

For KCC Use: 3-18-2001
 Effective Date: 3-18-2001
 District # A
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form C-1

September 1999

Form must be Typed

Form must be Signed

All blanks must be Filled

NOTICE OF INTENT TO DRILL

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

Expected Spud Date March 15, 2001
 month day year

Spot APPROX. East
 SW - NW - NE Sec. 25 Twp. 3 S. R. 42 West
 / 1185 feet from S / W (circle one) Line of Section
 / 231.5 feet from W / W (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 #: 4-25
 Field Name: Cherry Creek

CONTRACTOR: License# 8273
 Name: Excell Drilling Company

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Niobrara

Nearest Lease or unit boundary: 1442 ft from lease line

Ground Surface Elevation: 3650 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: 250'

Surface Pipe by Alternate: X 1 / 2 300'

Length of Surface Pipe Planned to be set: None

Length of Conductor Pipe required: None

Projected Total Depth: 1800 feet

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: _____

KANSAS CORPORATION COMMISSION

Well Drilled For: Well Class: Type Equipment:

<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other		
<input type="checkbox"/> 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 #: _____

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: Mar 2, '01 Signature of Operator or Agent: Robbie Gries Title: President

For KCC Use ONLY

API # 15 - 023-20407-0000

Conductor pipe required NONE feet

Minimum surface pipe required 300 feet per Alt. (1)

Approved by: JK 3-13-2001

This authorization expires: 9-13-2001
 (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 ACO-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

25
3
42W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

MAR 07 2001

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

CONSERVATION DIVISION

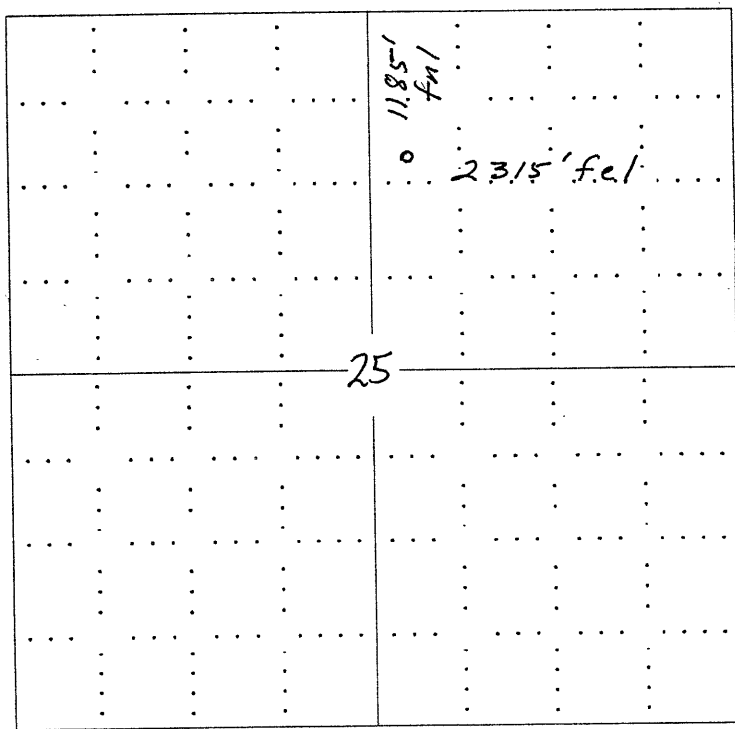
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please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

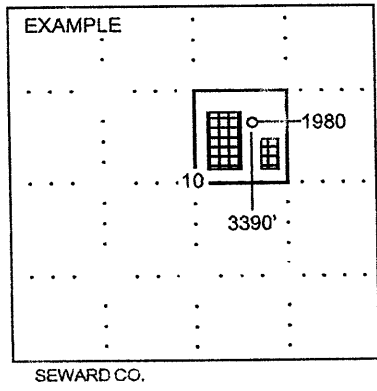
Location of Well: County: _____
 _____ feet from S / N (circle one) Line of Section
 _____ feet from E / W (circle one) Line of Section
 Sec. _____ Twp. _____ S. R. _____ East West
 Is Section _____ Regular or _____ Irregular
 If Section is Irregular, locate well from nearest corner boundary.
 Section 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.)



Rate 4-25
Elev 3650'



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).