

AUG 26 2011

CONSERVATION DIVISION
WICHITA, KS

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners:

Mark Sievers, Chairman
Ward Loyd
Thomas E. Wright

In the Matter of an Order to Show Cause on) Docket No. 11-CONS-253-CSHO
the Commission's own Motion issued TSCH,)
LLC, Gary and Kayla Bridwell d/b/a Black)
Rain Energy, and John M. Denman Oil Co.,)
Inc., with regard to responsibility under) CONSERVATION DIVISION
K.S.A. 55-179 for plugging the M.A.)
Alexander lease in the East Half of the)
Northwest Quarter and the West Half of the)
Northeast Quarter of Section 31, Township 34) License No. 34407 (Expired)
South, Range 12 East, Chautauqua County,) License No. 30916
Kansas.) License No. 5723
_____)

PRE-FILED TESTIMONY

OF JOHN ALMOND

1 Q. Please state your name and address for the record.
2 A. John Almond, 1500 W. Seventh, Chanute, Kansas 66720.
3 Q. By whom are you employed and in what capacity?
4 A. I am employed by the Kansas Corporation Commission ("KCC"), Conservation
5 Division, Chanute District #3 Office as a Compliance Officer and a Petroleum
6 Industry Regulatory Technician III ("P.I.R.T. III").
7 Q. How long have you worked for the Corporation Commission's Conservation
8 Division?
9 A. Since May 1997.
10 Q. How long have you been a Compliance Officer?
11 A. Since 1999
12 Q. What are some of your duties as a Compliance Officer and P.I.R.T. III for District #3?
13 A. As the Compliance Officer for District #3, my job involves inspections,
14 documentation, investigations and consultation with lease operators, landowners and
15 Commission Staff on compliance issues related to oil and gas production in District
16 #3. I track all spills and complaints, I review all spill reports and field reports, I write
17 Notice of Violation ("NOV") letters to operators and research files, reports, documents
18 and evidence necessary to recommend penalties for violations. I help District Staff
19 prepare and document information for meetings and hearings and I make sure District
20 Staff are aware of existing and new rules and regulations. I help with the day to day
21 operations of the District #3 Office, I help coordinate activities and scheduling
22 regarding witnessing and monitoring drilling and completion of oil, gas, injection and
23 disposal wells, investigations of spills and complaints, witnessing mechanical integrity
24 tests ("MITs") and construction of wells. I help with field training and District Staff
25 meetings and work with various KCC staff in Wichita with communications and
26 requests. I work with the Legal Staff in Wichita seeking interpretations of rules,
27 regulations and statutes concerning compliance issues, penalties, hearings, meetings
28 and prefiled testimony. We collect and document water samples and soil samples for
29 chloride analysis and we conduct GPS surveys on all kinds of wells throughout the
30 district. We document spud calls, longstrings, MIT's, pluggings and all activities
31 scheduled in the district. I also help in the field when necessary to assist or work in the

1 absence of District Staff. The District #3 Office Staff is responsible for 32 counties in
2 the eastern third of the State of Kansas.

3 Q. Have you previously testified before the Kansas Corporation Commission?

4 A. Yes, I have.

5 Q. Are you familiar with the matters before the Commission today concerning Docket
6 No. 11-CONS-253-CSHO?

7 A. I am familiar with the case before the Commission today. I helped Duane Sims,
8 P.I.R.T. II who is assigned to Chautauqua, Elk and the west half of Montgomery
9 County, address a complaint from L. A. Pacheco, landowner of the Alexander lease
10 located in Section 31, Township 34 South, Range 12 East, Chautauqua County,
11 Kansas. The complaint concerned abandoned wells, pipe and oilfield related junk
12 scattered about the property. Duane Sims and I met with Mr. Pacheco at the lease and
13 then we spent several days locating, documenting and photographing at least 44
14 abandoned wells on the Alexander lease. We took a photo of each well, and measured
15 the fluid level in each well that we could get a line down. Only one well is completed
16 Alternate II, (meaning that the casing in the well is cemented from total depth ("TD")
17 to surface to isolate and seal all zones within the wellbore from TD to surface). The
18 remaining 43 abandoned wells appear to have pipe in the wellbore that is not
19 cemented in and in several of the wells, the pipe is rotted off six feet, eight feet and ten
20 feet below the surface. Many of the wells have high fluid levels indicating that the
21 wells are most likely causing pollution through downward drainage within the
22 unprotected wellbores, and may be polluting or are likely to pollute usable water strata
23 or supply or cause the loss of usable water. Mr. Pacheco was also upset because the
24 KCC had issued a Underground Injection Control permit to allow the operator of the
25 lease to put water in a well on the lease that was surrounded by wells that were not
26 completed Alternate II and many of the pipes were rotted off below surface with high
27 fluid levels in the wells. Putting water in the permitted well would cause the
28 surrounding wells to flow oil and brine water onto the surface of the ground. I would
29 like to submit 56 pictures labeled and numbered 1 thru 56 documenting our findings
30 on the Alexander lease. (Almond Exhibit #1)

1 Q. Did you find any of the wells operating on the Alexander lease at any time you were
2 on the lease?

3 A. No.

4 Q. Did you see anyone on the lease who worked for the operator at any time you were on
5 the lease?

6 A. No.

7 Q. Did you contact the operator or anyone working for the operator while you were on
8 the lease doing your investigation and documenting the wells?

9 A. No, I did not personally.

10 Q. Do you know who the current operator is on the Alexander lease?

11 A. KCC records indicate TSCH, LLC ("TSCH"), license #34407 (expired), is the current
12 operator of the Alexander lease.

13 Q. Do you know when TSCH became the operator of the Alexander lease?

14 A. The Transfer of Operator ("T-1") form shows that they list the effective date of the
15 transfer as April 1, 2010; however, you will notice that June 18, 2010 is handwritten
16 above that date because that is the first day TSCH was a licensed Kansas operator.
17 (Almond Exhibit #2)

18 Q. Who did TSCH purchase the Alexander lease from?

19 A. Gary and Kayla Bridwell d/b/a Black Rain Energy, Inc. are listed as the previous
20 operator on the T-1 form in my previous exhibit.

21 Q. When did Gary Bridwell d/b/a Black Rain, Inc. purchase the Alexander lease?

22 A. KCC records contain a T-1 dated July 1, 2008 transferring the Alexander lease from
23 John M. Denman Oil, Inc. ("Denman") to Gary Bridwell. (Almond Exhibit #3)

24 Q. What course of action did the KCC take when Mr. Bridwell became the operator of
25 the Alexander lease?

26 A. We entered into a compliance agreement with him that was approved by John
27 McCannon, Litigation Counsel, that required Mr. Bridwell to produce or plug at least
28 two wells per month. If Mr. Bridwell complied with this pace for compliance, he
29 would have gotten all the wells in production or plugged within two years. (Almond
30 Exhibit #4)

31 Q. Did Gary Bridwell produce the wells on the Alexander lease?

1 A. Not to my knowledge. Ryan Duling and Duane Sims were monitoring the Alexander
2 lease at that time that Mr. Bridwell signed the agreement.

3 Q. Did Gary Bridwell comply with the agreement?

4 A. No, he did not.

5 Q. How many wells did he get into production?

6 A. He pumped a couple of wells for a short time.

7 Q. Did he plug any wells?

8 A. No, he did not.

9 Q. Did he sell any oil?

10 A. I don't know. The Kansas Geological Survey's website indicates that no oil has been
11 sold from this lease since 1989. (Almond Exhibit #5)

12 Q. Did you or anyone from the KCC contact Mr. Bridwell concerning the agreement and
13 producing or plugging the abandoned wells on the Alexander lease?

14 A. I know that Duane Sims was in contact with Gary Bridwell and I called him numerous
15 times and I wrote several letters to him about the abandoned wells and the agreement.
16 The attached letter dated December 30, 2008 basically outlined the chain of events
17 from the time Gary Bridwell purchased the lease in July 2008 until December 30,
18 2008 with little or nothing being done on the lease, the letter was requesting a signed
19 agreement in writing, outlining a plan to produce or plug a certain number of wells per
20 month on the Alexander lease. (Almond Exhibit #6)

21 Q. Did Mr. Bridwell respond to your December 30, 2008 letter?

22 A. Yes he did, on January 9, 2009 the District #3 Office received a letter dated January 6,
23 2008 (I corrected the year to 2009) signed by Gary Bridwell. The letter was explaining
24 why he had not produced or plugged wells as he agreed to and it stated that
25 "Beginning February 1st, we will commence to putting a minimum of one well per
26 month on production and or plug one well per month." (Almond Exhibit #7)

27 Q. What did you do when you received Mr. Bridwell's response letter dated January 6,
28 2009?

29 A. I sent the January 6, 2009 letter to John McCannon, Litigation Counsel, for approval
30 and he responded by sending Gary Bridwell a letter dated January 14, 2009 rejecting
31 Mr. Bridwell's proposal. Mr. McCannon's letter modified the proposal that would

1 require Mr. Bridwell to return to production or plug all of the wells within 24 months
2 instead of the 32 month proposal. (See Almond Exhibit #4)

3 Q. Did Mr. Bridwell respond to Mr. McCannon's letter and modified proposal?

4 A. Yes. Gary Bridwell agreed to the proposal by signing it and dating it on January 23,
5 2009. The agreement was returned to the Wichita Office where they stamped it
6 received on January 27, 2009. (See Almond Exhibit #4)

7 Q. What happened next?

8 A. We received a letter from Mr. Bridwell updating us on the status of the lease on
9 February 10, 2010. After that, District Staff monitored the progress on the Alexander
10 lease and Mr. Bridwell failed to comply with the agreement. We started gathering
11 information to request a Show Cause hearing, but before we were ready to proceed
12 Mr. Bridwell called to say he sold the lease. (Almond Exhibit #8)

13 Q. When did Gary Bridwell sell the lease to TSCH?

14 A. As I stated before, the effective date listed on the T-1 was April 1, 2010.

15 Q. How many wells did TSCH produce or plug since they took over operation of the
16 Alexander lease?

17 A. I don't know of any.

18 Q. Do you know if Denman produced any of the wells on the Alexander lease?

19 A. I do not have any personal knowledge of them producing any of the wells, I can only
20 refer to the KGS records I mentioned above showing they were the last party to sell oil
21 from the Alexander lease.

22 Q. Do you know if Gary Bridwell d/b/a Black Rain Energy produced any of the wells on
23 the Alexander lease?

24 A. I do not have any personal knowledge of Mr. Bridwell producing any wells on the
25 lease so I would defer to Mr. Sims' testimony regarding what he saw.

26 Q. When was the last time you saw any activity on the lease?

27 A. I have been on the lease about five or six different times and spent nearly all day on
28 the lease each time I was there. Besides Mr. Sims, the only other people I have seen
29 on the lease were the landowner, his son and his neighbor on the first day I was on the
30 lease.

31 Q. Have you talked to the operator or anyone concerning the lease operations?

1 A. I talked to Gary Bridwell several times on the phone about the lease before he sold it
2 to TSCH and I sent him several letters. It seemed like Mr. Bridwell always needed
3 more time, he was almost ready to get started, he always had an excuse and always
4 wanted more time to evaluate the wells and do this and do that. In the end, I don't
5 think he did much of anything. To my knowledge he did not produce or sell any oil in
6 the two plus years he had the lease.

7 Q Did you talk to any of the subsequent operators?

8 A. I also talked to Chip Hoffman, one of the partners in TSCH in the District #3 Office
9 before he took over the lease and several times on the phone after he took over the
10 lease. Before he took over the lease I told him that he would be required to produce or
11 plug all the wells to get the lease in compliance. I told him that unless he had the
12 resources to get the lease into compliance he should not get involved in the lease
13 because we had "danced" with Mr. Bridwell enough and we were in the process to
14 have a hearing because Mr. Bridwell had failed to comply with the agreement he
15 signed.

16 Q. So TSCH still purchased the Alexander lease after you made them aware of the
17 compliance issues they could be facing?

18 A. Yes, TSCH bought the Alexander lease and Gary Bridwell was working for them. I
19 contacted Mr. Hoffman several times on the phone and he said he had spent
20 \$150,000.00 on the lease and had not received a dime in return and that they needed
21 more time and money to get the wells into production. He made it a point to not be
22 responsible for the agreement that Gary Bridwell signed and then he sent e-mails and
23 paperwork agreeing to produce wells in a certain time frame and as far as I know,
24 TSCH did not produce or sell any oil during the time they have had the lease.
25 (Almond Exhibit #9)

26 Q. When was the last time you talked to Chip Hoffman?

27 A. I think it would have been in February or March of this year after he received a NOV
28 letter from Legal Staff. He called a couple of times and he wanted more time to raise
29 money to produce the lease and he wanted to sell the lease. I told him he would need
30 to talk to Ryan Hoffman, Litigation Counsel, in Wichita. (Almond Exhibit #10)

31 Q. Did he call Ryan Hoffman, Litigation Counsel, in Wichita?

1 A. It is my understanding they spoke about TSCH filing for a 10-year temporary
2 abandonment ("TA") exception.

3 Q. Did TSCH file an application for a 10-year TA exception?

4 A. Yes. KCC records indicate it was received on April 14, 2011 and denied by the
5 Commission by Order dated June 1, 2011. (Almond Exhibit #11)

6 Q. Did you participate in any of the proceedings for the review and recommended denial
7 of the application?

8 A. No.

9 Q. Did you or anyone from the KCC tell TSCH that they could not produce the wells?

10 A. No.

11 Q. Has TSCH done anything to produce the lease since you and Mr. Sims conducted your
12 initial investigation in November of 2010?

13 A. To my knowledge, they have done nothing to produce or plug wells on the lease since
14 they purchased it.

15 Q. How many wells are located on the Alexander lease?

16 A. The Alexander lease covers the East Half of the Northwest Quarter and the West Half
17 of the Northeast Quarter of Section 31, Township 34 South, Range 12 East,
18 Chautauqua County, Kansas. The lease is very rough and it has a lot of tall native
19 grass and it is very difficult to locate wells that are located at the surface of the
20 ground. Ryan Duling, P.I.R.T. II for District #3 conducted a GPS survey on the lease
21 in 2008 and located 32 abandoned wells on the lease. Duane Sims and I spent several
22 days in November 2010 on the lease and we located at least 44 abandoned wells. We
23 went back to the lease this past spring after the landowner had burned off the grass to
24 look for more wells and we did not find any additional wells. I believe we have
25 located at least 44 abandoned wells on the lease and there could be more wells that we
26 were unable to locate.

