

For KCC Use:  
Effective Date: 7-2-05  
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 July 8, 2005  
month day year

Spot  East  
NE    NW    SW    Sec. 24 Twp. 3 S. R. 42  West

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

RECEIVED  
KANSAS CORPORATION COMMISSION  
JUN 27 2005  
CONSERVATION DIVISION  
WICHITA, KS

CONTRACTOR: License# 33532  
Name: Advanced Drilling Technologies

2110 feet from (S) / N (circle one) Line of Section  
820 feet from E / (W) (circle one) Line of Section  
 SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
County: Cheyenne  
Lease Name: Raile Well #: 4-24  
Field Name: Cherry Creek

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Niobrara  
Nearest Lease or unit boundary: 820' to the West of the well location

Ground Surface Elevation: 3601 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' 200  
Depth to bottom of usable water: 200' 200  
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: 1550'  
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: Well Class: Type Equipment:  
 Oil  Gas  OWWO  Seismic;  Other  
 Enh Rec  Storage  Disposal  # of Holes  Other  
 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 #:   

**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: 6/24/05 Signature of Operator or Agent: Robbie Gries Title: President

For KCC Use ONLY  
API # 15 - 023-20618-00-00  
Conductor pipe required NONE feet  
Minimum surface pipe required 250 feet per Alt. (1)  
Approved by: RJP 6-27-05  
This authorization expires: 12-27-05  
(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

24  
3  
420

JUN 27 2005

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

*Plat of acreage attributable to a well in a prorated or spaced field*

CONSERVATION DIVISION  
WICHITA, KS

**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: Raile  
 Well Number: 4-24  
 Field: Cherry Creek

Location of Well: County: Cheyenne  
 2110 \_\_\_\_\_ feet from  N /  S (circle one) Line of Section  
 820 \_\_\_\_\_ feet from E /  W (circle one) Line of Section  
 Sec. 24 Twp. 3 S. R. 42  East  West

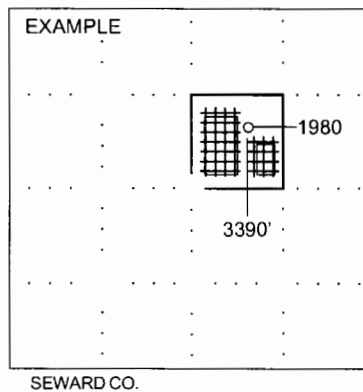
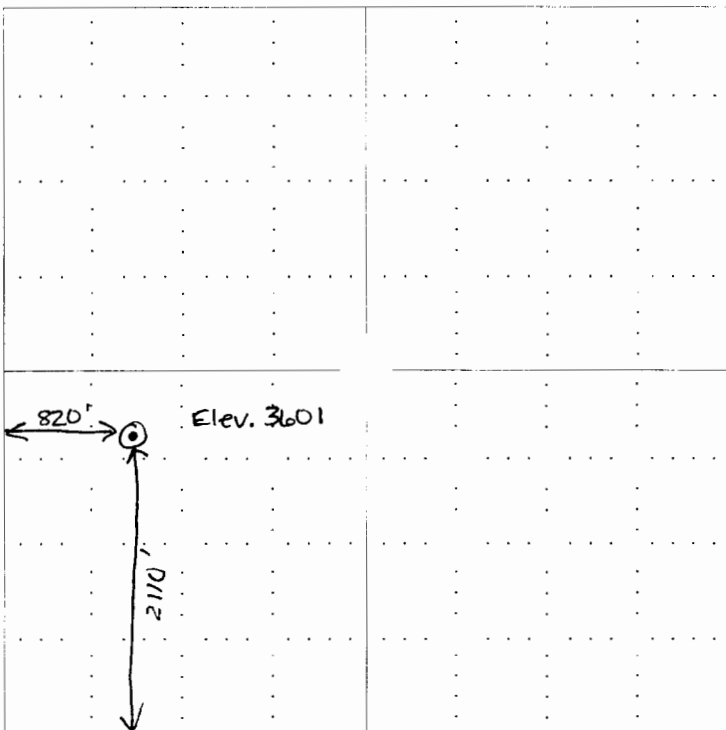
Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: NE - NW - SW

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



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

**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).