

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 31609
 Name: Priority Oil & Gas LLC
 Address: 633 17th St. Ste 1520
 City/State/Zip: Denver, CO 80202
 Purchaser: Enserco Energy
 Operator Contact Person: Jessica Trevino
 Phone: (303) 296-3435
 Contractor: Name: Excell Drilling Company
 License: 8273
 Wellsite Geologist: none
 Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)
 If Workover/Re-entry: Old Well Info as follows:
 Operator: _____
 Well Name: _____
 Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back _____ Plug Back Total Depth _____
 Commingled _____ Docket No. _____
 Dual Completion _____ Docket No. _____
 Other (SWD or Enhr.?) _____ Docket No. _____
1-17-01 1-18-01 2-3-01
 Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15- 023-20383-0000
 County: Cheyenne
 114' ^{NE} W of C Sec. 20 Twp. 4 S. R. 40 East West
1319 feet from S / N (circle one) Line of Section
1434 feet from E / W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: Schultz Well #: 1-20
 Field Name: Cherry Creek
 Producing Formation: Niobrara
 Elevation: Ground: 3551 Kelly Bushing: 3557
 Total Depth: 1495 Plug Back Total Depth: 1417
 Amount of Surface Pipe Set and Cemented at 301 Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set _____ Feet
 If Alternate II completion, cement circulated from n/a
 feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan ALT 1 JG 7/15/02
 (Data must be collected from the Reserve Pit)
 Chloride content 13200 ppm Fluid volume 3200 bbls
 Dewatering method used Evaporate
 Location of fluid disposal if hauled offsite:
 Operator Name: _____
 Lease Name: _____ License No.: _____
 Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
 County: _____ Docket No.: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Robbie Gries
 Title: President Date: May 9, 2001
 Subscribed and sworn to before me this 9th day of May, 2001
 Notary Public: Jerry S. L...
 Date Commission Expires: 3/29/05

KCC Office Use ONLY

Letter of Confidentiality Attached
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

Operator Name: Priority Oil & Gas LLC Lease Name: Schultz Well #: 1-20

Sec. 20 Twp. 4 S. R. 40 East West County: Cheyenne

ORIGINAL

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No
 (Submit Copy)

Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
Niobrara		
Beecher Island	1294	2263

RECEIVED
 KANSAS CORPORATION COMMISSION

MAY 18 2001

CONSERVATION DIVISION

CASING RECORDS New Used

Report all strings set-conductor, surface, intermediate, production, etc.

Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacs Used	Type and Percent Additives
Surface	9 7/8	7"	24#	301	Reg	130	3% cc 1/4#sk floccel
Production	7 7/8	4 1/2"	10.5#	1462	50-50 Pozmix	75	2% gel 10% salt

ADDITIONAL CEMENTING / SQUEEZE RECORD

Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate				
<input type="checkbox"/> Protect Casing				
<input type="checkbox"/> Plug Back TD				
<input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
1	1316-1327	500 gal 7.5% HCl	1316-1334
2	1327-1334	Foam Frac w/ 76000 #20/40 and 27100 #10/20	

TUBING RECORD Size Set At Packer At Liner Run Yes No

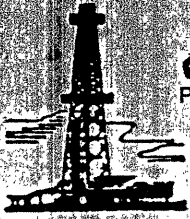
none

Date of First, Resumed Production, SWD or Enhr. WOPL Producing Method Flowing Pumping Gas Lift Other (Explain)

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

Disposition of Gas METHOD OF COMPLETION Production Interval 1316'-1327' + 1327'-1334'

Vented Sold Used on Lease (If vented, Sumit ACO-18.) Open Hole Perf. Dually Comp. Commingled Other (Specify)



CEMENTER'S WELL SERVICE, INC.
 P.O. BOX 336220 • GREELEY, CO 80633 • (970) 353-7299 • FAX (970) 353-7712

OUR INVOICE NO 181267

ORIGINAL

Date <u>1-18-2001</u>	Well Owner <u>PRIORITY OIL & GAS</u>	Well No. <u>#1-70</u>	Lease <u>SCHULTZ</u>
Country <u>CHEYENNE</u>	State <u>KANSAS</u>	Field	
Charge to <u>PRIORITY OIL & GAS LLC</u>	Charge Code		
Address <u>633 17th St., SUITE 1520</u>			For Office Use Only
City, State <u>DENVER, COLORADO 80202</u>			
Pump Truck No. <u>1206</u>	Code	Bulk Truck No. <u>1213</u>	Code
Type of Job		Depth	Ft. <u>1495</u>
Surface		Bottom of Surface	Ft.
Plug		Plug Landed @ <u>1477</u>	Ft. Time On <u>0030 A.M.</u>
Production <u>4 1/2" CASING-10.5"</u>		Pipe Landed @ <u>1462</u>	Ft. Time Off <u>0130 A.M.</u>