27 Q. Do you know how many wells Denman transferred to Mr. Bridwell when he
28 purchased the lease?

29 A. The T-1 indicated 32 wells were transferred from Denman to Gary and Kayla
30 Bridwell.

1 Q. Why do you think Denman only transferred 32 abandoned wells when you stated that
2 District #3 Staff located at least 44 abandoned wells on the lease?

3 A. I believe the parties just relied on the GPS survey conducted by Mr. Duling rather than
4 doing their own due diligence to determine how many wells are on the lease.

5 Q. How many wells did Mr. Bridwell transfer to TSCH?

6 A. Mr. Bridwell transferred the same 32 wells to TSCH when he sold the Alexander lease
7 as was transferred to him when he bought the Alexander lease. Again, the buyer and
8 the seller did not check to make sure how many wells that were actually on the lease.

9 Q. Are there any other documents that you would like to submit for inclusion on the
10 record?

11 A. Yes. I have some documentation that indicates Denman was conducting operations on
12 this lease dating back to at least 1939. This documentation comes from the KCC
13 master well files located in the KCC Library at the Central Office in Wichita.
14 (Almond Exhibit #12)

15 Q. Do you think TSCH still owns the Alexander lease?

16 A. I don't know.

17 Q. If TSCH still owns the Alexander lease, can they produce it?

18 A. No one has ever said TSCH could not produce the lease. They evidently do not have
19 the resources to produce the lease. The KCC requires that they maintain a current
20 operator license and they produce or plug the wells to get the lease into compliance.
21 They filed an application for TA status on the wells and they were denied that option,
22 so the wells must be produced or plugged. The Alexander lease has been out of
23 compliance for many years, no one has made an effort to produce or plug the wells
24 and clean up all the junk on the lease.

25 Q. Who do you think is responsible for the wells on the Alexander lease?

26 A. We are here today for the Commission to make that determination.

27 Q. Does this complete your testimony to the Commission?

28 A. Yes.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #1 Well #15

District #3 staff Duane Sims P.I.R.T. II and John Almond P.I.R.T. III Compliance Officer conducted a lease inspection on the M. A. Alexander lease, the lease inspection consisted of looking at each well on the lease, taking a photo of each well, conducting a GPS survey on each well, identifying the construction of each well, checking the fluid level of each well (if possible) and documenting the status of each well and any violations found. This photo is of well #15, this well has been completed Alternate II, the 4-1/2" casing is cemented on the back side from TD to surface, the well has a current MIT and has been approved by Wichita UIC staff for injection. The well is hooked up but is not in use at this time.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #2 Well #14

This is photo is of well #14, the well has NOT been completed Alternate II, the 4-1/2" casing is NOT cemented on the back side from TD to surface, the well construction is unknown, the 4-1/2" casing is rotted off at aprox. 4-1/2' from surface, the fluid level is within 10' of surface. This well is located 209' east and 122' south of well #15, the approved injection well. This well has no equipment, no production line or electric service, this well is abandoned must be repaired and put into production or plugged before the injection well can be used. (see photo #3)



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #3 Well #14

This is a 2nd photo of well #14, that shows the 4-1/2" casing is NOT cemented on the back side from TD to surface, the well construction is unknown, the 4-1/2" casing is rotted off at aprox. 4-1/2' from surface, the fluid level is within 10' of surface. This well is located 209' east and 122' south of well #15, the approved injection well. This well must be repaired and put into production or plugged before the injection well can be used.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #4 Well #29

This photo is of well #29, this well has NOT been completed Alternate II, the 7" casing is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. The fluid level is not visible from surface. This well is located 82' west and 479' north of well #15, the approved injection well. This well must be put into production or plugged before the injection well can be used.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #5

This photo shows some of the pipe, junk, cement, abutments and obstacles in the pasture, this is typical throughout the entire property and has been on the property since the wells were drilled.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #6

This photo shows some of the pipe, junk, cement, abutments and obstacles in the pasture, this is typical throughout the entire property and has been on the property since the wells were drilled.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #7

This photo shows some of the pipe, junk, cement, abutments and obstacles in the pasture, this is typical throughout the entire property and has been on the property since the wells were drilled.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #8

This photo is of well #28, this well has NOT been completed Alternate II, the 6" casing is NOT cemented on the back side from TD to surface, the 6" is rotted off and loose, the well construction is unknown, the well has 2" tubing and rods and no equipment, production line or electric service, the well is abandoned. The fluid level is not visible from surface. This well is located 42' east and 521' north of well #15, the approved injection well. This well must be put into production or plugged before the injection well can be used.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #9

This photo is of well #35, it has 8" surface casing and has dirt 4' from surface, this is a possible plugged well. The well construction is unknown, well has no equipment, production line or electric service, the well is abandoned. This well is located 114' east and 557' north of well #15, the approved injection well. This well may or may not be plugged.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #10

This photo is of well #27, this well has NOT been completed Alternate II, the 4-1/2" casing is NOT cemented on the back side from TD to surface, the 4-1/2" is rotted off and loose, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. The fluid level is approx. 10' from the surface. This well is located 165' east and 667' north of well #15, the approved injection well.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #11

This photo is of well # 25 this well has 10" surface casing, 6" casing, 2" tubing and rods, the well has not been completed Alternate II, the casing is not cemented from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. The fluid level is not visible from surface.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #12

This photo is of well # 31 this well has 10" surface casing, 7" casing, 2" tubing and rods, the well has not been completed Alternate II, the casing is not cemented from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. The fluid level (oil) is approx. 10' from surface on backside of 7" casing. The operator has ran the 2" tubing and rods in this well.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #13

This photo is of well # 30 this well has 10" surface casing, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. The fluid level is not visible from surface. This well has old salt scar that has grass growing in it. (see photo #14)



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #14

This photo is of the salt scar near well # 30, the soil is rocky and grass is growing in part of the scar.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #15

This photo is of well # 23, it is marked #37 but it is GPS'd as #23 and we are referring to this well as #23. This well has 10" surface casing and 2" pipe, further investigation revealed that the 2" pipe is rotted of aprox. 4' from the surface, (see photo #15) the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. The fluid level (water) is approx. 20' from surface. This well is 3 locations north of injection well #15, however it is abandoned and must be repaired and put into production or plugged.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #16 Well #23

This photo is the 2nd photo of well # 23, it is showing the 2" pipe that is rotted off approx. 4' from the surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. The fluid level (water) is approx. 20' from surface. This well is 3 locations north of injection well #15, however it is abandoned and must be repaired and put into production or plugged.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #17 Well #24

This photo is of well # 24, this well has NOT been completed Alternate II, it has 10 surface casing and the 6" casing is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. The fluid level (water) is approx. 50' from surface. This well must put into production or plugged.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #18 Well #37

This photo is of well # 37, this well has NOT been completed Alternate II, it has 10 surface casing and the 6" casing is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. This well must put into production or plugged.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #19 Well #40

This photo is of well # 40, this well has NOT been completed Alternate II, it has 10 surface casing and the 7" casing is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. This well must put into production or plugged.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #20 Well #39

This photo is of well # 39, this well has NOT been completed Alternate II, it has 10 surface casing and the 7" casing is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. This well must put into production or plugged.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #21 Well #38

This photo is of well # 38, this well has NOT been completed Alternate II, it has 10 surface casing and the 7" casing is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. This well must put into production or plugged.



Date: November 10, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #22 Well #41

This photo is of well #41, this well has NOT been completed Alternate II, it has 10 surface casing and the 6" casing is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. This well has historic oil residue. This well must put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #23 Well #01

This photo is of well # 01, this well has NOT been completed Alternate II, it has 8" surface casing and 4" casing that is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. This well must put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #24 Well #33

This photo is of well # 33, this well has NOT been completed Alternate II, it has 10" surface casing and 6" casing that is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. This well has small area of dead vegetation around and near well location. This well is 360' east and 168' north of the injection well #15. This well must put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #25 Well #02

This photo is of well # 02, this well has NOT been completed Alternate II, it has 10" surface casing and 4-1/2" casing that is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. The 4-1/2" casing is rotted off approx. 4' to 5' from surface. The fluid level (oil) is approx. 15' from surface. This well must put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #26 Well #42

This photo is of well # 42, this well has NOT been completed Alternate II, it has 10" surface casing and 4-1/2" casing that is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. The fluid level is low in this well. This well must put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #27 Well #05

This photo is of well # 05, this well has NOT been completed Alternate II, it has 10" surface casing and 4-1/2" casing that is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. The fluid level is low in this well. This well must put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #28 Well #03

This photo is of well # 03, this well has NOT been completed Alternate II, it has 10" surface casing and 2" casing that is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. The fluid level is approx. 10' from surface. This well must put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #29 Well #04

This photo is of well # 04, this well has NOT been completed Alternate II, it has 6" casing, that is NOT cemented on the back side from TD to surface, it has 2" tubing and rods, the well construction is unknown, the well has no equipment, the well is abandoned. This well must put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #30 Well #11

This photo is of well # 11, this well has NOT been completed Alternate II, it has 10" casing, that is NOT cemented on the back side from TD to surface, it has 2" casing, the well construction is unknown, the well has no equipment, no production line or electric service, the well is abandoned. This well must put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #31 Well #08

This photo is of well # 08, this well has NOT been completed Alternate II, it has 4-1/2" casing, that is NOT cemented on the back side from TD to surface, it has 2" tubing and 1" pipe, pumpjack, the well construction is unknown, the well is abandoned. This well must put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #32 Well #12

This photo is of well # 12, this well has NOT been completed Alternate II, it has 8-5/8" casing, that is NOT cemented on the back side from TD to surface, it has 4-1/2" casing, the well construction is unknown, the well is abandoned. This well does not have equipment, production line or electric service. This well is abandoned. This well must put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #33 Well #13

This photo is of well # 13, this well has NOT been completed Alternate II, it has 6" casing, that is NOT cemented on the back side from TD to surface, it has 2" pipe, the well construction is unknown, the well is abandoned. This well does not have equipment, production line or electric service. This well is abandoned. It has small historic oil residue around well site. This well must put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #34 Well #10

This photo is of well # 10, this well has cement at surface, the well construction is unknown, we found no plugging records for this well.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #35 Well #09

This photo is of well # 09, this well has 6" casing, 2" tubing, 1" pipe, pumpjack, and is equipped to produce, it is not in operation at this time. The well construction is unknown. Small amount of oil spillage around well site that needs cleaned up.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #36 Well #06

This photo is of well # 06, this well has 10" surface casing, 6" casing, low fluid level. The well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. The fluid level is low. This well needs to be put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #37 Well #07

This photo is of well # 07, this well has 10" surface casing, 4" casing. The well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. This well is 410' east and 56' south of the injection well #15 This well needs to be put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #38 Well #21

This photo is of well # 21, this well has 10" surface casing, 2" casing and 1" pipe, 2" appears to be cemented in, the well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. This well needs to be put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #39 Well #22

This photo is of well # 22, this well has 10" surface casing, full of dirt and debris, this well may or may not be plugged, the well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. This well needs to be put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #40 Well #43

This photo is of well # 43, this well has 10" surface casing, the well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. The fluid level is approx. 15' from surface. This well needs to be put into production or plugged.



Date: November 17, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #41 Well #18

This photo is of well # 18, this well has 10" surface, 6" casing, the well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. The fluid level low. This well needs to be put into production or plugged.



Date: November 18, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #42 Well #32

This photo is of well # 32, this well has 8" surface, 4-1/2" casing, the well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. The fluid level is approx. 20' from surface. This well is 67' east and 308' north of the injection well #15. This well needs to be put into production or plugged.



Date: November 18, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #43 Well #26

This photo is of well # 26, this well has 8" surface, 4-1/2" casing, the well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. The fluid level is approx. 80' from surface. This well needs to be put into production or plugged.



Date: November 18, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #44 Well #34

This photo is of well #34, this well has 6" surface full of dirt, this may or may not be a well, the well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. This well needs to be put into production or plugged.



Date: November 18, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #45 Well #17

This photo is of well #17, this well has 10" surface pipe and 6" casing, the well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. This well has historic oil residue all around the well location. This well needs to be put into production or plugged.



Date: November 18, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #46 Well #16

This photo is of well #16, this well has 10" surface pipe and 6" casing, the well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. This well has historic oil residue all around the well location. This well needs to be put into production or plugged.



Date: November 18, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #47 Well #20

This photo is of well #20, this well has 10" surface pipe and 6" casing, the well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. This well has historic oil residue all around the well location. This well needs to be put into production or plugged.



Date: November 18, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #48 Well #19

This photo is of well #19, this well has 10" surface pipe and 6" casing, the well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. This well has historic oil residue all around the well location. This well needs to be put into production or plugged.



Date: November 18, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #49 Well #44

This photo is of well #44, this well has 8" surface pipe and 4-1/2" casing, the well construction is unknown. This well does not have equipment, production line or electric service, this well is abandoned. This well needs to be put into production or plugged.



Date: November 18, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #50

This photo is of the M. A. Alexander lease tank battery, we found no operator identification sign per Kansas Corporation Commission regulation.



Date: November 18, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #51

This is a 2nd photo of the M. A. Alexander lease tank battery, we found no operator identification sign per Kansas Corporation Commission regulation.



Date: December 20, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #52 Well #36

This photo is of well # 36, this well has NOT been completed Alternate II, it has 10 surface casing and the 6" casing is NOT cemented on the back side from TD to surface, the well construction is unknown, the well has no equipment, production line or electric service, the well is abandoned. This well must put into production or plugged.



Date: December 20, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #53

This photo is of the old tank battery site, this shows the old redwood tank that was originally on the lease when the wells were drilled. This abandoned tank is an example of the old equipment that has been left on the property and needs to be removed.



Date: December 20, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #54

This photo is of the old tank battery site, this shows the old oil residue that has been left on the property that the landowner has complained about. It needs to be removed and disposed of properly.



Date: December 20, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #55

This photo is of the old tank battery site, this shows the old saltwater pit that is has some vegetation growing in and around it, this pit needs to be closed.



Date: December 20, 2010

Operator: TSCH, LLC **License #:** 34407

Lease Name: M. A. Alexander

Legals: 31-34-12 **County:** Chautauqua

Additional Information:

Photo #56

This photo is an example of the pipe and oil field related junk on the property. This needs to be removed.

