

For KCC Use: 2-12-03  
 Effective Date: 2-12-03  
 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 February 7, 2003  
 month day year SE

AP 152' E of  
 Spot  East  West  
 NE - NE - NW Sec. 29 Twp. 4 S. R. 41  
520 feet from S / N (circle one) Line of Section  
2627 feet from E / W (circle one) Line of Section  
 Is SECTION  Regular  Irregular?

OPERATOR: License# 31609  
 Name: Priority Oil & Gas LLC  
 Address: PO Box 27798  
 City/State/Zip: Denver, CO 80227-0798  
 Contact Person: Robbie Gries  
 Phone: 303-296-3435

(Note: Locate well on the Section Plat on reverse side)  
 County: Cheyenne  
 Lease Name: Harkins Well #: 4-29  
 Field Name: Cherry Creek

CONTRACTOR: License# 8273  
 Name: Excell Drilling Co.

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

Nearest Lease or unit boundary: 520 FNL (330+ unit)  
 Ground Surface Elevation: 3452 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: 150 130  
 Depth to bottom of usable water: 250 150

Surface Pipe by Alternate: X 1 2  
 Length of Surface Pipe Planned to be set: 300'

Length of Conductor Pipe required: none  
 Projected Total Depth: 1800'

Formation at Total Depth: Niobrara  
 Water Source for Drilling Operations:  
 Well  Farm Pond  Other

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 #: \_\_\_\_\_

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**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:

FEB 07 2003  
 02-07-2003  
 CONSERVATION DIVISION  
 WICHITA, KS

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: 2-6-03 Signature of Operator or Agent: [Signature] Title: office manager

For KCC Use ONLY  
 API # 15 - 023-20486.00.00  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 200 feet per Alt. 1 2  
 Approved by: RJP 2-7-03  
 This authorization expires: 8-7-03  
 (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.

29  
 4  
 1/3

**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: Harkins

Well Number: 4-29

Field: \_\_\_\_\_

Number of Acres attributable to well: \_\_\_\_\_

QTR / QTR / QTR of acreage: NE - NE - NW

Location of Well: County: Cheyenne

520 feet from S (N) (circle one) Line of Section

2627 feet from E (W) (circle one) Line of Section

Sec. 29 Twp. 4 S. R. 41  East  West

Is Section  Regular or  Irregular

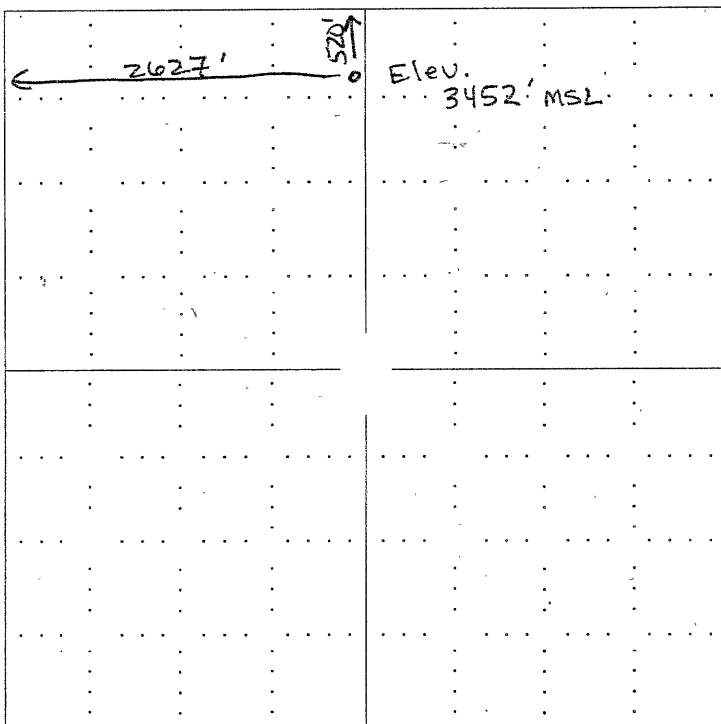
**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

**PLAT**

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)*

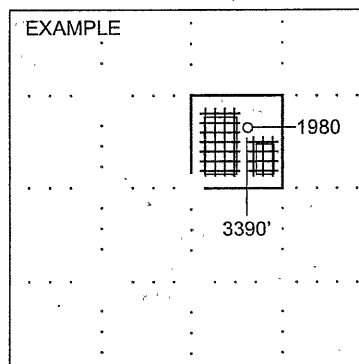
*(Show footage to the nearest lease or unit boundary line.)*



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WICHITA, KS



**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).

15-023-20486-00-00

DECLARATION OF CONSOLIDATION  
OF GAS LEASEHOLD ESTATES

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FEB 06 2003

THIS INSTRUMENT made and executed effective the 1st day of November,  
1977, by Kansas-Nebraska Natural Gas Company, Inc., a Kansas corporation.

