

For KCC Use: 12-20-2000
 Effective Date: _____
 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

Spot APPROX. East
~~NE~~ - ~~NE~~ - ~~NE~~ Sec. 16 Twp. 4 S. R. 40 West
650 feet from S / 10 (circle one) Line of Section
552 feet from 10 / 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: Harkins Well #: 2-16
 Field Name: Cherry Creek

CONTRACTOR: License# 8273
 Name: Excell Drilling Company

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

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			

Nearest Lease or unit boundary: 552' fel
 Ground Surface Elevation: 3447 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: 250+ 150
 Depth to bottom of usable water: 450+ 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: 1550'

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: _____

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 or 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: 12/11/00 Signature of Operator or Agent: [Signature] Title: Office Manager

For KCC Use ONLY	
API # 15 -	<u>023-20384-0000</u>
Conductor pipe required	<u>NONE</u> feet
Minimum surface pipe required	<u>300'</u> feet per Alt. (1) <input checked="" type="checkbox"/>
Approved by:	<u>JK 12-15-2000</u>
This authorization expires:	<u>6-15-2001</u>
<small>(This authorization void if drilling not started within 6 months of effective date.)</small>	
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.

RECEIVED
 STATE CORPORATION COMMISSION

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

DEC 15 2000

CONSERVATION DIVISION
 Wichita, Kansas

16
4
4063

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

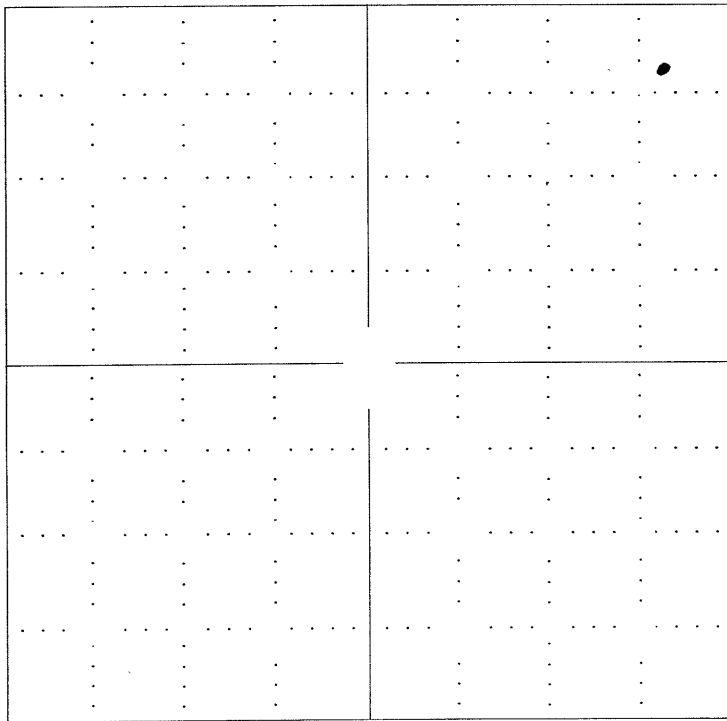
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please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

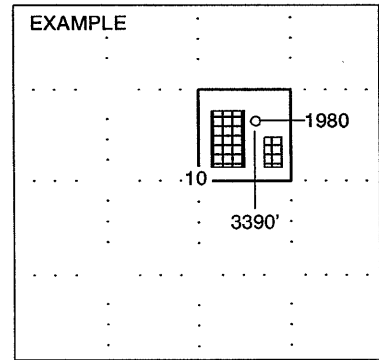
Location of Well: County: _____
_____ feet from S / N (circle one) Line of Section
_____ feet from E / W (circle one) Line of Section
Sec. _____ Twp. _____ S. R. _____ [] East [] West
Is Section _____ Regular or _____ Irregular
If Section is Irregular, locate well from nearest corner boundary.
Section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



Harkins 2-16
Sec. 16 T45R46W
NENE NE



SEWARD CO.

NOTE: In all cases locate the spot of the proposed drilling locaton.

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: (CG-8 for gas wells).

RECEIVED
STATE CORPORATION COMMISSION

May 5 2000

CONSERVATION DIVISION
Wichita, Kansas