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT**

Form T-1
April 2004
Form must be Typed
Form must be Signed
All blanks must be Filled

Check Applicable Boxes:

☒ Oil Lease: No. of Oil Wells 32 --

☐ Gas Lease: No. of Gas Wells --

☐ Gas Gathering System: --

☐ Saltwater Disposal Well - Permit No.: --

Spot Location: -- feet from ☐ N / ☐ S Line

-- feet from ☐ E / ☐ W Line

☐ Enhanced Recovery Project Permit No.: --

Entire Project: ☐ Yes ☐ No

Number of Injection Wells --

Field Name: --

**** Side Two Must Be Completed.**

Effective Date of Transfer: June 18, 2010
APRIL 1, 2010

KS Dept of Revenue Lease No.: N/A

Lease Name: M.A. Alexander

Sec. 31 Twp. 34S R. 12E ☒ E ☐ W

Legal Description of Lease: W/2NE/4 and E/2NW/4

County: Chautauqua County, KS

Production Zone(s): Wayside

Injection Zone(s): --

Surface Pit Permit No.: --
(API No. if Drill PR, WD or Haul)

-- feet from ☐ N / ☐ S Line of Section

-- feet from ☐ E / ☐ W Line of Section

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☐ Drilling OR

Past Operator's License No. 30916

Contact Person: Gary Bridwell

Past Operator's Name & Address: Gary & Kayla Bridwell
dba, Black Rain Energy P.O. Box 1404

Phone: 620-331-0194

Independence, KS 67301 Operator for Black Rain
Title: --

Date: March 31 - 2010

Signature: [Signature]

New Operator's License No. 34407 Same as above, except

Contact Person: Gary Bridwell

New Operator's Name & Address: as Operator for

Phone: 620-331-0194

TSCH, LLC, a Florida

Oil / Gas Purchaser: Pacer

limited liability co.

Date: March 31 - 2010

Title: --

Signature: [Signature]

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

is acknowledged as the
new operator and may continue to inject fluids as authorized by
Permit No.: _____. Recommended action: _____

Date: _____

Authorized Signature

is acknowledged as the
new operator of the above named lease containing the surface pit
permitted by No.: _____

Date: _____

Authorized Signature

DISTRICT _____ EPR 7-28-10

PRODUCTION 7/29/10

UIC JUL 29 2010

Mail to: Past Operator _____

New Operator _____

District _____

Mail to: KCC - Conservation Division, 130 S. Market - Room 207A, Wichita, Kansas 67202

Almond Exhibit 2

Page 1 of 3

UB1810 U.A. ALEXANDER
KANSAS CORPORATION COMMISSION

JUN 21 2010
CONSERVATION DIVISION
WICHITA, KS

Must Be Filed For All Wells

KDOR Lease No.:

• Lease Name: M. A. Alexander• Location: W/2NE/4 and E/2NW/4 31-34S 12E
Chautauque, KS

Well No.	API No. (YR DR/D/PR '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/T/D/Abandoned)
ALE-1	15-019-19513 ✓	3750	2492	Oil	Inactive
ALE-2	15-019-19514 ✓	4436	2421	Oil	Inactive
ALE-4	15-019-19515 ✓	3914	2182	Oil	Producing
ALE-5	15-019-19516 ✓	3708	1924	Oil	Inactive
ALE-6	15-019-19517 ✓	4375	2080	Oil	Inactive
ALE-7	15-019-19518 ✓	4085	2421	Oil	Inactive
ALE-8	15-019-19519 ✓	3240	2454	Oil	Producing
ALE-9	15-019-19520 ✓	3174	2089	Oil	Producing
ALE-10	15-019-19521 ✓	2864	2073	Oil	Plugged ^{no plugging} _{records found}
ALE-11	15-019-19522 ✓	2810	2314	Oil	Inactive
ALE-12	15-019-19523 ✓	3453	2064	Oil	Inactive
ALE-13	15-019-19524 ✓	3186	1788	Oil	Inactive
ALE-14	15-019-19525 ✓	2882	1603	Oil	Inactive
ALE-15	15-019-19526 ✓	3174	2755	Oil	Inactive
ALE-16	15-019-19527 ✓	3296	2964	Oil	Inactive
ALE-17	15-019-19528 ✓	2919	3349	Oil	Inactive
ALE-18	15-019-19529 ✓	3161	3271	Oil	Inactive
ALE-19	15-019-19530 ✓	3076	3957	Oil	Inactive
ALE-20	15-019-19531 ✓	2882	3850	Oil	Inactive
ALE-21	15-019-19532 ✓	3053	3583	Oil	Inactive
ALE-22	15-019-19533 ✓	3793	3801	Oil	Inactive
ALE-23	15-019-19535 ✓	4090	3719	Oil/Pass Gas	Inactive
ALE-24	15-019-19534 ✓	4036	3986	Oil	Inactive

A separate sheet may be attached if necessary

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 21 2010

Must Be Filed For All Wells

KDOR Lease No.: _____

Lease Name: M.E. AlexanderLocation: W/2NE/4 and E/2NW/4, 31-34S-12E
Chaut. Co., KS

Well No.	API No. (YR DRLD/PRE '87)	Footage from Section Line (i.e. FSL = Feet from South Line)	Type of Well (Oil/Gas/Water/SW)	Well Status (PROD/TAD/Abandoned)
ALE-27	15-019-19539✓	3962 ^{Circle} FSL/FNL 2799 ^{Circle} FEL/FWL	Oil (Poss Gas)	Inactive
ALE-28	15-019-19536✓	4308 ^{Circle} FSL/FNL 3476 ^{Circle} FEL/FWL	Oil	Inactive
ALE-30	15-019-19542✓	3806 ^{Circle} FSL/FNL 3432 ^{Circle} FEL/FWL	Oil	Pugged/no plugging records for
ALE-35	15-019-19538✓	4333 ^{Circle} FSL/FNL 2741 ^{Circle} FEL/FWL	Oil	Inactive
ALE-38	15-019-19537✓	4072 ^{Circle} FSL/FNL 3227 ^{Circle} FEL/FWL	Oil	Inactive
ALE-40	15-019-19540✓	3817 ^{Circle} FSL/FNL 2922 ^{Circle} FEL/FWL	Oil	Inactive
ALE-42	15-019-19543✓	3514 ^{Circle} FSL/FNL 3231 ^{Circle} FEL/FWL	Oil	Inactive
ALE-44	15-019-19541✓	3775 ^{Circle} FSL/FNL 3046 ^{Circle} FEL/FWL	Oil	Inactive
ALE-47	15-019-19544✓	3604 ^{Circle} FSL/FNL 2897 ^{Circle} FEL/FWL	Oil	Inactive
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL _____ FEL/FWL	_____	_____

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 21 2010

CONSERVATION DIVISION
WICHITA, KS

A separate sheet may be attached if necessary

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

JUL 03 2008

CONSERVATION DIVISION
WICHITA, KS

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
**REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT**

Form T-1
April 2004
Form must be Typed
Form must be Signed
All blanks must be Filled
RECEIVED
KANSAS CORPORATION COMMISSION

Check Applicable Boxes:

- ☒ Oil Lease: No. of Oil Wells 32 --
☐ Gas Lease: No. of Gas Wells _____ --
☐ Gas Gathering System: _____
☐ Saltwater Disposal Well - Permit No.: none
Spot Location: _____ feet from ☐ N / ☐ S Line
_____ feet from ☐ E / ☐ W Line
☐ Enhanced Recovery Project Permit No.: none
Entire Project: ☐ Yes ☐ No
Number of Injection Wells: _____

Field Name: _____

Side Two Must Be Completed.

Surface Pit Permit No.: none
(API No. if Drill Pit, WO or Haul)

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☐ Drilling

Past Operator's License No. 5723

Past Operator's Name & Address: John M. Denman Oil CO., Inc.
P.O. Box 36 Sedan, Ka 67361

Title: PRESIDENT

New Operator's License No. 30916

New Operator's Name & Address: GARY BRIDWELL AND KAYLA BRIDWELL
871 N. CR 3325 INDEPENDENCE, KANSAS 67301

Title: OWNERS

Effective Date of Transfer: 7/1/08

KS Dept of Revenue Lease No.: n/a *None* CONSERVATION DIVISION
WICHITA, KS

Lease Name: M.A. Alexander

Sec. 31 Twp. 34s R. 12 ☒ E ☐ W

Legal Description of Lease: E 1/2 NW 1/4 and W 1/2 NE 1/4

County: CHAUTAUQUA

Production Zone(s): Peru

Injection Zone(s): n/a

_____ feet from ☐ N / ☐ S Line of Section

_____ feet from ☐ E / ☐ W Line of Section

Contact Person: John T. Davis

Phone: 573-488-1268

Date: 7-1-08

Signature: *[Signature]*

Contact Person: GARY BRIDWELL

Phone: 620-331-0184

Oil / Gas Purchaser: COFFEYVILLE RESOURCES

Date: 7-1-08

Signature: *[Signature]*

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # none has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as the
new operator and may continue to inject fluids as authorized by
Permit No.: _____ Recommended action: _____

Date: _____

Authorized Signature

_____ is acknowledged as the
new operator of the above named lease containing the surface pit
permitted by No.: _____

Date: _____

Authorized Signature

DISTRICT _____ EPR 8-1-08 PRODUCTION AUG 01 2008 UIC 8-1-08

Mail to: Past Operator _____ New Operator _____ District _____

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

JUL 30 2008

Side Two

Must Be Filed For All Wells

CONSERVATION DIVISION
WICHITA, KS

KDOR Lease No.: n/a

* Lease Name: M.A. Alexander

* Location: W 1/2 NE 1/4 & E 1/2 NW 1/4 31-34S-12E CQ.CO.KS

Well No.	API No. (YR DRLD/PRE '87)	Footage from Section Line (i.e. FSL = Feet from South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
# 1	15-019-19513 ✓	3750 ^{Circle} FSL/FNL 2492 ^{Circle} FEL/FWL	OIL	ABANDONED
2	15-019-19514 ✓	4436 ^{Circle} FSL/FNL 2421 ^{Circle} FEL/FWL	OIL	ABANDONED
4	15-019-19515 ✓	3914 ^{Circle} FSL/FNL 2182 ^{Circle} FEL/FWL	OIL	ABANDONED
5	15-019-19516 ✓	3708 ^{Circle} FSL/FNL 1924 ^{Circle} FEL/FWL	OIL	ABANDONED
6	15-019-19517 ✓	4375 ^{Circle} FSL/FNL 2080 ^{Circle} FEL/FWL	OIL	ABANDONED
7	15-019-19518 ✓	4085 ^{Circle} FSL/FNL 2421 ^{Circle} FEL/FWL	OIL	ABANDONED
8	15-019-19519 ✓	3240 ^{Circle} FSL/FNL 2454 ^{Circle} FEL/FWL	OIL	ABANDONED
9	15-019-19520 ✓	3174 ^{Circle} FSL/FNL 2089 ^{Circle} FEL/FWL	OIL	ABANDONED
10	15-019-19521 ✓	2864 ^{Circle} FSL/FNL 2073 ^{Circle} FEL/FWL	OIL	ABANDONED
11	15-019-19522 ✓	2810 ^{Circle} FSL/FNL 2314 ^{Circle} FEL/FWL	OIL	ABANDONED
12	15-019-19523 ✓	3453 ^{Circle} FSL/FNL 2064 ^{Circle} FEL/FWL	OIL	ABANDONED
13	15-019-19524 ✓	3186 ^{Circle} FSL/FNL 1788 ^{Circle} FEL/FWL	OIL	ABANDONED
14	15-019-19525 ✓	2882 ^{Circle} FSL/FNL 1603 ^{Circle} FEL/FWL	OIL	ABANDONED
15	15-019-19526 ✓	3174 ^{Circle} FSL/FNL 2755 ^{Circle} FEL/FWL	OIL	ABANDONED
16	15-019-19527 ✓	3296 ^{Circle} FSL/FNL 2964 ^{Circle} FEL/FWL	OIL	ABANDONED
17	15-019-19528 ✓	2919 ^{Circle} FSL/FNL 3349 ^{Circle} FEL/FWL	OIL	ABANDONED
18	15-019-19529 ✓	3161 ^{Circle} FSL/FNL 3271 ^{Circle} FEL/FWL	OIL	ABANDONED
19	15-019-19530 ✓	3076 ^{Circle} FSL/FNL 3957 ^{Circle} FEL/FWL	OIL	ABANDONED
20	15-019-19531 ✓	2882 ^{Circle} FSL/FNL 3850 ^{Circle} FEL/FWL	OIL	ABANDONED
21	15-019-19532 ✓	3053 ^{Circle} FSL/FNL 3583 ^{Circle} FEL/FWL	OIL	ABANDONED
22	15-019-19533 ✓	3793 ^{Circle} FSL/FNL 3801 ^{Circle} FEL/FWL	OIL	ABANDONED
24	15-019-19534 ✓	4036 ^{Circle} FSL/FNL 3986 ^{Circle} FEL/FWL	OIL	ABANDONED
23	15-019-19535 ✓	4090 ^{Circle} FSL/FNL 3719 ^{Circle} FEL/FWL	OIL / Gas	ABANDONED

A separate sheet may be attached if necessary

RECEIVED
KANSAS CORPORATION COMMISSION

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

JUL 30 2008

CONSERVATION DIVISION
WICHITA, KSAlmond Exhibit 3
Page 2 of 3

* Location: W 1/2 NE 1/4 & E 1/2 NW 1/4 31-34S-12E CQ.CO.KS

A separate sheet may be attached if necessary

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covered more than one section please indicate which section each well is located.

Almond Exhibit 3
Page 3 of 3

KANSAS
CORPORATION COMMISSION

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

January 14, 2009

Gary Bridwell dba Black Rain Energies
PO Box ~~35~~ 1404 on 871 N 3325th St.
Independence, Kansas 67301

RECEIVED
KANSAS CORPORATION COMMISSION
JAN 27 2009
CONSERVATION DIVISION
WICHITA, KS

RE: Alexander Leases, Section 31, Township 34 South, Range 12 East

Dear Mr. Bridwell:

John Almond referred your January 6, 2009 plugging and return to production plan to me for review. We cannot accept your proposal. For this number of wells, we have required them to be returned to compliance within 24 months, your proposal would extend for 32 months.

We would agree to a plan where you plug or return to service one well a month with one additional well every three months either plugged or returned to service. This would allow all the wells to be either plugged or returned to service within 24 months. This plan would begin February 1, 2009. All well plugging must be in accordance with Commission regulations.

We expect strict compliance with the plan and any failure to follow the plan would make it null and void and any remaining out of compliance wells would be required to be plugged or returned to service immediately.

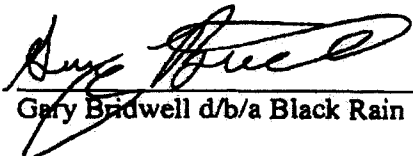
If you agree to the terms set out in this letter, please sign above your typed name and return the original letter to me within 10 days.

