

For KCC Use:
Effective Date: 2.25.03
District #: 4
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

FEB 19 2003

Form C-1
September 1999

Form must be Typed
Form must be Signed
Blanks must be Filled

NOTICE OF INTENT TO DRILL

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

CONSERVATION DIVISION
WICHITA, KS

Expected Spud Date March 1, 2003
month day year

Spot East West
Ap E/2 NE - SE - NW Sec. 18 Twp. 5 S. R. 41

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

1590 feet from S / (N) (circle one) Line of Section
2425 feet from E / (W) (circle one) Line of Section
Is SECTION Regular Irregular?

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

County: Cheyenne
Lease Name: Uplinger Well #: 5-18
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:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 OWWO Disposal Wildcat Cable
 Seismic; # of Holes Other
 Other

Nearest Lease or unit boundary: 1050' to the South of the well location
Ground Surface Elevation: 3605 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: 120' 150'

Depth to bottom of usable water: 150' 180'

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 #: _____

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 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: 2/18/03 Signature of Operator or Agent: [Signature] Title: Office Manager

For KCC Use ONLY
API # 15 - 023-20495 00-00
Conductor pipe required NONE feet
Minimum surface pipe required 230 feet per Alt. (1) 3
Approved by: RJP 2.20.03
This authorization expires: 8.20.03
(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.

18 5 41

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: Priority Oil & Gas LLC
 Lease: Uplinger
 Well Number: 5-18
 Field: Cherry Creek
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NE - SE - NW

Location of Well: County: Cheyenne

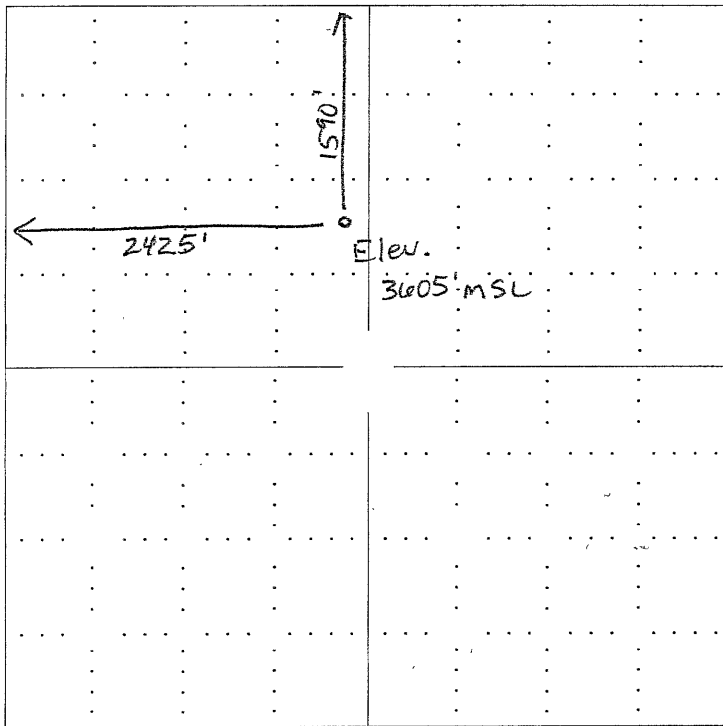
 1590 _____ feet from S (N) (circle one) Line of Section
 2425 _____ feet from E (W) (circle one) Line of Section
 Sec. 18 Twp. 5 S. R. 41 East West

Is Section _____ Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

PLAT

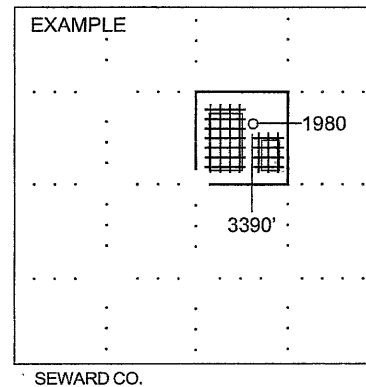
*(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)*



RECEIVED
 KANSAS CORPORATION COMMISSION

FEB 19 2003

CONSERVATION DIVISION
 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).

