KCC CONSERVATION



Kathleen Sebelius, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

April 2, 2008

Hartman Oil Company, Inc. 12950 East 13th Street North Wichita, KS. 67230

RE: Exception to Alternate II Cementing Requirements Kuska #1

SESESE section 14-10-33W Thomas County, Kansas API #15-193-20733-00-00

Dear Operator,

The Kansas Corporation Commission (KCC) has received a verbal request from Hartman Oil Company, Inc. through District 4 Supervisor dated March 27, 2008, 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 or into the surface casing as required by the Alternate II option. Referenced well has 355 feet of surface casing set with 260 sacks of cement. An annular squeeze with 125 sacks of common cement sealed off the base of the surface casing to prevent any fluid migration up the backside into shallow aquifers.

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,

Doug Louis Director

cc: Case Morris - District 4

Steve Bond - Production Supervisor

MEMO

TO:

Steve Bond

FROM:

Herb Deines, District Supervisor

DATE:

March 27, 2008

RE:

Alternate II exception request

Hartman Oil Co., Inc. 12950 E 13th St. N Wichita, KS 67230

Kuska # 1 N2SESESE Sc.14-10s-22w Thomas County, Kansas API# 15-193-20733-00-00

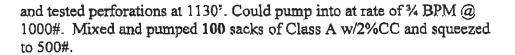
Chronology of Events:

02-19-08	Kuska # 1 spudded by Hartman Oil Co., Inc.
02-25-08	Ran production casing with DV tool at 2619'. Pumped 500 sacks of cement with lost circulation occurring during cementing through DV tool.
02-28-08	Perforated casing at 1400' with 2 holes. Allied pumped 400 sacks of Lite w/1/4# flo-seal and 50 sacks of common cement to cement off perforations.
03-07-08	Tagged cement at 1350' and drilled out to 1472'. Drilled out plug and DV.
03-10-08	Log Tech ran CBL-CMT to 1140'.
03-13-08	Set retrievable plug at 1530' and perforated casing at 1130'. Mixed and pumped 400 sacks Lite plug 50 sacks of common cement to cement off perforations. No blow or returns during cementing.
03-14-08	Ran temperature log and found top of cement at 1020'. Tied onto annulus and pumped 125 sacks of common cement.
03-20-08	Set RBP at 1503' and tested to 1000#. Moved packer to 1375' to test squeezed perforations at 1400'. Tested to 1000#. Moved packer to 1025' RECEIVED KANSAS CORPORATION CON

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Tagged cement at 1073'. Drilled out to 1146' and tested perforations at 1130'. OK. Log Tech ran CBL from 1531' to surface and requested exception to Alternate II cementing.

Darrell Dipman of the KCC district staff witnessed most of the cementing operations after circulation was lost during the DV cementing procedure with the rotary rig over the hole. The enclosed bond log was marked with the perforated intervals and the amounts of cement used at each point. Of significance is the contradictory evidence shown on the log versus observations during each cementing operation. Allied Lite was being used which in the past has exhibited very poor log signatures and the final bond log seems to indicate such with the poor film and amplitude readings indicating nothing behind the pipe although witnessed activities indicate otherwise. Based on observations, I can only conclude that annular coverage with cement was much better than what is indicated on the log. Even where Common cement was used to squeeze the perforations, the bond log shows very little log response, which seemed to be very unusual. The Dakota appears to be adequately isolated with cement and the annular squeeze from the surface with 125 sacks of Common cement sealed off the base of the surface pipe to prevent any problems with fluid migration up the backside into shallow water aquifers. The company verbally requested consideration for an exception to the alternate II cement and sent information to this office. In turn I marked the bond log and created a timeline of what actions took place and the results.

It is my conclusion that all fresh and usable water zones are adequately protected with cement coverage and that any remaining areas not cemented behind the casing contain no fresh and usable water nor present any threat of contamination from the shales in the interval. I feel that cement coverage is better than what is indicated on the bond log based on the poor log indicators for common cement and therefore, recommend granting the alternate II exception for this well. In the event that the well is considered for a UIC conversion at a later date, consideration might be given to granting any approval subject to a more frequent MIT cycle.

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