Very truly yours,



John McCannon
Litigation Counsel

I agree to the terms set out in this letter:


Gary Bridwell d/b/a Black Rain Energies

1-23-09
Date

cc: KCC District 3

CONSERVATION DIVISION
Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>



Lease: ALEXANDER W L
Operator: DENMAN J M OIL C
Location: NE SW NE T34S, R12E, Sec. 31
KS Dept. of Revenue Lease Code: 100281
Field: Peru-Sedan
County: Chautauqua
Producing Zone:

Complete detailed production available in file saved using blue button at top of page.

Annual Oil Production, (bbls)

Year	Production	Wells
Production Charts		
Flash Chart		
1970	7,900	-
1971	6,780	-
1972	5,244	13
1973	3,543	13
1974	4,600	13
1975	6,336	13
1976	6,351	13
1977	4,741	13
1978	5,388	13
1979	3,829	13
1980	2,493	14
1981	925	14
1982	763	14
1983	925	14
1984	583	14
1985	500	14
1986	334	14
1987	419	14
1988	84	14
1989	167	14

Note: bbls is barrels; mcf is 1000 cubic feet.

Pre-1987 cumulative data and monthly volume data is provided under license agreement to the KGS by IHS Energy. As such, it may be reviewed and used for public service and research purposes. It may not be downloaded or used for

purposes of re-packaging, reselling or dissemination to third parties.

Kansas Geological Survey

Comments to webadmin@kgs.ku.edu

URL=<http://www.kgs.ku.edu/Magellan/Field/lease.html>

Programs Updated May 23, 2005

Data from Kansas Dept. of Revenue files monthly.

NOTICE OF VIOLATIONS

December 30, 2008

Gary Bridwell #30916
RR3 Box 345
Independence, Kansas 67301

Re: Alexander lease Located in Section 31, Township 24 South, Range 12 East, Chautauqua County, Kansas.

Mr. Bridwell:

Please review the attached documents concerning the Alexander lease. Ryan Duling has been working on the compliance issues for quite a long time, he has the attached phone memo from March 21, 2008 with Wayne Bright and then filed the attached field report dated April 30, 2008 concerning the (32) abandoned wells on this lease. June 24, 2008 Ryan sent the attached letter to Denman Oil and then June 27, 2008 Ryan met You and Wayne Bright at the District #3 office to discuss the Alexander lease and you took control of the lease and agreed to get numerous wells into production.

Ryan went to the Alexander lease on July 23, 2008 to inspect the progress on the lease since you acquired it on July 01, 2008. Ryan found that you had installed a new tank battery and that he would follow up on the inspection in about a month. Ryan returned to the Alexander lease on September 19, 2008 to find that nothing had been done since his last visit except that (3) pumpjacks had been moved on to the lease. Ryan contacted you by phone and you told him that the weather had caused the delay of getting the wells into production, he told you that he would check back in about a month.

Ryan went back to the Alexander lease on November 05, 2008 and filed the attached field report to document that nothing had been done since his last visit in September, he called you and you told him that you had just got off the phone with someone that was going to start working on the wells the very next week, Ryan told you he would be back in another month. Ryan went back to the Alexander lease on December 05, 2008 to find that nothing had been done, he tried to contact you by phone and got no answer, he filed the attached field report stating that nothing had been done on the lease. December 29, 2008 Ryan Duling went to the Alexander lease to check to see

CONSERVATION DIVISION • DISTRICT OFFICE NO. 3
1500 W. Seventh, Chanute, KS 66720
(620) 432-2300 • Fax: (620) 432-2309 • <http://kcc.ks.gov/>

if any progress had been made on the lease, he filed the attached field report and turned all the information over to me requesting that I try one final attempt to resolve the compliance issues with out recommending costly fines and having a hearing in Wichita with the Commissioners concerning the (32) abandoned wells. You said in the meeting at the District #3 Office with Mr. Bright and Ryan Duling, that you had the equipment, manpower and resources to get this lease back into production, immediately. We want to give you one last chance to resolve this matter and I think that Ryan has been more than patient, it has been (6) months and none of the wells are in production. We have decided that you will need to present us a written proposal, with a specific number of wells per month that you will either put into production or plug on the Alexander lease. We want the written proposal, signed by you within (15) days. If the proposal is accepted, it will be effective February 01, 2009.

The deadline will be January 15, 2009. If you do not submit the written proposal to us, by January 15, 2009 we will make a written agreement for you and send it to you to be effective February 01, 2009. This is the last resort before we recommend fines and request a show cause hearing before the Commissioners. I appreciate your cooperation with this matter. If you have any questions please call (620)432-2301.

Sincerely,



John Almond P.I.R.T. III
Compliance Officer

TO: John Almond P.I.R.T. III
Compliance Officer

FROM: Gary Bridwell
DBA Black Rain Energies

DATE: January 6, 2008

RE: Alexander Leases Sec. 31 Twn. 34S R. 12E CQ. CO. KS

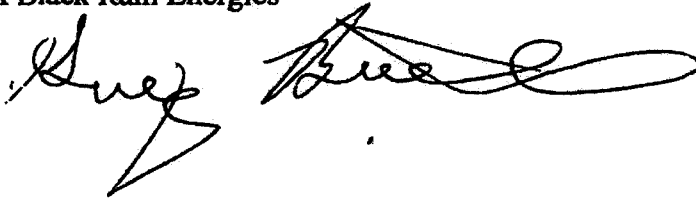
In response to your letter dated on December 30, 2008, I am sending you my "game plan" on the Alexander leases.

First of all, I would like to thank the Commission for their patience in this matter. Due to these tough national economic times, Black Rain had to reduce its work force putting us behind our project timelines. However, we fully understand your position and commence work on the leasehold. Beginning February 1st, we will commence to putting a minimum of one well per month on production and or plug one well per month.

Please advise if this would be acceptable to you.

Thank you for your cooperation,

Gary Bridwell
DBA Black Rain Energies



RECEIVED
KCC DISTRICT #3

JAN 9 2009

CHANUTE, KS

RECEIVED
KCC DISTRICT #3

JAN 9 2008

CHANUTE, KS

Feb.1 2010
To: K.C.C.
John Almond
Compliance Officer
District #3 Chanute, Kansas

RE: Alexander Leases

John:

Per. Our conversation I am writing you this letter explaining our status & situation on Alexander Leases.

We have three wells on production and two more ready to put on & one well plugged. The weather & economy & medical reasons has delayed the operations.

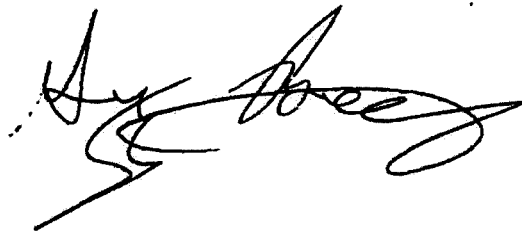
The land owner does not own any of the minerals on the acreage; therefore he does not want the ground tore up & is not a problem.

I need more time to evaluate the rest of the wells by swab testing each well individually to a test tank before laying lines to each well.

I am going to fulfill my obligation, but will need more time to do so.

I appreciate your cooperation on this.

Thanks
Gary Bridwell

A handwritten signature in black ink, appearing to read 'Gary Bridwell', with a stylized, cursive script.

RECEIVED
FEB 10 2010
KCC Chanute Dist #3

John Almond

Subject: Ken Alcini called will be purchasing the Alexander lease from Gary Bridwell this week.
Entry Type: Phone call

Start: Mon 3/29/2010 9:40 AM
End: Mon 3/29/2010 9:40 AM
Duration: 0 hours

Contacts: Ken Alcini 517-881-3434
Categories: Information Request

TO: Mr. John Almond

Oil & Gas Conservation Division, Kansas Corporation Commission,

FROM: TSCH LLC ("TSCH")

Charles L. Hoffman, Jr. Mgr. / Member (904/859-1661 or CLH141246@AOL.COM)

Trevor L. Shea Mgr. / Member (850/866-1132 or trevorshea@thecoastal.net)

DATE: 3/31/10

RE: CONFIRMATION OF 3/29/10 CONVERSATION WITH KEN ALCINI REGARDING
PLUGGING NON OPERATING WELLS ON LEASES COMMONLY REFERRED TO AS
THE ALEXANDER

This is submitted as a Follow-up confirmation of Ken Alcini's 3/29/10 phone conversation with The Oil & Gas Conservation Division of the Kansas Corporation Division regarding TSCH's acquisition of the Alexander Lease which is currently held by Black Rain (Gary Bridwell). TSCH will execute and assume the lease Thurs. 4/1/10 or Fri. 4/2/10 from Black Rain, and upon assumption, TSCH will initiate a development / redevelopment program to re-establish production from the universe of existing wells on the Lease.

Per Mr. Alcini's conversation of 3/29/10, you indicated that upon our acquisition of the Alexander Lease and filing of the required T-1 Form that you would void the current notice requiring well plugging on the Alexander lease and grant us a reasonable time to re-establish production. In response, we stated that we would move onto the lease following the Easter weekend and provide you a development plan for your review and approval approximately 4/12/10.

Please know that the intent of this letter is to reconfirm Mr. Alcini's understanding of the 3/29/10 conversation with you that Black Rain's plugging commitment would be voided and made of no effect upon TSCH's assumption and continuation of the development and redevelopment program to re-establish production from the universe of existing wells on the Alexander Lease. It is our absolute intent to work closely with the KCC, and we will regularly report to you on the work being performed and the progress being made.

RECEIVED

We appreciate your helpful assistance and cooperation on this matter.

Thank you, Charles L. Hoffman, Jr.



FILED 3/31/10

For any additional information regarding this matter, please feel free to also contact Mr. Ken Alcini @ 517/881-3434 or at ken@spartanoperating.com .

TO: Mr. John Almond

Oil & Gas Conservation Division, Kansas Corporation Commission,

FROM: TSCH, LLC ("TSCH")

Charles L. Hoffman, Jr. Mgr. / Member (904/859-1661 or CLH41246@AOL.COM)

Trevor L. Shea Mgr. / Member (850/866-1132 or trevorshea@thecoastal.net)

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For any additional information regarding this matter, please feel free to also contact Mr. Ken Alcini @ 517/881-3434 or at ken@spartanoperating.com.

TO: Mr. John Almond

Oil & Gas Conservation Division, Kansas Corporation Commission,

FROM: TSCH, LLC ("TSCH")

Charles L. Hoffman, Jr. Mgr. / Member (904/859-1661 or CLH41246@AOL.COM)

Trevor L. Shea Mgr. / Member (850/866-1132 or trevorshea@thecoastal.net)

DATE: 4/15/10

RE: OPERATING PLAN ON ALEXANDER LEASE AND DETERMINATION TO
ABANDON & PLUG CERTAIN WELLS

Mr. Almond: Subject to any further approvals required by your office, we submit the following plan to enter the Alexander Lease and proceed as outlined below.

#1: Move onto the property on or before Monday, April 19, 2010 and on a well-by-well basis, deploy work-over rig(s) to install 2 7/8" tubing to then swab test and assess the production potential for each well

A. The water and oil recovered in swab testing will be recovered into portable tanks.

#2: Following evaluation of swab testing, a well will either be:

A. designated for abandonment and plugging;

1. in which case, we would then complete such process in compliance with and per directives from your office; or

A. set up for on line production;

1. any necessary flow lines, electric lines, pump jacks, meters, boxes, etc will then be installed and production initiated.

2. Build and/or repair access roads for ingress and egress to/from the well heads compliant with the surface owner's requirements.

#3: During the course of production evaluation and the development or preparation of wells for production, we anticipate filing any necessary applications with your office (or others as you direct) for injector permits for certain selected wells on the Lease.

We appreciate your helpful assistance and cooperation on this matter.

Thank you, Charles L. Hoffman, Jr.

For any additional information regarding this matter, please feel to contact Trevor Shea or me at the above email addresses or phone numbers or Mr. Ken Alcini @ 517/881-3434 or at ken@spartanoperating.com.

TO: Mr. John Almond

Kansas Corporation Commission, Conservation Div.

1500 West Seventh

Chanute, Ks 66720

From: Charles L. Hoffman, Jr. Ph. 904/859-1661 or EMAIL: CLH41246@AOL.COM

TSCH, LLC

1478 Riverplace Blvd. #705

Jacksonville, Fl. 32207

Date: 8/6/10

**Re: Production Development Plan & Plugging process for the Alexander Lease, 31-34S-12 Chatauqua
County, Kansas; TSCH, LLC as Licensed Operator**

Dear John:

We reference and attach our correspondence with you of 3/31/10 (which recited that upon our acquisition of the Alexander Lease and filing the T-1, you would void the then current notice requiring well plugging on the Alexander and grant us a reasonable time to re-establish production) and the follow-up correspondence of 4/15/10 which addressed our operating plan on the Alexander as well as future well abandonment and plugging.

Please excuse my delayed follow-up correspondence from our meeting in your office in Chanute the week of June 7, 2010 together with Ryan Duling and Duane Sims (which, by the way, was hugely beneficial to me, and I remain appreciative of the patience ya'll had for a rookie like me). The information you provided us and the assistance/guidance in getting the injection well tested and now approved as of 8/2/10 has been invaluable.

At the moment we find ourselves in need of your continuing guidance and help in two areas:

- (1) Is there any way for us to obtain a temporary injection well permit (until final permit issuance) to allow us to begin pumping oil, -we have one well fully ready to go and may have as many as two more wells production ready, (electric power, flow lines from production wells to the tank battery and to the injection well, etc are in place and ready to go). The persistent, inclement weather this spring and early summer has cramped and delayed our efforts to expeditiously and efficiently re-work and re-develop the lease. As a result, we need production to generate the**

additional cash to push the pace of our rework/redevelopment efforts, and a temporary injection well operating permit will allow us to finally start pumping and move forward.

- (2) You asked us to refine our 4/15/10 correspondence regarding a plugging plan. There are 32 wells currently on the Alexander Lease per the OW1-1, the T-1, and the state's inventory you shared with me reflected 1 injection well, 2 currently plugged wells and 29 inactive wells. These 29 inactive wells are the ones we intend to swab test to assess their production potential. To date, we have swab tested 4 wells, totally reworked one well which is now ready to produce, and currently believe that the other three wells will ultimately be reworked and placed in production. However, until we have swab tested the remaining 25 wells, we will not know with any certainty, how many of these 25 will actually be reworked and put in production. In short, we would only abandon and plug wells which we ultimately determine will likely be unprofitable to produce either because we believe the projected yield will be too low, a negative price environment or a combination of both. The anticipated cash flow we expect from producing wells should generate sufficient funds to complete any minimally expected plugging.

