

November 6, 2013

Black Diamond Oil, Inc  
P. O. Box 641  
Hays, Kansas 67601

**RE: Exception to Alternate II Cementing Requirements  
Kemper B # 1  
NESENW section 23-5-21W  
Norton County, Kansas  
API # 15-137-20666-00-00**

Dear Mr. Vehige,

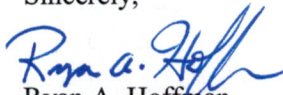
The Kansas Corporation Commission (KCC) has received your request, dated October 30, 2013, through District 4 Supervisor for an exception to Alternate II cementing requirements for the above referenced well. From this request, the KCC understands that subject well was not cemented to surface as required by the Alternate II option. Referenced well has 217 feet of surface casing set with 150 sacks of cement circulated to surface. A Temperature survey indicates cement was circulated to 200 feet from bottom with 550 sacks of cement. The bottom of fresh water is reported at 150 feet with the bottom of usable water listed at 1020 feet.

After review of this matter by technical staff it was determined that:

1. Surface casing was set deeper than fresh water source in the area with cement coverage to protect the shallow aquifers.
2. All fresh and usable water sources are adequately protected with cement coverage and any remaining intervals not covered by cement contain no fresh or useable water zones.
3. The Dakota appears to be adequately isolated with cement and any remaining intervals not cemented contain no fresh or usable water nor present any threat of contamination from the shales in the interval.

Based on this information that the fresh and usable water zones are adequately protected with cement coverage and that any remaining intervals not cemented behind the production casing contain no threat of contamination from the shales in the intervals. Therefore, an exception is granted for the Alternate II requirement.

Sincerely,

  
Ryan A. Hoffman  
Director

cc: Case Morris – District 4  
Steve Bond – Production Supervisor