

AMENDED

CORRECTED

For KCC Use:
Effective Date: 2-10-01
District #: 4
SGA? [X] Yes [] No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date: May 15, 2001
month day year

Spot APPROX.
SW NW SW Sec. 1 Twp. 4 S. R. 41
[] East [X] West

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

1733 feet from [] N (circle one) Line of Section
550 feet from E / [X] W (circle one) Line of Section
Is SECTION Regular [] Irregular [X]

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

County: Cheyenne
Lease Name: Morrow Well #: 1-1
Field Name: Cherry Creek

CONTRACTOR: License# 32765
Name: Stewart Brothers Drilling Company

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

Well Drilled For: Well Class: Type Equipment:
[] Oil [] Enh Rec [X] Infield [X] Mud Rotary
[X] Gas [] Storage [] Pool Ext. [] Air Rotary
[] OWWO [] Disposal [] Wildcat [] Cable
[] Seismic; # of Holes [] Other
[] Other

Nearest (Lease) or unit boundary: 550 fwl WAS: 320'
Ground Surface Elevation: 3355 feet MSL

Water well within one-quarter mile: [] Yes [X] No
Public water supply well within one mile: [] Yes [X] 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: 1450'

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 [X] 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 [X] No

If Yes, true vertical depth:

Bottom Hole Location:

KCC DKT #:

AFFIDAVIT SPOT WAS: APP N/2 NW SW
SPOT IS: APP SW NW SW
FOOTAGE WAS: 2310' FSL 650' FWL
FOOTAGE IS: 1733' FSL 550' FWL

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: 5/7/01 Signature of Operator or Agent: Title: Off. Manager

For KCC Use ONLY
API # 15 - 073-20396-0000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. (1)
Approved by: [Signature]
This authorization expires: 8-5-2001
(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

MAY 9 2001
CONSERVATION DIVISION

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.

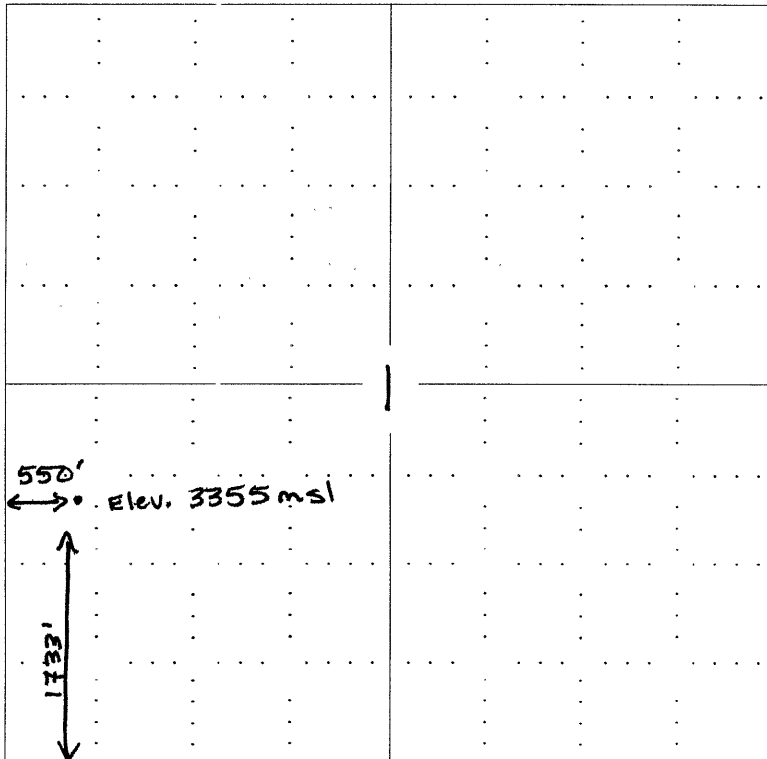
API No. 15 - _____
Operator: _____
Lease: _____
Well Number: _____
Field: _____
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: _____ - _____ - _____

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

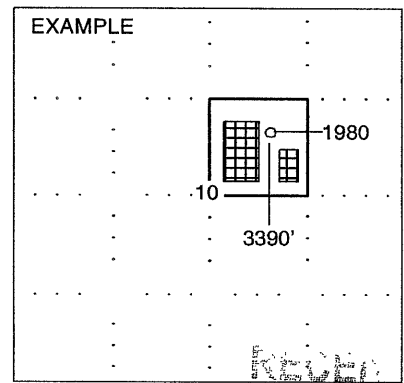
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: ___NE ___NW ___SE ___SW

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.)*



MORROW 1-1
T4S R41W
Section 1



SEWARD CO. KANSAS CORPORATION COMMISSION

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

MAY 9 2001

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).

CONSERVATION DIVISION