We look forward to discussing these matters with you,

Sincerely,

TSCH, LLC, Operator of Alexander Lease



NOTICE OF VIOLATION

February 8, 2011

Charles L. Hoffman, Jr.
TSCH, LLC
1478 Riverplace Blvd., #705
Jacksonville, Florida 32207

RE: M.A. Alexander Lease, East Half of the Northwest Quarter and West Half of the Northeast Quarter, Section 31, Township 34 South, Range 12 East, Chautauqua County, Kansas

Dear Mr. Hoffman:

The above lease was brought to my attention via a complaint. In response to the complaint, our District #3 Staff has conducted several lease inspections and found numerous probable violations.

Please find the attached listing of wells that you filed as part of the T-1 from Gary and Kayla Bridwell, dba Black Rain Energy. The T-1 lists thirty-two (32) wells. All thirty-two (32) wells are in probable violation of K.A.R. 82-3-111. As such, I am providing you ninety (90) days from the date of this letter to bring them into compliance by plugging them, returning them to service, or filing and obtaining an exception to the 10-year TA limitation. I also understand from your T-1 that two (2) of the wells are listed as plugged; however, no records exist to confirm this belief. Please verify that these wells have been plugged, or bring them into compliance with K.A.R. 82-3-111. Failure to bring all thirty-two (32) wells into compliance will result in monetary penalties and an order to plug all of the wells not in compliance. It is important to note that there are several wells in the vicinity of the injection well. These wells require plugging or repairing first. Please contact the District #3 Office regarding which wells must be taken care of soonest.

Furthermore, our inspection indicated that you are in probable violation of K.A.R. 82-3-126 by failing to have the proper, legible lease identification signs at the tank battery on this lease. In order to avoid further monetary penalties, you must have the proper lease identification signs at all the tank batteries on the above lease within ninety (90) days.

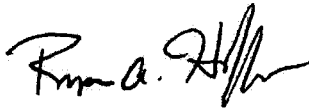
Staff also observed several areas that require remediation. These areas either have salt scars or oil residue that must be properly cleaned up. Please contact District #3 Staff to obtain a remediation plan for these areas. Failing to contact District #3 Staff within thirty (30) days to obtain the remediation plan may subject you to further administrative enforcement action and monetary penalties.

Please be advised that the normal compliance deadline provided to rectify these types of violations is generally only thirty (30) days. You are receiving a one (1) time, courtesy extension of time to bring the above lease into compliance with our regulations due simply to the large volume of wells that you must bring into compliance.

Additionally, our Staff has indicated that the overall condition of the leased premises appears to be in an unkempt and potentially unsafe state. You should be aware that K.S.A. 55-177 requires all operators to return leased premises to a condition as near as practicable to what it was prior to the lease. I would strongly advise you to address the overall condition of the lease.

Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan A. Hoffman". The signature is fluid and cursive, with a prominent initial "R" and a stylized "H".

Ryan A. Hoffman
Litigation Counsel
Kansas Corporation Commission

cc: John Almond, District #3 Compliance Officer

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
**REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT**

Form Y-1
April 2004
Form must be Typed
Form must be Signed
All blanks must be Filled

061810 M. A. Alexander
KANSAS CORPORATION COMMISSION

JUN 21 2010

CONSERVATION DIVISION
WICHITA, KS

Check Applicable Boxes:

☒ Oil Lease: No. of Oil Wells 32 --

☐ Gas Lease: No. of Gas Wells _____ --

☐ Gas Gathering System: _____

☐ Saltwater Disposal Well - Permit No.: _____

Spot Location: _____ feet from ☐ N / ☐ S Line

_____ feet from ☐ E / ☐ W Line

☐ Enhanced Recovery Project Permit No.: _____

Entire Project: ☐ Yes ☐ No

Number of Injection Wells _____

Field Name: _____

**** Side Two Must Be Completed.**

Effective Date of Transfer: June 18, 2010
APRIL 1, 2010

KS Dept of Revenue Lease No.: N/A 140116

Lease Name: M.A. Alexander

Sec. 31 Twp. 34S R. 12E ☒ E ☐ W

Legal Description of Lease: W/2NE/4 and E/2NW/4

County: Chautauqua County, KS

Production Zone(s): Wayside

Injection Zone(s): _____

Surface Pit Permit No.: _____
(API No. if Drill Pit, WD or Haul)

_____ feet from ☐ N / ☐ S Line of Section

_____ feet from ☐ E / ☐ W Line of Section

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling

☐ Haul-Off ☐ Workover ☐ Drilling

Past Operator's License No. 30916

Contact Person: Gary Bridwell

Past Operator's Name & Address: Gary & Kayla Bridwell
dba, Black Rain Energy P.O. Box 1404

Phone: 620-331-0194

Independence, KS 67301 Operator for Black Rain
Title: _____

Date: May 31 - 2010

Signature: Gary Bridwell

New Operator's License No. 34407
Same as above, except

Contact Person: Gary Bridwell

New Operator's Name & Address: as Operator for

Phone: 620-331-0194

TSCH, LLC, a Florida

Oil / Gas Purchaser: Pacer

limited liability co.

Date: May 31 - 2010

Title: _____

Signature: Gary Bridwell

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as the
new operator and may continue to inject fluids as authorized by

Permit No.: _____ Recommended action: _____

Date: _____

Authorized Signature

_____ is acknowledged as the
new operator of the above named lease containing the surface pit

permitted by No.: _____

Date: _____

Authorized Signature

DISTRICT _____ EPR 7-28-10

PRODUCTION 7/29/10

UC JUL 29 2010

Mail to: Past Operator _____ New Operator _____

District _____

Mail to: KCC - Conservation Division, 130 S. Market - Room 207A, Wichita, Kansas 67202

Must Be Filed For All Wells

KDOT Lease No.: _____

Lease Name: M.A. AlexanderLocation: W/2NE/4 and E/2NW/4 31-34S 12E
Cherokee, KS

Well No.	API No. (YR DRLO/PRE '87)	Footage from Section Line (i.e. FSL = Feet from South Line)	Type of Well (Oil/Gas/Water/WSW)	Well Status (PROD/TAT/Abandoned)
ALE-1	15-019-19513'	3750 (FSL/FWL) 2492 (FEL/FWL)	Oil	Inactive
ALE-2	15-019-19514'	4436 (FSL/FWL) 2421 (FEL/FWL)	Oil	Inactive
ALE-4	15-019-19515'	3914 (FSL/FWL) 2182 (FEL/FWL)	Oil	Producing
ALE-5	15-019-19516'	3708 (FSL/FWL) 1924 (FEL/FWL)	Oil	Inactive
ALE-6	15-019-19517'	4375 (FSL/FWL) 2080 (FEL/FWL)	Oil	Inactive
ALE-7	15-019-19518'	4085 (FSL/FWL) 2421 (FEL/FWL)	Oil	Inactive
ALE-8	15-019-19519'	3240 (FSL/FWL) 2454 (FEL/FWL)	Oil	Producing
ALE-9	15-019-19520'	3174 (FSL/FWL) 2069 (FEL/FWL)	Oil	Producing
ALE-10	15-019-19521'	2864 (FSL/FWL) 2073 (FEL/FWL)	Oil	Plugged (no plugging records found)
ALE-11	15-019-19522'	2810 (FSL/FWL) 2314 (FEL/FWL)	Oil	Inactive
ALE-12	15-019-19523'	3453 (FSL/FWL) 2064 (FEL/FWL)	Oil	Inactive
ALE-13	15-019-19524'	3186 (FSL/FWL) 1788 (FEL/FWL)	Oil	Inactive
ALE-14	15-019-19525'	2882 (FSL/FWL) 1663 (FEL/FWL)	Oil	Inactive
ALE-15	15-019-19526'	3174 (FSL/FWL) 2755 (FEL/FWL)	Oil	Inactive
ALE-16	15-019-19527'	3296 (FSL/FWL) 2964 (FEL/FWL)	Oil	Inactive
ALE-17	15-019-19528'	2919 (FSL/FWL) 3349 (FEL/FWL)	Oil	Inactive
ALE-18	15-019-19529'	3161 (FSL/FWL) 3271 (FEL/FWL)	Oil	Inactive
ALE-19	15-019-19530'	3076 (FSL/FWL) 3957 (FEL/FWL)	Oil	Inactive
ALE-20	15-019-19531'	2882 (FSL/FWL) 3850 (FEL/FWL)	Oil	Inactive
ALE-21	15-019-19532'	3053 (FSL/FWL) 3553 (FEL/FWL)	Oil	Inactive
ALE-22	15-019-19533'	3793 (FSL/FWL) 3801 (FEL/FWL)	Oil	Inactive
ALE-23	15-019-19535'	4090 (FSL/FWL) 3719 (FEL/FWL)	Oil/Prod Gas	Inactive
ALE-24	15-019-19534'	4036 (FSL/FWL) 3966 (FEL/FWL)	Oil	Inactive

A separate sheet may be attached if necessary

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 21 2010

CONSERVATION DIVISION
WICHITA, KS

Must Be Filed For All Wells

KDOR Lease No.: _____

* Lease Name: M. E. Alexander

- Location: 11 1/2 NE 1/4 and E 2 NW 1/4, 31-34S-12E
Chaut. Co., KS

Well No.

API No.
(YR DRLO/PRE '67)

**Footage from Section Line
(i.e. FSL = Feet from South Line)**

Type of Well
(ORIGINAL/WSW)

Well Status
(PROD/TAT/Abandoned)

[illegible]

A separate sheet may be attached if necessary

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

APR 14 2011
LEGAL SECTION

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners:

In the matter of the Application of TSCH, LLC.

Docket No. 11-CONS-211-CEXC

for an exception to the 10-year time limitation

of K.A.R. 82-3-111 for its wells located in

CONSERVATION DIVISION

W/2 NE/4 and E/2 NW/4 of Section 31,

Township 34 South, Range 12 East,

Chautauqua County, Kansas

License No.: 34407

APPLICATION

COMES NOW TSCH, LLC ("Applicant") in support of its Application in the captioned matter and states as follows:

1. Applicant is a Florida Limited Liability Corporation currently in good standing in the state of Florida and currently qualified and in good standing do business as a foreign corporation in Kansas. Applicant's current address is 480 Mars Way Juno Beach, Fl. 33408.
2. Applicant has been issued Operator's License # 34407 by the Kansas Corporation Commission which license will expire on 6/30/11.
3. Applicant is the owner / lessee of the wells reflected upon the attached Operator Well Inventory (Form OWI-1) dated 2/17/10 which also matches the T-1 filed with the KCC, (the "SUBJECT WELLS") which are located on an active oil and gas lease, also familiarly known as the "M.A. Alexander Lease", which is comprised of 160 acres situate in the W/2 NE/4 and E/2 NW/4 of Section 31, Township 34 South, Range 12 East, Chautauqua County, Kansas.
4. As far as TSCH, LLC. is aware and per the records at the "Energy link" at KGS.KU.EDU, all of the "Subject Wells" were shut in or ceased production in October, 1989 and remained shut in until TSCH, LLC., in the spring of 2010, began swab testing 6 to 7 wells and to date (3/23/11) "reworking" three wells for oil production and reworking one well as an injection well (Permit # E-30,693 dated 9/27/10).

5. On or about February 8, 2011, the Kansas Corporation Commission notified Applicant that temporary abandonment status for the "Subject Wells" would be effectively denied as of or from and after February 8, 2011 unless TSCH, LLC, within 90 days from said date, applied for and received an exception from and under K.A.R. 82-3-111 and thus, this application.
6. K.A.R. 82-3-111 imposes a 10-year limitation on the amount of time during which wells may be temporarily abandoned, but an exception to the 10 year limitation may be obtained pursuant to said regulation through an Application filed with the Commission pursuant to K.A. R. 82-3-100. Applicant hereby seeks such an exception for the "Subject Wells".
7. To date, the only MIT test (Fall 2010) performed and passed on any of the "Subject Wells" was the well selected as an "injection" well (Permit #E-30,693 dated 9/27/10), and at which test, representative(s) of the KCC Oil and Gas Division were present.
8. Applicant wishes to continue TA status for the "Subject Wells" because Applicant intends to use the "Subject Wells" for the following purposes:
 - A. As a result of our under estimated expenses to swab test wells, rework three production wells, and complete one injection/disposal well, Applicant has exhausted its capital, is currently insolvent ,and has no current reasonable prospect of raising sufficient additional capital to continue its operation or meet the clean-up requirements of the KCC.
 - B. Applicant has offered to include its lease of the "Subject Wells" in and with the oil production assets of a significant, unrelated local area oil and gas lease operator which is currently selling its oil and gas production business. Currently, there are several well funded oil and gas investment and operating entities performing acquisition due diligence.
- (1) Without the approval of TSCH,LLC's application for an assignable / assumable three year exception to the 10 year TA limitation to redevelop the lease in an orderly process, there is little or no prospect of finding and closing a buyer for TSCH,LLC's lease interest, and TSCH,LLC would have no choice but to liquidate and abandon its lease.
- (2) The requested 3 year exception to the 10 year TA limitation would require TSCH,LLC and any successor leaseholder to submit to and comply with its terms and provisions as well as any and all applicable Kansas Statutes, Regulations, etc. which pertain or apply to oil and/or gas production:
 - well redevelopment/return to service plan,
 - plugging plan following swab testing to assess potential production, and
 - an environmental remediation plan for KCC previously identified problems of minor "salt scars" or oil residue on the M.A. Alexander Lease.

- C. Applicant's ulterior or ultimate goal for the "Alexander" was and remains to install and operate, through an unrelated and unaffiliated company, a patented seismic secondary production stimulation device that could potentially revolutionize secondary recovery by eliminating the significant capital investment and operating expenses which accompany injection methodologies (water, CO2, nitrogen, etc) and generate higher yields. The seismic effect of this device is virtually undetectable as an elastic and extremely low hertz seismic wave.
9. Attached is a petroleum geologist's report which suggests a probability of economically recoverable reserves in the "Peru Sands" formation/strata, and it is, in part, what encouraged the redevelopment of the lease. From swab testing we performed on 5 to 6 wells, we believe there is profitably recoverable economic quantity of reserves to attract better capitalized and more experienced production operators.

Well recompletion is estimated at \$17,500 to \$19,000 unless cementing or other work is required, and given the projected costs of recompletion (at the time we were unaware of any plugging or prior operator cleanup). We estimate that \$88/bl to \$100/bl (gross for light sweet crude) should be profitable.

In that it would be unaffordable to haul water, one Injection Well was applied for and was permitted on 9/27/10 by Permit #E-30,693

Tank Battery already in place and serviceable

While ignorance is no excuse, TSCH, LLC was totally unaware and uninformed of any potential liability for clean-up /remediation of pre-existing contamination, plugging, and other problems created and left behind by prior operators. As a result we did not raise or allocate any capital for such activity(s). Given the company's financial condition, we would submit that the state would be better served to grant the requested "assignable" 3 year exception to the 10 year TA Limitation to permit a successor the reasonable time to orderly pursue swab testing and perform "return to service" functions to generate internal funds to implement any clean-up/remediation.