Reference No.	Description	Qty.	Meas.	Unit Price	Amount
	Pump Truck Charge				
	Cement Near				
	Poz. Mix ✓ <u>50/50</u>	<u>75</u>	<u>SKS</u>		<u>4100 00</u>
	Calcium Chloride <u>10% SALT</u>				
	Gel <u>2</u> % Flo-Cele #Per Sack				
	Handling Charge				
	Hauling Charge				
	Additional Cement				
<u>4 1/2"</u>	<u>CENTRALIZERS</u>	<u>5</u>			
<u>"</u>	<u>AFIL SHOE</u>	<u>1</u>			
<u>"</u>	<u>LATCH DOWN PLUG</u>	<u>1</u>			
RECEIVED KANSAS CORPORATION COMMISSION MAY 18 2001 CONSERVATION DIVISION WICHITA KS					
MIXING RATE 4 BPM - DISPLACEMENT RATE 6 BPM SLURRY VOL. 1.26 CU. FT. / SK - SLURRY WT. 14.2 PPG					

Remarks <u>PRE-FLUSH w/ 10 PPG H₂O</u>	Tax Reference Code	Sub Total	<u>4100 00</u>
<u>DISPLACE w/ 10 PPG H₂O</u>	State <u>Ks. 4.9%</u>	Tax	<u>200 90</u>
<u>LANDED PLUG w/ 2.000 PST</u>	Disc.	Total	<u>KANSAS 4300 90</u>

Truck No.	Code	State Mileage	Nebraska	Colorado	Wyoming	Other	Total Mileage
<u>1206</u>		Pump Truck				<u>96</u>	
<u>1213</u>		Bulk Truck				<u>96</u>	

We do not assume any responsibility for any damage or conditions resulting from our services. All pricing is subject to review and revision.

Delivered By JACK-BEN-CHARLES Received By [Signature]
 Customer or His Agent

DAILY DRILLING REPORT
NIOBARRA DEVELOPMENT #1 WELL

WELL NAME 1-20 Schultz	24 HR PROG 549	TMD 555	TVD ---	REPT # 1	DATE 7-17-01
SUPERVISOR Walt Smith	RIG NAME & # Excell II	FIELD NAME Cherry CR	AUTH ID 1600	DAILY TANG \$ ---	CUM TANG \$ ---
CURRENT STATUS Drilling				DAILY INT \$ ---	CUM INTANG \$ ---
24 HR FORECAST Drill to TD, Log Run & Cmt Prod Csg				DAILY TOTAL \$ 10623	CUM COST \$ 10623
LITHOLOGY sd sh, clay	LAST CASING 7	IN @ 301 FT	NEXT CASING 4 1/2	AFE # ---	AUTH COST \$ ---

MUD DATA		ADDITIVES		QTY	BIT RUN DATA				PUMP DATA		
DENS (ppg)	9.1	Gel	24	BIT #	1	2	BIT #	1	2	STROKE	14
VIS (sec/qt)	41	Lime	2	SIZE (in)	9 7/8	6 1/4	DEPTH IN	6	307	LINER	5 1/2
WL- API	NC			MFR	STC		DEPTH OUT	307	---	SPM	70
pH				TYPE	DGJ		WOB min/max	4.8	1	OUTPUT (gpm)	290
				SERIAL #	LB6294		RPM min/max	120/140	1	PRESS (psi)	400
				NETS 1/23	13/13/13						

FROM	TO	HOURS	OPERATIONS SUMMARY
0700	1445	7 3/4	MIRU Notify Herb Dyness, KCC, 1-12-01, 13:00
	1845	4	Drill 6 - 307 shale @ 235
	1900	1/4	Circulate @ 307
	1915	1/4	Survey 3/4° @ 307
	1930	1/4	TOOH
	2115	13/4	Ran 10 Jts (295 LB) used 7" 20 [#] 8nd STC open-ended landed @ 301' KB. Pumped 8 Bbl water preflush, mixed 130.5x Reg 3% CC, 1/4 #/5x flocc @ 15 ^{lb} PPG, displaced w/ 11 Bbl fresh water, circ 2 Bbl cmt to surface. Cement in place @ 21:15.
2115	0515	8	WOC
	0700	1 3/4	Drill 307-555 No Cement in 7" Csg
			Req 8779
			Xtra Surf Csg 1179
			PLI 565
			Kevin 100
			10623

