KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

Expected Spud Date: January 15, 2006

OPERATOR: licensed

Name: J. O. BOX 1279
Address: 1201 N. 10TH
City/State/Zip: CLAYTON, OK 73606
Contact Person: CLAYTON C. JACK
Phone: 580-622-3210

CONTRACTOR: licensed 52929
Name: DALE DRILLING CO., INC.

Spot N/A S12 E 34 Sec. 34 T5 R14 SW

Well Drilled For: [ ] Oil [X] Gas

Well Class: [X] Production [ ] sweetheart [ ] Wildcatter

Type: Equipment: [X] Air Rotary [ ] Cable

Drill Rig: [ ] 8th Pad [ ] Storage

Disposal: [ ] Pool Ext. [ ] Air Rotary

Other: [ ] 8 of Holes [ ] Other

OWOWO: old well information as below:

Operator: [ ] Yes [ ] No

Well Name: [ ] Yes [ ] No

Original Completion Date: [ ] Yes

Directional, Deviated or Horizontal well?: [ ] Yes [ ] No

If yes, true vertical depth: [ ] Yes [ ] No

Bottom Hole Location: [ ] Yes [ ] No

KCC DKT #: [ ] Yes [ ] No

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion, and eventual plugging of this well will comply with K.S.A. 55 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 to flow by itself, 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 permanently abandoned.

6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

Dated to: [ ] Yes [ ] No

Bottom Hole Location: [ ] No

For KCC Use Only: [ ] Yes [ ] No

Signature of Operator or Agent:

KCC WICHITA

RECEIVED

Date: 1/1/2005

Affidavit

For KCC Use Only:

API: 15- 007-22867-0000

Conductor pipe size required: [ ] YES [ ] NO

Minimum surface pipe required: [ ] YES [ ] NO

Approved by: R35 P1 - 5.06

This affidavit expires: 7-5-06

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Plot 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 the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells 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 area for oil wells.

API No. 15... Location of Well: County: BARBER CO., KS
Operation: JHNNIK
Lease: ADAMS
Well Number: 1-34
Field: EUTNA GAS AREA

Number of Acres attributable to well: Section: Regular or Irregular
QTR / QTR / QTR of acreage: If Section is irregular, locate well from nearest corner boundary.

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 plan 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; CO-8 for gas wells).
January 4, 2006

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

Re: Drilling Pit Application
Adams Lease Well No. 1-34
SW/4 Sec. 34-34S-14W
Barter 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 from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

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 (August 2004), 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/conservation/forms.

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
Department of Environmental Protection and Remediation

cc: Steve Durrant
File