Assuming the 32 wells and no cementing up the back or other extraordinary requirements, I have been told that \$1,500-\$3,500 should cover plugging expense,

10. No studies, operations, or other actions taken in furtherance of the intended use of the wells described above.
11. See request for 3 year assignable exception to the 10 year TA Limitation to allow reasonable time to swab test each well on the M.A. Alexander Lease to assess production potential. If it is determined a well has production potential, then any and all requirements of the Oil and Gas

Div. of the KCC will be complied with to recomplete the well and initiate production. If it is determined that a well does not have sufficient production potential, then the well will be plugged in accordance and compliant with the requirements imposed by the Oil and Gas Div. of the KCC

12. See Attached

13. 3 YEARS

14. Listed in the attached Exhibit "A" are the names and addresses of the following persons:

- A. Each operator of each oil and gas lease covering lands within one-half (1/2) mile radius of the subject wells; and
- B. Each person who owns any mineral interest of record in and under any lands located within one-half (1/2) mile radius of the subject wells (provided that such mineral interest is not covered by any oil and gas lease).

15. Notice of this Application will be published pursuant to K.A.R. 82-3-135a. In addition, notice of the hearing to be held in this matter will be provided as prescribed by K.A.R. 82-3-135.

WHEREFORE, Applicant prays that this matter be granted administratively without a hearing, or in the alternative be set for hearing, and upon hearing that the Commission grant Applicant's request for an exception to the K.A.R. 82-3-111 ten (10) year limitation, to allow the subject wells to remain temporarily abandoned for three (3) years, subject to annual approval by the Conservation Division District Office of an application for temporary abandonment status, AND that this requested three (3) year exception be assignable and/or assumable by any successor in interest to TSCH,LLC,-it being TSCH,LLC's specific intention to transfer any and all of its rights in, to, and under the mineral lease currently held by TSCH,LLC. Without or in the absence of the Commission's grant to TSCH,LLC of the exception to the K.A.R. 82-3-111 ten (10) year limitation, TSCH,LLC will not be able to sell, assign, or otherwise transfer its mineral rights under its current lease and will thereby be forced into liquidation and abandonment of the lease to the detriment of the State of Kansas and the current mineral rights and surface rights owners.

RESPECTFULLY SUBMITTED,

TSCH,LLC (a Florida LLC duly qualified as a foreign corporation to transact business in Kansas)

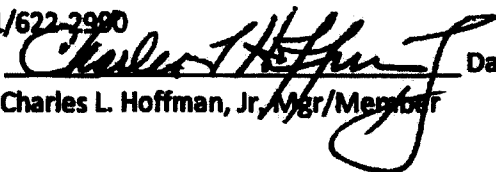
480 Mars Way

Juno Beach, Fl. 33408

904/859-1661

561/622-2980

BY:

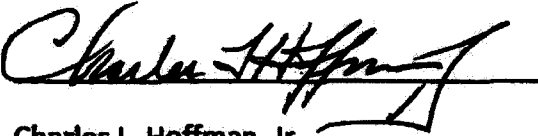


Date: March 31, 2011

Charles L. Hoffman, Jr., Mgr/Member

CERTIFICATE OF SERVICE

I hereby certify on this 13th day of April, 2011, true and correct copies of the above and foregoing Application and the Notice of Application were served by depositing copies of the same in the United States Mail, postage prepaid, and properly addressed to the landowner/s set forth in paragraph 14 of said Application and each party set forth in Exhibit "A" attached to said Application filed by the Applicant, and the original and seven (7) copies were similarly delivered to the Kansas Corporation Commission in-care-of Ryan A. Hoffman, Litigation counsel, Kansas Corporation Commission in c/o Conservation Division, Finney State Office Building, 130 S. Market, Rm. 2078, Wichita, Ks. 67202-3802.

 Date: April 13, 2011
Charles L. Hoffman, Jr.

Member/Mgr. TSCH, LLC

Exhibit to Part 3 of Application P.1

Page: 1 of 2

KCC License No.: TC#4 LLC Kansas Corporation Commission Oil & Gas Conservation Division

OPERATOR WELL INVENTORY (FORM OWI-1)

Lease Name	Well No.	API No.	Year Drilled	Assessed Responsibility	Depth	County	Section-Township-Range	Spot Location	Production from Section Line	Type of Well	Well Status	KCOR License Code(s)	Latitude	Longitude	Datum
ALC-1	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3950	OIL	INACTIVE				
ALC-2	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	4506	OIL	INACTIVE				
ALC-3	15-04-10-00-00					CD	31-34-12	15-04-10-00-00		OIL	INACTIVE				
ALC-4	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3919	OIL	INACTIVE				
ALC-5	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3708	OIL	INACTIVE				
ALC-6	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	4576	OIL	INACTIVE				
ALC-7	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	4026	OIL	INACTIVE				
ALC-8	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3140	OIL	INACTIVE				
ALC-9	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3174	OIL	INACTIVE				
ALC-10	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3224	OIL	INACTIVE				
ALC-11	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	2810	OIL	INACTIVE				
ALC-12	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3053	OIL	INACTIVE				
ALC-13	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3186	OIL	INACTIVE				
ALC-14	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	2881	OIL	INACTIVE				
ALC-15	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3174	OIL	INACTIVE				
ALC-16	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	2864	OIL	INACTIVE				
ALC-17	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3395	OIL	INACTIVE				
ALC-18	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3395	OIL	INACTIVE				
ALC-19	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3395	OIL	INACTIVE				
ALC-20	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3395	OIL	INACTIVE				
ALC-21	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3395	OIL	INACTIVE				
ALC-22	15-04-10-00-00					CD	31-34-12	15-04-10-00-00	3395	OIL	INACTIVE				

Authorized Signature: Chad Hefner Date: 6-17-10

ALL FIGURES MUST BE CALCULATED FROM THE SECTION LINE
KCOR License Department of Revenue

** REQUIRED FIELD ** REQUIRED IF DRILLED 1997 OR LATER

Almond Exhibit 11
Page 7 of 18

EXHIBIT "A" TO PAR. #14 OF "APPLICATION"

Page 5 for Alexander Webb ALE 16

Owner	Land or Lease	Address	Lease Name	Legal
MIDAMERICA LIVESTOCK CO.	Land	P.O. Box 40041, Garland TX 75045-0041 c/o Pedernales, LA		SW/4 T34S, R12E
MIDAMERICA LIVESTOCK CO.	Land	P.O. Box 40041, Garland TX 75045-0041 c/o Pedernales, LA		N/4 E31, T34S, R12E
Spurlock, Donna E	Land	500 E Channing St, Sedan KS, 67381		N/4 SW/4 E31, T34S, R12E
Spurlock, James Eugene	Land	507108 W 400 Rd, Colpen OK, 74022		SW/4 SW/4 E31, T34S, R12E
Carter, Gary Wayne	Land	205 E-49, Sedan KS, 67381		N/4 N/2 SW/4 E31 & N/2 SW/4 SW/4 E31, T34S, R12E
Truener, Ray L	Land	P.O. Box 174, Holston KS, 67855		SW/4 SW/4 & W/2 SW/4 SW/4 E31, T34S, R12E
German Land & Cattle Co, LLC	Land	P.O. Box 36, Sedan KS, 67381		SW/4 SW/4 E31, T34S, R12E
German Land & Cattle Co, LLC	Land	P.O. Box 36, Sedan KS, 67381		N/4 & W/2 SW/4 E31, T34S, R12E
				N/4, SW/4 SW/4 SW/4 SW/4 SW/4 E31, T34S, R12E
Weyer, Kenneth L	Land	3048 Frontier Rd, Sedan KS, 67381-4883		SW/4 SW/4 E31, T34S, R12E
TSCH	Lease	5478 Riverplace Blvd #704, Schenectady NY, 12307	Alexander	N/2 SW/4 & W/2 SW/4 E31, T34S, R12E
German Oil	Lease	P.O. Box 36, Sedan KS, 67381	Speckhart Hatfield	SW/4 E31, T34S, R12E
German Oil	Lease	P.O. Box 36, Sedan KS, 67381	Danburn & Larrison	N/4 & W/2 SW/4 E31, T34S, R12E
				N/4, SW/4 SW/4 SW/4 SW/4 SW/4 E31, T34S, R12E
German Oil	Lease	P.O. Box 36, Sedan KS, 67381	Shawell RMA	SW/4 E31, T34S, R12E

KANSAS CORPORATION ONLY

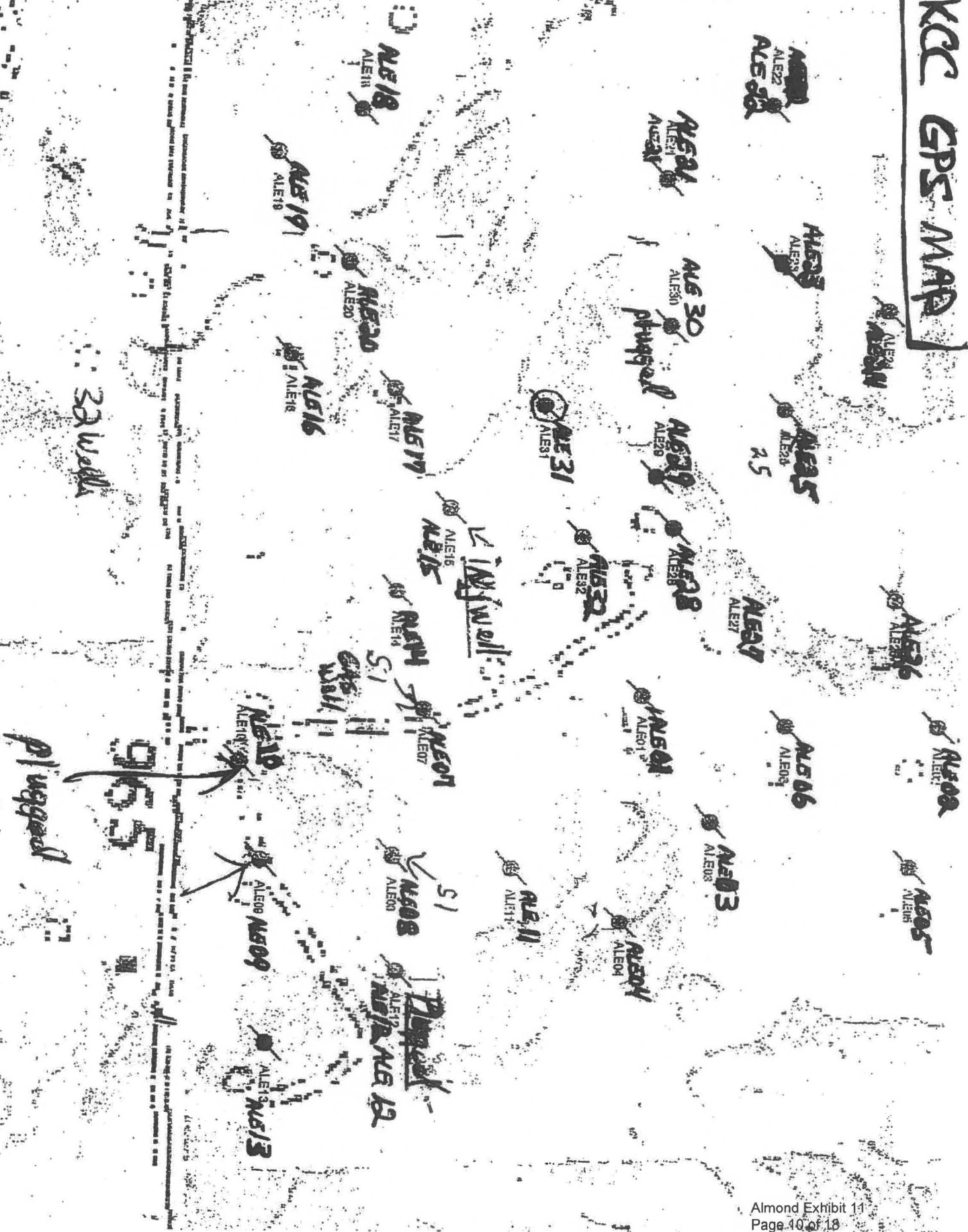
WICHITA COUNTY

RECEIVED
AUG 24 2010
KCC WICHITA



RECEIVED
AUG 24 2006

KCC GPS MAP



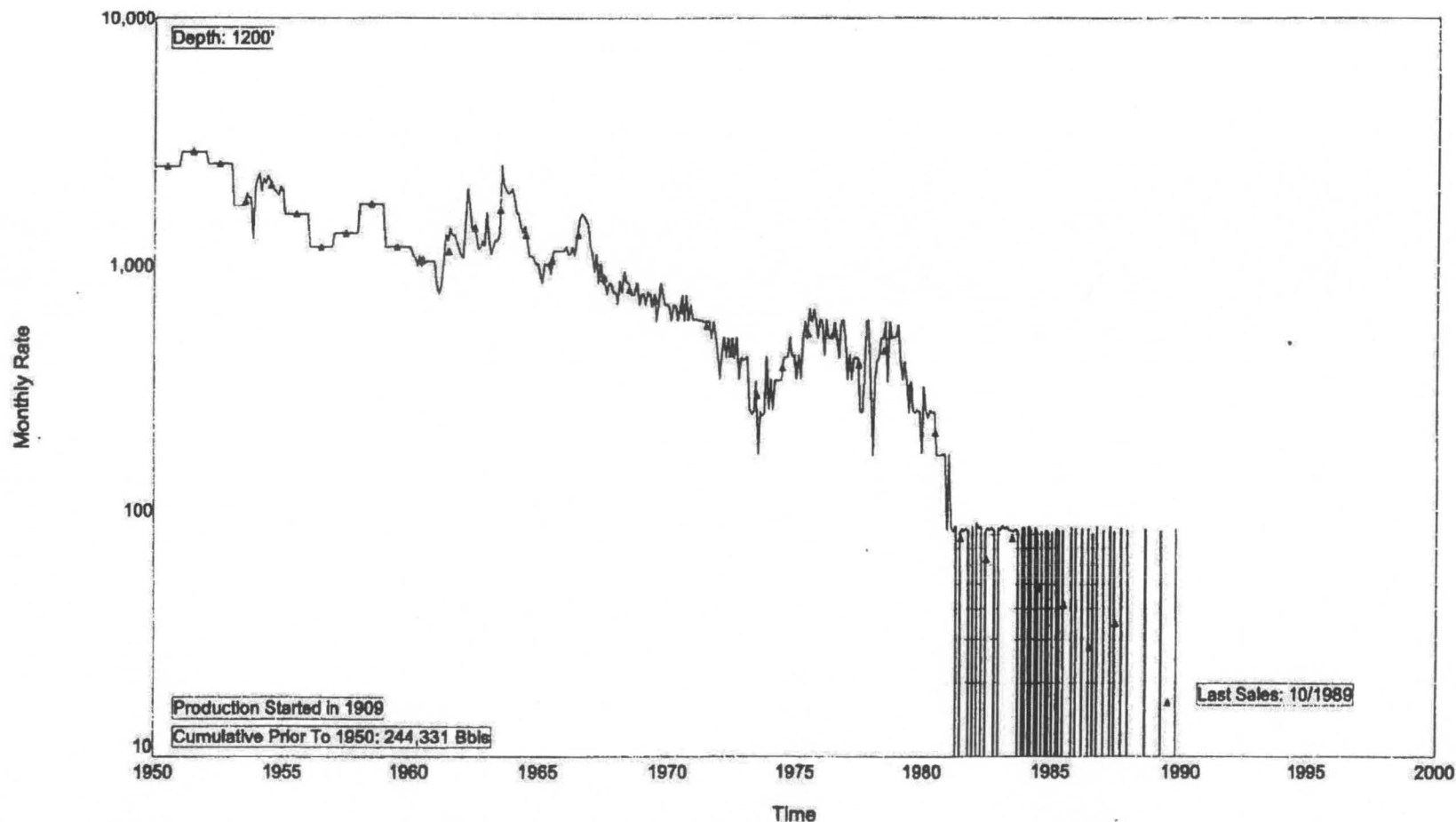
Lease Name: ALEXANDER ()
 Operator: Black Rain Energy
 Reservoir: PERU
 County, ST: CHAUTAQA, KS
 Location: W2NE & E2NW 31-34S-12E