CONSERVATION DIVISION  
WICHITA, KS

WITNESSETH:

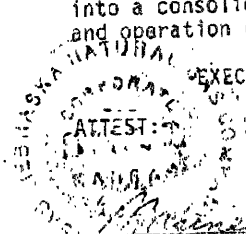
That,

WHEREAS, it is the desire of Kansas-Nebraska Natural Gas Company, Inc.,  
to provide for the prevention of waste, conservation and greatest ultimate recovery  
of gas in the development and operation of sand, strata and formations hereinafter  
described for the production of gas under and pursuant to the terms and provisions  
of the oil and gas leases described in Exhibit "A" hereto annexed and made a part  
hereof, and to that end to unitize and consolidate said oil and gas leases into a  
consolidated gas leasehold estate insofar as they cover the natural gas production  
from the premises hereinafter described.

NOW, THEREFORE, in consideration of the premises, Kansas-Nebraska  
Natural Gas Company, Inc., pursuant to the right, power and authority conferred  
upon it as lessee, by assignment, in the oil and gas leases described in Exhibit  
"A" does hereby pool, consolidate and unitize said leases insofar as they cover the  
gas and gas rights only in all formations, sands and strata in and under the follow-  
ing described lands situated in Cheyenne County, Kansas, to-wit:

All of Section 29, Township 4 South, Range 41 West

into a consolidated gas leasehold estate and unitized area for the development  
and operation of same for the production of gas.



EXECUTED effective the day and year first above written.

KANSAS-NEBRASKA NATURAL GAS COMPANY, INC.

Maxine D. Denton  
Maxine D. Denton, Asst. Secretary

Robert E. Johnson  
Robert E. Johnson, Vice President

STATE OF COLORADO }  
COUNTY OF JEFFERSON } SS

Be it remembered, that on this 1st day of November, 1977, before me,  
a Notary Public in and for said county, personally appeared Robert E. Johnson,  
Vice President of Kansas-Nebraska Natural Gas Company, Inc., a Kansas corporation,  
who is personally known to me and known to me to be the Vice President of said  
corporation, and the same person who executed the foregoing instrument, and he  
duly acknowledged the execution of the same for and on behalf of and as the act  
and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official  
seal the day and year above written.



Ethel M. Morris  
Ethel M. Morris - Notary Public

My Commission Expires:

October 12, 1981

Harkins 1-29

FEB 06 2003

15-023-20486-00-00

CONSERVATION DIVISION  
WICHITA, KS

EXHIBIT "A"

ATTACHED: Declaration of Consolidation of Gas Leasehold Estates  
DATED: November 1, 1977  
~~XXXXXXXX~~ BY: Kansas-Nebraska Natural Gas Company, Inc.

PAGE 1 OF 1  
STATE OF Kansas COUNTY OF Cheyenne

LEASE NO.	LESSOR	LESSEE	DATE	DESCRIPTION	RECORDED Book	Page
K-2140	St. Francis Cemetery District No. 2 of Cheyenne County, KS	Kansas-Nebraska Natural Gas Company, Inc.	7-21-77	Township 4 South, Range 41 West, 6th PM Section 29: Commencing at the Southeast corner of said Section 29, thence North along the East line of said Section a distance of 330.00 feet, thence West parallel with the South line of said Section a distance of 264.00 feet, thence South and parallel with the East line of said Section a distance of 330.00 feet to the South line of said Section 29, thence East along the South line of said Section a distance of 264.00 feet to point of beginning.	047	363
K-1917	Dale D. Harkins and Jan Harkins, husband and wife	Kansas-Nebraska Natural Gas Company, Inc.	4-9-75	Township 4 South, Range 41 West, 6th PM Section 29: All	038	

49 p. 384

LANCASHIRE COUNTY REC'D MAR 11 1978

Fee: 6.00  
Mail, Lakewood, Colo.  
STATE OF KANSAS  
CHEYENNE COUNTY, KS  
This instrument was filed for Record in the 23rd day of Jan. A.D. 1978 at 1:00 o'clock P.M. and duly recorded in Book 47 Page 383  
Register of Deeds