

For KCC Use:
 Effective Date: 12-9-2000
 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 December 1, 2000
month day year

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# 8273
 Name: Excell Drilling Company

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"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<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 #: _____

Spot East
 SW SW SE Sec. 17 Twp. 4 S. R. 40 West
330 feet from N (circle one) Line of Section
2295 feet from W (circle one) Line of Section
 Is SECTION Regular Irregular?

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

County: Cheyenne
 Lease Name: Schultz Well #: 2-17
 Field Name: Cherry Creek

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Niobrara
 Nearest Lease or Unit boundary: 330'

Ground Surface Elevation: 3530 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: 1 2

Length of Surface Pipe Planned to be set: 300'
 Length of Conductor Pipe required: none

Projected Total Depth: 1600'
 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
 KANSAS CORPORATION COMMISSION

NOV 27 2000

CONSERVATION DIVISION
 WICHITA, KS

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: 11-20-00 Signature of Operator or Agent: Robbie Gries Title: President

For KCC Use ONLY
 API # 15 - 023-20377-0000
 Conductor pipe required NONE feet
 Minimum surface pipe required 300 feet per Alt. 1
 Approved by: JK 12-4-2000
 This authorization expires: 6-4-2001
 (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

17
4
MCH

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

NOV 27 2000

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

CONSERVATION DIVISION
WICHITA, KS

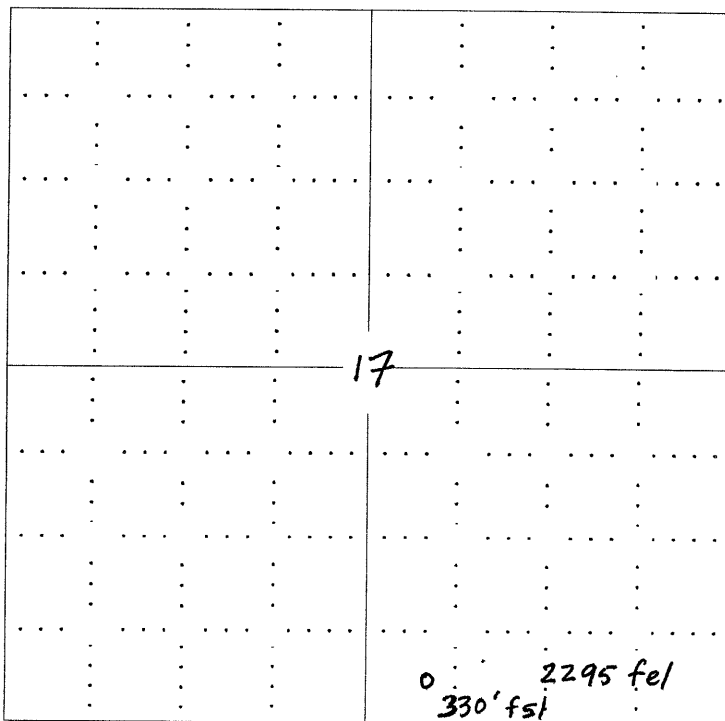
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please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

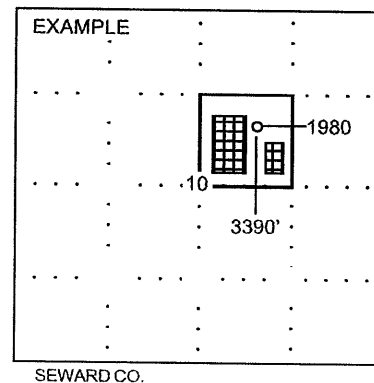
Location of Well: County: _____
 _____ feet from S / N (circle one) Line of Section
 _____ feet from E / W (circle one) Line of Section
 Sec. _____ Twp. _____ S. R. _____ East West
 Is Section _____ Regular or _____ Irregular
If Section is Irregular, locate well from nearest corner boundary.
 Section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



SHULTZ 2-17
 330' from nearest
 unit line
 ELEV: 3530'



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).