NOTICE OF INTENT TO DRILL

KAIKAIS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

KCC#: 1821

OPERATOR: Licensed: 3806
Name: JACKSON DRILLING, INC.
Address: P.O. Box 1279
SULPHUR, OK 73084
Phone: 240-422-2310

CONTRACTOR: Licensed: 9171
Name: JACK DRILLING COMPANY

Injection Well: No

Well Drilled For: Gas Storage Oil Wastewater Disposal Air Rotary Other

Well Class: Production Washout Pump Ext. Lined Other

Type Equipment: None Mow Rotary Mud Rotary Other

Gas: None Storage Oil Wastewater Disposal Air Rotary Other

Ground Level: 1333.4 feet

Contractor: JACK DRILLING COMPANY

Date: AUGUST 15, 2005

County: BARBER

Lessee Name: BENSON
Well #: 5-33
Field Name: AETNA #3-AREA

Is this a Producing / Spaced field? No

Target Formation: MISSISSIPPIAN

Surface Area: 2.81 acres

Property Owner: KCC

Location: 2.81 acres

If adjacent, did well information follow as required:

Operator: JACKSON DRILLING, INC.

Original Completion Date: Original Total Depth:

Directional: Deviated or Horizontal well? No

Borehole Location: KCC DIR: 5-33

Wells Drilled: 1

Water Source for Drilling Operations: None

Receiv: 7/11/2005

Affidavit

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.R.A. 55.56, seq.

It is agreed that the following minimum requirements will be met:

1. Notify the approved 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 in 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 depth and placement is necessary prior to plugging.
5. The appropriate district offices will be notified before well is plugged and plug depth is recorded 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. If the conditions of Article 9 do not apply to the KCC District 3 area, alternative II concerning must be completed within 30 days of the spud date or the well shall be plugged. All wells, NOTIFY district office prior to any cementing.

I hereby certify that the statements made are true and to the best of my knowledge and belief:

Date: 7/12/2005

Affidavit

For KCC Use Only

Date: 7/12/2005

Signature of Operator or Agent:

APN #: 15

Conductor pipe required: None

Minimum surface pipe required: 250 feet

Approved by: 9171

Modify Completion Date: 2-22-05

(Authorization valid if drilling does not start within 6 months of effective date)

Spud Date: 7/16/2005

Agent:

KCC - Conservation Division, 105 S. Market - Room 207B, Wichita, Kans. 67202
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 same source of supply. Please show all the wells and within 1 mile the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15: __________________________ Operator: JACK EXPLORATION INC. __________________________
Location of Well: County: BUENA
Lease: BENSON __________________________ Well Number: 3-33 __________________________
Field: AETNA GAS AREA __________________________
Location of Well: Sec. ___________ Twp. ___________ R. ___________ NE
Number of Acres attributable to well: __________________________
GTR / QTR / QTR of acreage: __________________________

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 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., 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 (CD-7 for oil wells; CG-9 for gas wells).
July 22, 2005

Mr. Clayton C. Jack
Jack Exploration, Inc.
PO Box 1279
Sulphur, OK 73086

RE: Drilling Pit Application
Benson Lease Well No. 2-33
NE/4 Sec. 33-345-14W
Barber County, Kansas

Dear Mr. Jack:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

**If production casing is set all completion fluids shall be removed on a daily basis.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservationforms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant