RECEIVED
JUL 18 2008
DNMS

IPS

Region IV
Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, TX. 76011-8064
Attn: Ms. Jacqueline Cook
Re: Radioactive Logging Source Abandoned in Well

July 11, 2008

Ms. Jacqueline Cook,

This letter is to officially notify your agency of the abandonment and irretrievable status of a Radioactive Well-Logging source. While attempting to Open-Hole log a well for Pioneer Exploration, drilled to a total depth of 4950 feet, the tool string became stuck at a depth of 3696 Feet. The tool string consisted of (from bottom to top); Dual Induction, Microlog, Litho-Density, Compensated Neutron, and Gamma Ray tools. This tool string is 49 feet in length. Therefore the bottom of the tool string was at a depth of 3696 feet, and the top of the tool string was at 3655 feet. Three fishing attempts were made, the first of which retrieved the entire tool string with the exception of the density measurement pad. The density measurement pad, which contains a Cs 137 density source, was not retrieved. We performed a second fishing attempt with a specially made "basket" to retrieve the pad and source. We tripped in the hole with pipe and stopped at a depth of 4050 Ft. At that time, we logged thru pipe with a Gamma Ray tool to determine that the source was not beside the pipe in the wellbore wall. We then proceeded to bottom and performed the same operation again. Based on the results in which the log thru pipe matched our initial Open-Hole log, it appeared that the source and pad were on bottom. This fishing attempt was unsuccessful in retrieving the density measurement pad; however, we were able to retrieve the metal arm that connects this pad to the main tool housing. We then attempted a third run with an additional "basket" which we had constructed by Weatherford. This run was unsuccessful at retrieval as well and then deemed unretrievable. The density measurement pad and Cs 137 source at this point were at the bottom of the well at 4950 feet. The Litho-Density tool contained the following radioactive source:

Manufacturer: AEA Technologies (CDC.CY4
Serial Number: 14516B
Isotope: Cs-137
Activity: 2 Ci.

During the entire fishing operation, while drill pipe was in the hole and mud was being circulated, the mud flow line at surface was being monitored for radiation contamination. There was no indication during the entire operation of mud contamination from a ruptured source.

Justin Kozell at the NRC was notified by telephone in compliance with federal regulations and David Whitfill with the Kansas Dept. of Health and Environment, Radiation Control Branch, was

Integrated Production Services, LLC
217 S. Alliance Court
Oklahoma City, OK 73128
Tel 405-495-0101
Fax 405-495-4884
Toll Free 800-279-4941
www.ipsadvantage.com

also notified by telephone. Steve Durrant with the KCC, Dodge City Office, was also contacted, and worked in conjunction with, to obtain approval for and procedures for cementing the source in place. This procedure was carried out as follows. A 50 sack cement plug, with red dye added, was set at TD over the source. Then, a 5 foot piece of 4.5 inch O.D. drill pipe was set as a deviation device to avoid future penetration on top of the cement plug. Additional cement plugs, also died red, were set at the following depths per KCC request:

2400 Ft. with 50 Sacks
1140 Ft. with 80 Sacks
600 Ft. with 40 Sacks
360 Feet with 50 Sacks
60 Feet with 20 Sacks
The cement used was 60/40 Poz Mix with 4% gel dyed Red

A placard will be placed at the wellhead notifying any additional individuals of the abandoned source. The following information will be displayed on the placard as per Kansas Regulations:

- Operating company name
- Well name
- Detailed source information
- Date
- Depth of source
- Plug back depth
- "Do not enter this well before contacting Kansas Dept. Of Health and Environment, Radiation Control Program"

The well information is as follows:
Operator: Pioneer Exploration, LTD
Well: Garden City "B" #7-20
Location: Section 19, Township 22S, Range 33W
Finney, KS

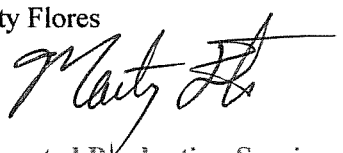
Driving Directions: From Holcomb, KS; North on Big Lowe Rd to the "T", East 1 ½ miles, South Into.

A copy of this letter will also be submitted to the Kansas Department of Health and Environment. Any additional questions can be addressed to me or Bill McKee, our corporate RSO.

Marty Flores
Open-Hole Division Manager
Integrated Production Services
217 S. Alliance Court
Oklahoma City, OK 73128
(405)-495-0101

Bill McKee
Safety Director, RSO
Integrated Production Services
205 Industrial Trace
Broussard, LA 70518
(337)–839-0679

NRC License No. 17-27763-01

KS License No. 27-C057-01

Marty Flores