ALEXANDER LEASE Production History

Date: 9/28/2008
 Time: 10:26 AM

Proved Developed Producing Reserves

ALEXANDER - PERU-SEDAN



Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	670,750	0
Historic Gross	670,750	0
Gross at Eff Date	670,750	0
Remaining Gross	0	0
Remaining Net	0	0

BOYD K. PARKER
Petroleum Geologist
1909 Kingswood, Lansing, MI 48912
517-419-3449

TO: Western Energy Advisors
Spartan Operating Inc
Black Rain Energy

RE: Alexander Lease - W/2 NW 31 and E/2 NE 31, approximately 160 acres
Section 31, T34S-R12E
Chautauqua County, Kansas

Gentlemen,

Two maps have been prepared covering the Alexander Lease: 1) a Peru Sand thickness, and 2) a Peru Sand subsea elevation. Data is mainly from old driller's logs and a few wire-line logs. The driller's logs date as early as 1904, and usually contain only location information, spud and completion dates, total depth, depth to the producing sand, and a depth interval of the producing sand. A few have brief sample descriptions. Datum elevations were not given on the driller's logs and were instead taken from a USGS topographic map. Ground level was assumed as datum reference for determining subsea elevations.

From location information on the driller's logs several of the wells were located incorrectly in the Kansas Geological Survey (KGS) database, and a correct latitude and longitude was determined before plotting on the maps. This applied to wells not on the Alexander Lease. Most wells on the Alexander lease were recently located by the KGS using GPS.

The producing interval on the Alexander lease is informally designated the Peru Sand. The sand may have a more formal name, but no correlations were made to wells in the Peru-Sedan Field to determine this.

The map showing the thickness of the Peru Sand indicates 30+ feet of sand over part of the Alexander lease. This is mainly controlled by one Alexander well on the map, but we have a copied log section of 2 other wire-line logs which indicate a similar thickness. Unfortunately, we do not know which wells correspond to these log sections, as they are only old xerox copies and do not include the log header.

The subsea elevation structure map of the Peru Sand indicates the highest part of the lease is in the southeast corner. Overall downdip direction on the lease is northwest. However, the contours show a distinct flat area over the northwest part of the lease.

From conversations with Mr. Bridwell the condition of the casing in the three wells which are currently open is very poor. It is unlikely they were cemented to surface and there is a water sand described on the driller's logs at a depth of approximately 500 feet. Rotted and rusted casing above the top of cement would allow unrestricted entry of formation water from this sand.

Recommendation:

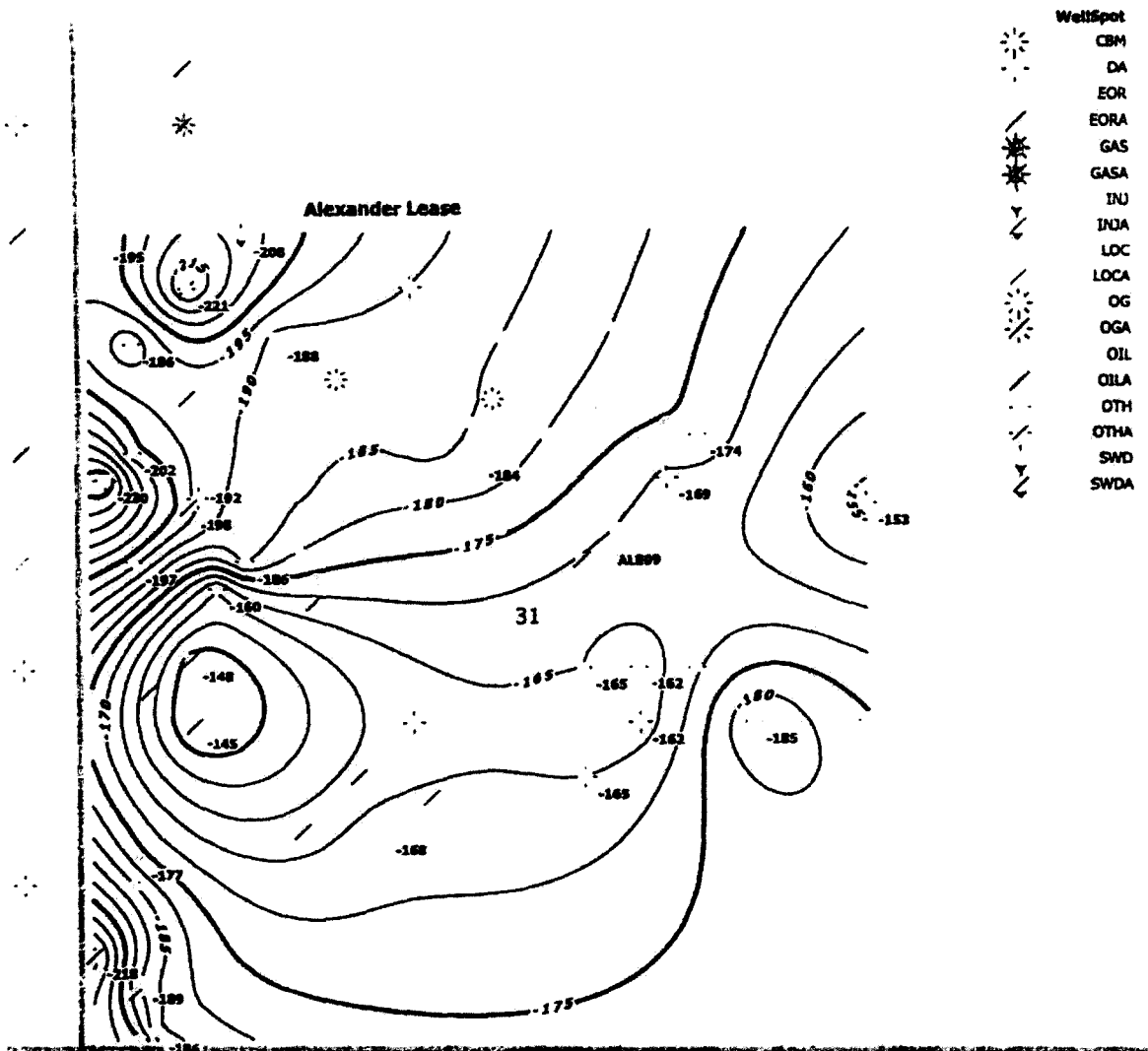
Determine definitely whether produced formation water is coming from the sand at 500 feet or from the Peru Sand. Enter one of the three open wells on the southeast corner of the lease. Run tubing with a packer and set the packer just above the Peru Sand in order to isolate any formation water influx from up-hole. Test the well through tubing for oil cut.

I would recommend testing the well we currently designate as ALE09. Of the three open wells, ALE09 probably has the thickest Peru sand and is within 5 ft structurally of the highest part of the lease. The location of ALE09 is shown on the maps.

Respectfully submitted,

Boyd K. Parker
Petroleum Geologist

Maps included in PDF: Peru Sand Thickness - contour interval 2 feet
Top of Peru Sand Subsea Elevation - contour interval 10 feet



PERU SAND SUBSEA ELEVATION
Structure Map
Contour Interval = 5 feet

Section 31-34S-12E
 Chautauqua County, Kansas

B.K. Parker - Petroleum Geologist
 Lansing, Michigan 517-410-3449
 27 July 2009

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Mark Sievers, Chairman
 Ward Loyd
 Thomas E. Wright

n the matter of the application of TSCH, LLC) Docket No. 11-CONS-211-CEXC
for an exception to the 10-year time limitation)
of K.A.R. 82-3-111 for its wells located in the)
W/2 NE/4 and E/2 NW/4 of Section 31,) CONSERVATION DIVISION
Township 34 South, Range 12 East,)
Chautauqua County, Kansas.)
_____) License No. 34407

ORDER DENYING APPLICATION

COMES NOW, the State Corporation Commission of the State of Kansas ("Commission" or "KCC") on the application of TSCH, LLC ("TSCH"), for an Order denying the extension of temporary abandonment ("TA") status for the above-captioned wells. The Commission, being fully advised in the premises and giving due consideration to the record herein, makes the following findings and conclusions:

1. TSCH is a foreign limited liability company. Pursuant to K.S.A. 55-155, TSCH holds KCC oil and gas operator's license number 34407, which expires on June 30, 2011.
2. On April 14, 2011, the application in this docket was filed pursuant to the rules and regulations of the State Corporation Commission and the Kansas Statutes, thus fulfilling all regulatory and statutory requirements.
3. Notice was only proper in every respect and published at least fifteen (15) days prior to the hearing for this application in *The Prairie Star* newspaper, providing notice that a hearing would be held to determine the matter in this docket; there was one (1) protest by the surface

owner of the premises containing the above captioned wells. Legal Staff did not receive an affidavit of publication evidencing that TSCH published in *The Wichita Eagle* newspaper.

4. According to K.A.R. 82-3-111, wells shall not be eligible for TA status if the well has been shut-in for ten (10) or more years without an application for an exception pursuant to K.A.R. 82-3-100 and approval by the Commission.

5. On April 25, 2011, KCC Legal Staff ("Legal Staff") received the protest of L.A. and Janet Pacheco. The Pacheco's asserted that the wells on the lease should have been plugged and the land restored after the production ceased on the property in 1989, the wells should not be eligible for an extension of TA status, and that it was in their best interest for the lease to be abandoned and plugged.

6. On April 28, 2011, Legal Staff wrote TSCH to reiterate an earlier conversation regarding the protest received in this docket. Legal Staff reminded TSCH that as a result of the protest, the application in this docket would need to be set for hearing. Furthermore, since TSCH is a corporation, that it must be represented by counsel at that hearing pursuant to the provisions of K.A.R. 82-1-228(d)(2). Legal Staff also informed TSCH that it had participated in a review of their application in this docket conducted by Commission Staff; moreover, Legal Staff informed TSCH that at the hearing Legal Staff would be requesting the Commission deny its application for several reasons. The reasons listed by Legal Staff were: 1) Commission Staff did not believe that the applicant sufficiently demonstrated that the wells posed no threat to fresh and usable water; 2) Commission Staff did not believe that the applicant had provided sufficient information for it to recommend an extension; and, 3) Commission Staff does not believe the plan provided will result in the orderly development and/or plugging of the wells on the lease. The letter referenced a discussion regarding TSCH's ability to hire an attorney due to its limited

resources and set a deadline for TSCH's attorney to enter its appearance no later than May 18, 2011. Legal Staff stated that it anticipated the matter would be set for the July 21, 2011 Hearing Docket and that after receiving the appearance of TSCH's attorney, Legal Staff would mail a Notice of Hearing containing the pertinent information regarding the hearing. The letter informed TSCH that if it did not hire an attorney by that date, Legal Staff would request the Commission deny the application administratively.

7. On May 20, 2011, after receiving no entry of appearance by counsel for TSCH, Legal Staff telephoned TSCH and left a message requesting an update on its progress regarding the application.

8. On May 23, 2011, TSCH telephoned Legal Staff and explained that it did not have the requisite funds to hire an attorney to represent it at a hearing on its application in this docket.

9. Staff recommends the Commission deny TSCH's application in this matter for the following reasons: Staff does not believe that the applicant has sufficiently demonstrated that the wells pose no threat to fresh and usable water; 2) Staff does not believe that the applicant has provided sufficient information to warrant an extension of TA status; and, 3) Staff does not believe the plan provided will result in the orderly development and/or plugging of the wells on the lease.

10. Based on the foregoing, the Commission finds that an exception to the 10-year TA status restrictions under K.A.R. 82-3-111 should not be granted for the above captioned wells.

11. The Commission further orders TSCH to bring the above captioned wells into compliance with the provisions of K.A.R. 82-3-111 by immediately plugging them or returning them to service.

IT IS, THEREFORE, BY THE COMMISSION ORDERED: That the application of TSCH, LLC, for an exception to the 10-year limitation for temporary abandonment ("TA") status for the above captioned wells is denied. TSCH is hereby ordered to comply with the provisions of K.A.R. 82-3-111 by immediately returning them to service or plugging them.

Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). Such petition shall be filed within fifteen (15) days after service of this Order and must state the specific grounds upon which relief is requested. This petition for reconsideration shall be filed with the Executive Director of the Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, Kansas 67202-3802.

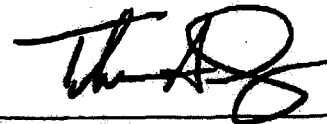
The Commission retains jurisdiction of the subject matter and the parties for the purpose of entering such further Order or Orders as from time-to-time it may deem proper.

BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chmn.; Loyd, Com.; Wright, Com.

