

May 19, 2014

New Gulf Operating
10441 S. Regal Blvd., Ste. 210
Tulsa, OK 74133

**RE: Exception to Alternate II Cementing Requirements
Boyd 1-3
SW SW NW NW section 3-12-32W
Logan County, Kansas
API #15-109-21258-00-00**

Dear Mr. Henkle,

The Kansas Corporation Commission (KCC) has received your request, dated May 5th, 2014 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 267 feet of surface casing set with 200 sacks of cement circulated to surface. A cement bond log indicates cement was circulated to 850 feet from a depth of 2,618 feet with 400 sacks of cement. The bottom of fresh water is reported at 150 feet with the bottom of usable water listed at 1,750 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 usable 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 intervals.

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 cementing requirement.

Sincerely,



Ryan A. Hoffman
Director

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