STATE OF KANSAS, CHEYENNE COUNTY

This instrument was filed for record on the

28th day of January, 2003

at 11:50 o'clock A.M. and recorded

in Book 130 Page 475-477

1/28/03 J. M. [Signature] Register of Deeds

246th Springs, SD

PAID UP
OIL AND GAS LEASE

PROD 88

THIS LEASE AGREEMENT is made as of the 27th day of November, 2002, between Karen M. Uplinger, a single woman, 1216 West
Woodland Avenue, Syracuse, New York 13210, as Lessor (whether one or more), and Priority Oil & Gas LLC, P.O. Box 27798, Denver, Colorado
80227-0798, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including
the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1 Description. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively
to Lessee the following described land, hereinafter called leased premises (use Exhibit "A" for long description):

Township 5 South, Range 41 West, 6th P.M.
Section 18: Lots 1, 2, E/2NW/4, NE/4

This is a paid up Oil and Gas Lease, all reference to annual rentals contained in paragraph 4 have been paid in full.

In the County of Cheyenne, State of Kansas, containing 320.18 gross acres, more or less (including any interests therein which Lessor
may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along
with all hydrocarbon and nonhydrocarbon substances produced in association therewith. The term "gas" as used herein includes helium, carbon
dioxide, gaseous sulfur compounds, coated methane and other commercial gases, as well as normal hydrocarbon gases. In addition to the above
described land this lease and the term "leased premises" also covers accretions and any small strips or parcels of land now or hereafter owned by
Lessor which are contiguous or adjacent to the above-described land, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute
at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of
determining the amount of any payments based on acreage hereunder, the number of gross acres above specified shall be deemed correct, whether
actually more or less.

2. Term of lease. Subject to the other provisions herein contained, this lease shall remain in force for a term of Four (4) years from this date (called
primary term), and as long thereafter as oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, is produced from said
land or land with which said land is pooled.

3. Royalty Payment. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For
oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be one-eighth (1/8th) of such production, to be delivered at
Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the
continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price
then prevailing in the same field then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas
(including casinghead gas) and all other substances covered hereby, the royalty shall be one-eighth (1/8th) of the proceeds realized by Lessee from the
sale thereof, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price
paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field then in the nearest field in which there
is such a prevailing price) pursuant to comparable purchase arrangements entered into on the same or nearest preceding date as the date on which
Lessee or its affiliate commences its purchases hereunder; and (c) in calculating royalties on production hereunder, Lessee may deduct Lessor's
proportionate part of any ad valorem production and excise taxes and any costs incurred by Lessee in compressing, gathering, transporting, treating,
dehydrating, processing, delivering and otherwise marketing such production. If at the end of the primary term or any time thereafter one or more wells
on the leased premises or lands pooled or unitized therewith are capable of producing oil or gas or other substances covered hereby in paying
quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed
to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or
production therefrom is not being sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of one dollar per acre then covered by this lease,
such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter
on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee,
provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased
premises or lands pooled or unitized therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such
operations or production; provided that no more than one shut-in payment shall be due in any consecutive 12 month period. Lessee's failure to properly
pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. Rental Payments. If operations for drilling are not commenced on said land or on land pooled therewith on or before one (1) year from this date, this
lease shall terminate as to both parties, unless on or before one (1) year from this date lessee shall pay or tender to the lessor a rental of Three
Hundred Twenty and 18/100 Dollars, (\$320.18) which shall cover the privilege of deferring commencement of such operations for a period of twelve (12)
months. In like manner and upon like payments or tenders, annually, the commencement of said operations may be further deferred for successive
periods of the same number of months, each during the primary term. Payment or tender may be made to the lessor or to the
Bank of _____ which bank, or any successor
thereof, shall continue to be the agent for the lessor and lessor's successors, heirs and assigns. If such bank (or any successor bank) shall fail, liquidate
or be succeeded by another bank, or for any reason fail or refuse to accept rental, lessee shall not be held in default until thirty (30) days after lessor
shall deliver to lessee a recordable instrument making provision for another method of payment or tender, and any depository obligation is a liability of the
lessor. The payment or tender of rental may be made by check or draft of lessee, mailed or delivered to said bank or lessor, or either if more than one,
on or before the rental's paying date. Notwithstanding the death of the lessor or his successors in interest, the payment or tender of rentals in the
manner provided herein shall be binding on the heirs, devisees, executors and administrators of the lessor and his successors in interest.

5. Operations. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or
lands pooled or unitized therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of
unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being
maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or
for otherwise obtaining or restoring production on the leased premises or lands pooled or unitized therewith within 90 days after completion of operations.