24 HR SUMMARY
MIRU, Drill Surf, Run & Cmt Surf Csg, WOC, drill

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JUL 17 2001

KCC WICHITA

PAGE 1 of 1

DAILY DRILLING REPORT
NIOBARRA DEVELOPMENT T WELL

WELL NAME 1-20 Schultze	24 HR PROG 940	TMD 1495	IVD —	REPI # 2	DATE 1-18-01
SUPERVISOR Walt Smith	RIG NAME & # EXCELL II	FIELD NAME Cherry Cr	AUTH ID 1600	DAILY TANG \$ —	CUM TANG \$ —
CURRENT STATUS WOC Rigging Down	24 HR FORECAST Move to next well			DAILY INT \$ —	CUM INTANG \$ —
LITHOLOGY Shale, chalk	LAST CASING 4 1/2 IN @ 1462	NEXT CASING — IN @ —	AFE # —	DAILY TOTAL \$ 29511	CUM COST \$ 40134
AUTH COST \$ —					

MUD DATA		ADDITIVES	QTY	BIT RUN DATA			PUMP DATA		
DENS (ppg)	8.2	KCL	70	BIT #	2	BIT #	2	STROKE	14
VIS (sec/qt)	34	Starch	35	SIZE (in)	6 1/4	DEPTH IN	307	LINER	5 1/2
WL- API	7	Drisol	2	MFR	VII	DEPTH OUT	1495	SPM	70
pH	7	Polymer	2	TYPE	L117	WOB min/max	15.18	OUTPUT (RPM)	290
				SERIAL #	150962	RPM min/max	14/150	PRESS (psi)	500
				JETS 10/3	14, 15, 16				

FROM	TO	HOURS	OPERATIONS SUMMARY
0700	0715	1/4	Rig Service
	1015	3	Drilling 555-1020
	1200	1 3/4	Mud Up
	1330	1 1/2	Drill 1020-1240
	1415	3/4	Rig Repair - Replace throttle shuttle valve
	1645	2 1/2	Drill 1240-1495
	1715	1/2	Circulate @ 1495
	1745	1/2	Short Trip 1495-1208
	1845	1	Circulate @ 1495
	1900	1/4	Survey 2° @ 1495
	2030	1 1/2	TOOFF - Lay down drill string
2030	2300	2 1/2	Run & Log - Log TD 1492. Barcher Island 1458-900 Log TD 1492 Barcher Island 1307-1334, Ave Res 4 1/2, Ave x-over 1307-1326 21%, 1326-1334 30%.
2300	0130	2 1/2	Run & Cmt 4 1/2 Prod Csg Ran fillup float shoe (.91') on 33 Jts (1456.50') new 4 1/2 10" J-55, 8nd str Casing. Total 1457.41', set @ 1462' KB. Circ 1/4 hr. Pumped 10 Bbl fresh Water pre flush, mixed 75 5x 50-50 Poz, 2% Gel, 10% Salt @ 14.2 PPG

24 HR SUMMARY
 Drill to TD, Log, Run & Cmt Prod Casing

DAILY DRILLING REPORT
NIORARA DEVELOPMENT WELL

WELL NAME 1-20 Schulte		24 HR PROG TMD 1495	TVD —	REPT # 2	DATE 1-18-01
SUPERVISOR Walt Smith		RIG NAME & # Excell II	FIELD NAME Cherry Cr	AUTH ID 1600	DAILY TANG \$ —
CURRENT STATUS WOC Rigging Down		24 HR FORECAST Made to next well			DAILY INT \$ —
LITHOLOGY Shale, Chalk		LAST CASING 4 1/2 IN @ 1462 FT	NEXT CASING — IN @ — FT	DAILY TOTAL \$ —	CUM TANG \$ —
MUD DATA		ADDITIONS			CUM INTANG \$ —
DENS (ppg)		QTY			DAILY COST \$ —
VIS (sec/cf)		BIT RUN DATA			AUTH COST \$ —
WL-API		BIT #			
pH		SIZE (in)			
		MER			
		DEPTH IN			
		DEPTH OUT			
		TYPE			
		WOB			
		SERIAL #			
		RPM			
		NETS 1/2/3			
		RPM			
		NETS 1/2/3			

FROM	TO	HOURS	OPERATIONS SUMMARY
			Wash out lines, Displace latch down Plug w/22.5 Bbl 3% KCL Water. Plug down @ 01:30 Float held PBD @ 1417' KB Good Circulation
0130	0200	1/2	Hang Cas w/13000#, Flange Up Wellhead
0200	0700	5	Rig Released @ 02:00 - Rigging Down

Rig	12574
Xtra ftge	1052
Dry Work 3 hrs	594
ACE	565
Kevin	100
Sessions	150
Schlumberger	4000
Cementing	4301
Wellhead	575
Casing	5600

24 HR SUMMARY