

FIRST CORRECTED

RECEIVED KANSAS CORPORATION COMMISSION

FEB 21 2003

For KCC Use: Effective Date: 2-9-03 District # 4 SGA? 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

March 29

Expected Spud Date February 4, 2003

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

CONTRACTOR: License# 8273 Name: Excell Drilling Co.

Spot SE NE SW Sec. 1 Twp. 5 S. R. 42 East West 1803' feet from S (circle one) Line of Section 2280' feet from W (circle one) Line of Section Is SECTION Regular Irregular?

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

County: Cheyenne Lease Name: Holzwarth Well #: 2-1 Field Name: Cherry Creek Is this a Prorated / Spaced Field? Yes No Target Formation(s): Niobrara Nearest Lease or unit boundary: 1803' fsl Ground Surface Elevation: 3615 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' Depth to bottom of usable water: 230' 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 X Other DWR Permit #:

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No If Yes, proposed zone:

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

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 #:

* WAS: 2025' FSL, 2440' FWL IS: 1803' FSL, 2280' FWL * WAS: SENESEW, 2025' FNL IS: 1803' FNL

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: 2/20/03 Signature of Operator or Agent: [Signature] Title: Office Manager

For KCC Use ONLY API # 15 - 023-20484-00-00 Conductor pipe required NONE feet Minimum surface pipe required 280 feet per Alt. 1 Approved by: RJP 2-4-03 / RJP 2-28-03 This authorization expires: 8-4-03 (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.

1 5 4/2w

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

JAN 30 2003

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

CONSERVATION DIVISION

If the intended well is in a prepared or spaced field, please fully complete this side of the form. If the intended well is in a prepared or spaced field and is not in a prepared or spaced field, please fully complete this side of the form. If the intended well is in a prepared or spaced field and is not in a prepared or spaced field, please fully complete this side of the form.

APN No. 15 - _____
Operator: _____
Lease Holders: _____
Well Number: 221 _____
Field: Cherry Creek _____

Location of Well: County: Cheyenne
2025- 1803 feet from (S) N (circle one) Line of Section
2440- 2280 feet from (E) W (circle one) Line of Section
Sec. 11 Twp. 55 S. R. 42 [] East [X] West

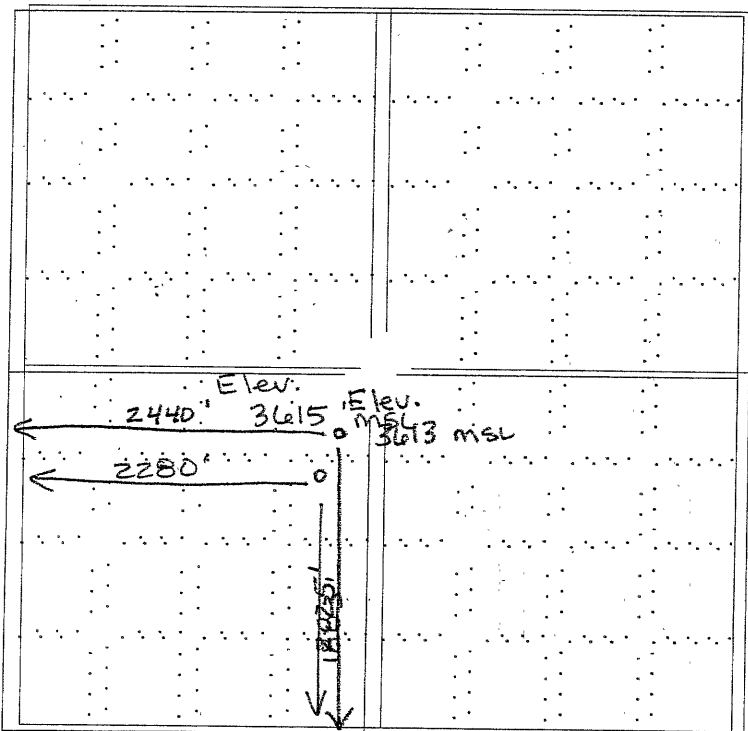
Number of Acres attributable to well: _____
CORR CORR CORR of acreage: SE - - NE - - SW

Is Section Regular or Irregular

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

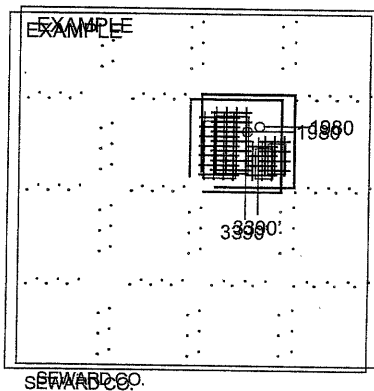
PLAT

(Show location of the well in a prepared or spaced field or prepared or spaced wells)
(Show location of the well in a prepared or spaced field or prepared or spaced wells)



FEB 21 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 prepared or spaced field a certificate of acreage attribution plat must be attached (CG-7 for oil wells; CG-8 for gas wells).

EXHIBIT "A"

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

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 STATE OF Kansas COUNTY OF Cheyenne

LEASE NO.	LESSOR	LESSEE	DATE	DESCRIPTION	RECORDED	
					Book	Page
K-1387	Leland Holzwarth and Mary F. Holzwarth, his wife	Mountain Petroleum Corporation	5-15-74	Township 5 South, Range 42 West Section 1: NW/4, SW/4, W/2SE/4	34	312
K-1571	Fred J. Stasser and Charlotte L. Stasser, husband and wife	Mountain Petroleum Corporation	4-29-74	Township 5 South, Range 42 West Section 1: NE/4	34	286
K-1943	Ida E. Nelsen, a widow	St. Clair Operating Company	2-10-75	Township 5 South, Range 42 West Section 1: E/2SE/4	36	158
K-1392	Donald C. Stamps and Linda K. Stamps, his wife	Mountain Petroleum Corporation	6-14-74	Township 5 South, Range 42 West Section 1: NE/4	34	332

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RECEIVED
 KANSAS CORPORATION COMMISSION
 FEB 03 2003
 CONSERVATION DIVISION
 WICHITA, KS

STATE OF KANSAS
 CHEYENNE COUNTY, K.S.
 This instrument was filed for Record on the 22nd day of Nov. A.D. 1983 at 3:00 o'clock P.M. and duly recorded in Book 69 Page 639.

333-3-03 MON 6:58 PM CHEYENNE COUNTY