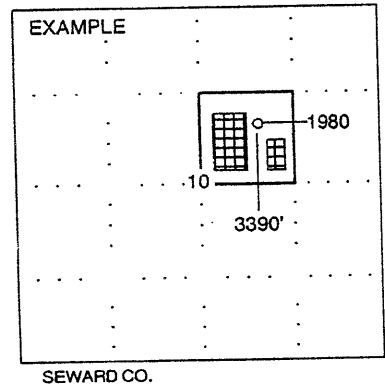


RAILE 3-24
 W2W2SW
 T35R424 Sec. 24
 1360 fs1
 335fw1
 Elev. 3586.3 msl

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 STATE CORPORATION COMMISSION

MAR 12 2001

CONSERVATION DIVISION
 Wichita, Kansas



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).