Date: JUN 01 2011

Date Mailed: 6/3/11



Thomas A. Day
Acting Executive Director

RAH

I CERTIFY THE ORIGINAL
COPY IS ON FILE WITH
The State Corporation Commission

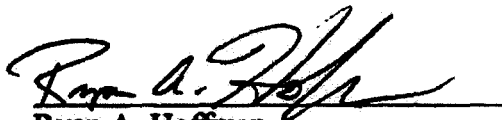
JUN 01 2011

CERTIFICATE OF SERVICE

I hereby certify that on 12/3/11, I caused a true and correct copy of the foregoing "Order Denying Application" to be served by placing the same in the United States mail, postage prepaid, and properly addressed to the following:

Charles L. Hoffman, Jr.
TSCH, LLC
480 Mars Way
Juno Beach, Florida 33408-1909

Steve Korf, John Almond
KCC District #3 Office
1500 W. Seventh
Chanute, Kansas 66720


Ryan A. Hoffman
Litigation Counsel
Kansas Corporation Commission

3 120278

15-019-19042-00 00

To:

STATE CORPORATION COMMISSION
Wichita State Office Bldg. - PLUGGING SECTION
130 S. Market, Room 2078
Wichita, Kansas 67202

API NUMBER N/A, DRILLED IN 1979NW Sec/Twp/Rge 31-34-12E2740 feet from south section line3865 feet from east section line

TECHNICIAN'S PLUGGING REPORT

Operator License # 5723Operator: DENMAN OIL CO., INC.Name & P. O. BOX 36Address SEDAN, KS 67361AB oil well Gas Well SWD Well/ Input WellE-00462 D & A

Other well as hereinafter indicated: _____

Plugging Contractor: ELMORES, INC.Lic. # 5970Address: P. O. BOX 277, SEDAN, KS 67361Company to plug at: Hour: _____ Day: 18 Month: 8 2000Plugging proposal received from: JOHN ELMORECompany Name: ELMORES, INC. Phone: 316-725-5744

Were: TO RUN 2" TO BOTTOM & PUMP CEMENT & GEL FOR BOTTOM PLUG, GEL SPACER,
AND TOP PLUG.

Plugging Proposal Received by: RON ROWEPlugging attended by Agent: All Part X None

TECHNICIAN

Operations Completed: Hour: _____ Day: 18 Month: 8 2000Actual Plugging Report: RAN 2" INSIDE 4 1/2" PIPE TO 1100' & GELLED HOLE, THENPUMPED 10 SACKS CEMENT FOR BOTTOM PLUG & GEL SPACER. PULLED 2" OUT ANDPERFORATED 4 1/2" CASING @ 350'. RAN 1" SPOOL HOSE IN 4 1/2" TO 350' & PUMPED/CIRCULATED CEMENT TO SURFACE INSIDE & OUTSIDE 4 1/2" CASING. PULLED SPOOLHOSE & TOPPED-OFF WELL.USED TOTAL OF 95 SACKS CEMENT & 3 SACKS GEL.

RECEIVED
STATE CORPORATION COMMISSION

AUG 25 2000

Remarks: _____

(If additional description is necessary, use BACK of this form.)

CONSERVATION DIVISION
Wichita, Kansas

I DID observe this plugging.

Signed: Jan Rowe

TECHNICIAN

Almond Exhibit 12
Page 1 of 14

INVOICE
8/29/00
2001060567



JOHN CARLIN
R. C. LOUX
JANE T. ROY
WILLIAM G. GRAY
JAMES B. DOUGLAS

Governor
Chairman
Commissioner
Commissioner
Executive Secretary

State Corporation Commission

CONSERVATION DIVISION

(Oil, Gas and Water)
245 North Water
WICHITA, KANSAS 67202

December 6, 1979

WELL PLUGGING AUTHORITY

Well No.	49
Lease	Alexander
Description	SW NE SW NE
Section	Sec. 31-34S-12E
County	Chautauqua
Total Depth	1155'
Plugging Contractor	Walt Darnall Drilling Co.

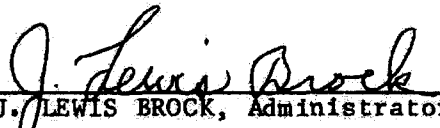
John M. Denman Oil Co.
P. O. Box 36
Sedan, Ks 67361

Gentlemen:

This is your authority to plug the above subject well in accordance with the Rules and Regulations of the State Corporation Commission.

This authority is void after ninety (90) day from the above date.

Yours very truly,


J. LEWIS BROCK, Administrator

Andrew Reed Box 56 Thayer, Ks 66776

is hereby assigned to supervise the plugging of the above named well

KANSAS

Form CP-3
Rev. 6-4-68

STATE CORPORATION COMMISSION
CONSERVATION DIVISION AGENT'S REPORT

R

J. Lewis Brock
Administrator
245 North Water
Wichita, KS 67202

API Number 15 019-21411 (of this well)

Operator's Full Name John M. Denman Oil Co.
Complete Address P.O. Box 36 Sedan, Kansas
Lease Name Alexander Well No. 49
Location SW NE SW NE Sec. 31 Twp. 34 Rge. 12 (E) E (W)
County Chautauque Total Depth 1155'
Abandoned Oil Well Gas Well Input Well SWD Well D & A X
Other well as hereafter indicated will Mail logs
Plugging Contractor Walt Darnall Drilling Co.
Address Chautauque, Kansas License No. 667
Operation Completed: Hour 4:00pm Day 1 Month 11 Year 79

The above well was plugged as follows:

Put plug at 1110' with 5 sacks of cement
Put plug at 280' with 10 sacks of cement
Put plug at 18' with 5 sacks of cement

cut surface pipe off 3' below surface

I hereby certify that the above well was plugged as herein stated.

Signed: Andy Reed
Well Plugging Supervisor



State Corporation Commission

CONSERVATION DIVISION

(Oil, Gas and Water)
245 North Water
WICHITA, KANSAS 67202

VERBAL PERMIT FORM
(To Be Filed By Plugging Agent)

J. Lewis Brock
Administrator
245 North Water
Wichita, Kansas 67202

Dear Sir:

Mr. Darnall of Watt Darnall has this date requested permission to plug the following described well:

Mr. Darnall guarantees payment of the plugging fee.

Operator's full Name: John M. Denman Oil Co.

Complete Address: P.O. Box 36 Sedgwick, Kansas

Lease Name: Alexander Well No. 49

Location: SW NE SW NE Sec. 31 Twp. 34 Rge. 12 (E) (W)

County: Chautauque Total Depth 1155' Oil Well

Gas Well ☐ Input Well ☐ SWD Well ☐ D & A ☒ Lost Hole ☐

Mr. Darnall was instructed to plug the well as follows:

Put a plug at 1110' with 5 sacks of cement

Put a plug at 280' with 10 sacks of cement

Put a plug at 18' with 5 sacks of cement

Cut surface pipe off NOV 0 - 1979

Very truly yours, Conservation Division

Andy Reed Almond Exhibit 12
Conservation Division Agent Page 4 of 14

STATE OF KANSAS
STATE CORPORATION COMMISSION
CONSERVATION DIVISION
500 INSURANCE BUILDING
212 NORTH MARKET
WICHITA 2, KANSAS

Form CP-1

9

WELL PLUGGING APPLICATION FORM
File One Copy

Lease Owner JOHN M. DENMAN OIL CO. INC.
Applicant)
Address SEDAN, KANS.

Lease (Farm Name) ALEXANDER Well No. 3

Well Location SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 31 Twp. 34 S Rge. 12 E (E) X (W)

County Chautauque Field Name (If any) Sedan-Peru

Total Depth 1190 Oil Well X Gas Well Input Well SWD Well D & A

Has well log filed with application? X If not, explain:

No log available. Well was purchased from another Co. about 1939. No records transferred.

Date and hour plugging is desired to begin 8 A.M. Mon. May 20, 1963

Plugging of the well will be done in accordance with the Rules and Regulations of the State
Corporation Commission.

Name of the person on the lease in charge of well owner C.A. Mills &/or Paul Simpson

Address Sedan, Kans.

Plugging Contractor John M. Denman Oil Co. Inc. License No. 121

Address Same

Invoice covering assessment for plugging this well should be sent to John M. Denman Oil Co. Inc.

Address Sedan, Kans.

and payment will be guaranteed by applicant.

John M. Denman Oil Co. Inc.

RECEIVED
STATE CORPORATION COMMISSION

JUN 10 1963

CONSERVATION DIVISION
Wichita, Kansas

Signed: Paul Simpson
Applicant or Acting Agent
Paul Simpson, V.P. & Gen. Mgr.

Date: 5-18-63



JOHN ANDERSON, Jr. Governor
RICHARD C. BYRD Chairman
ALVIN F. GRAUERNHOLZ Commissioner
HARRY D. WILES Commissioner
RAYMOND B. HARVEY Secretary
ROBT. C. LONDERHOLM Gen. Counsel

State Corporation Commission

CONSERVATION DIVISION

(Oil, Gas and Water)
500 Insurance Bldg. 212 N. Market
WICHITA, KANSAS

May 22, 1963.

WELL PLUGGING AUTHORITY

Well No. 3
Lease Alexander
Description SW SW NE 11-34-12E
County Chautauqua

John M. Dorman Oil Company, Inc.,
Sedan,
Kansas.

Gentlemen:

This is your authority to plug the above subject well in accordance with the Rules and Regulations of the State Corporation Commission.

This authority is void after 90 days from the above date.

Very truly yours,

A handwritten signature in dark ink, appearing to read "J. P. Roberts", written over a horizontal line.

J. P. ROBERTS
Assistant Petroleum Conservation
Director

Mr. Bert L. Wilson - Sedan, Kans.
is hereby assigned to supervise the plugging of the above
named well.

9

KANSAS
STATE CORPORATION COMMISSION

CONSERVATION DIVISION AGENT'S REPORT

J. P. Roberts
Assitant Director
500 Insurance Building
212 North Market
Wichita 2, Kansas

RECEIVED
STATE CORPORATION COMMISSION

MAY 22 1963

CONSERVATION DIVISION
Wichita, Kansas

Operator's Full Name John M. Klemmer Oil Co

Complete Address: Sedan Kan

Lease Name Anderson Well No. 3

Location SW SW NE Sec. 31 Twp. 34 Rge. 12 (E) (W)

County Chautauque Total Depth 1190

Abandoned Oil Well ☒ Gas Well ☐ Input Well ☐ SWD Well ☐ D & A ☐

Other well as hereafter indicated:

Plugging Contractor: John M. Klemmer Oil Co

Address: Sedan Kan License No. 121

Operation Completed: Hour 400 Day 20 Month 5 Year 1963

The Above well was plugged as follows:

Bottom Rugged off by 5 lbs cement -
10' rock bridge & 7 lbs cement
@ 200' - 10' rock bridge & 3 lbs cement
@ 25' W/ soil to surface

I hereby certify that the above well was plugged as herein stated.

INVOICED

Signed: Bert Wilson
Well Plugging Supervisor

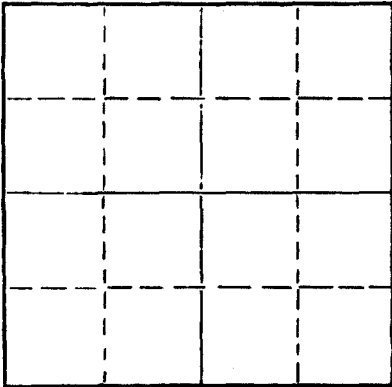
DATE 5-22-63

INV. NO. 7591-E

WELL PLUGGING RECORD

Give All Information Completely
Make Required Affidavit
Mail or Deliver Report to:
Conservation Division
State Corporation Commission
211 No. Broadway
Wichita, Kansas

NORTH



Locate well correctly on above
Section Plat

Chautauqua County. Sec. 31 Twp. 34 Rge. 12 (E) X (W)
Location as "NE/CNW/SE/SW" or footage from lines SW 1/4 SW 1/4 NE 1/4
Lease Owner John M. Denman Oil Co. Inc.
Lease Name Alexander Well No. 3
Office Address Sedan, Kans.
Character of Well (completed as Oil, Gas or Dry Hole) Oil
Date well completed Approx. 1904 19____
Application for plugging filed 5-18-63 19____
Application for plugging approved 5-18-63 19____
Plugging commenced 5-20-63 19____
Plugging completed XXXXX 5-20-63 19____
Reason for abandonment of well or producing formation Casing collapsed, could not successfully service well to maintain production.
If a producing well is abandoned, date of last production 4-20-63 19____
Was permission obtained from the Conservation Division or its agents before plugging was commenced? Yes

Name of Conservation Agent who supervised plugging of this well Bert Wilcox
Producing formation Peru Depth to top unk Bottom unk Total Depth of Well 1190 Feet
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULLED OUT
No log available. Well was purchased from another Co. about 1939, no records transferred.						

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from _____ feet to _____ feet for each plug set.

Bridged at 857' W/5 sacks Atlas Cement
Mudded hole to 200'
Bridged at 200' W/ 7 sacks cement
Mudded to 20'
Bridged at 20' W/2 sacks cement
Filled to surface

RECEIVED
STATE CORPORATION COMMISSION

JUN 10 1963

CONSERVATION DIVISION
Wichita, Kansas

(If additional description is necessary, use BACK of this sheet)

Name of Plugging Contractor John M. Denman Oil Co. Inc.
Address Sedan, Kans.

STATE OF Kansas COUNTY OF Chautauqua, ss.
Paul Simpson (employee of ~~owner~~) or (owner or operator) of the above-described

well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed and that the same are true and correct. So help me God. John M. Denman Oil Co. Inc.

(Signature) Paul Simpson
Paul Simpson
Sedan, Kans.
(Address)

SUBSCRIBED AND SWORN TO before me this 20 day of May, 19 63

My commission expires 9-24-64

Jim K. King
Jim K. King
Notary Public.

STATE OF KANSAS
STATE CORPORATION COMMISSION
CONSERVATION DIVISION
211 NORTH BROADWAY
WICHITA, KANSAS

WELL PLUGGING APPLICATION FORM
File one Copy

Lease Owner John M. Denman Oil Co. Address Sedan, Kansas
(applicant)
Lease (Farm Name) Alexander Well No. 32
Well Location NE NW Sec. 31 Twp. 34 Rge. 12 (E) - (14)
County Chautauqua Field Name (if any) _____
Total Depth 1950 Oil Gas Dry Hole XX
Was well log filed with application? no If not, explain: _____
Will follow with final report

Date and hour plugging is desired to begin At once--verbal permission
Plugging of the well will be done in accordance with the Rules and Regulations of the State Corporation Commission.

Name of the person on the lease in charge of well for owner _____
L. M. Brosius Address Sedan, Kansas
Plugging Contractor John M. Denman Oil Co.
Plugging Contractor's License No. 121
Address Sedan, Kansas

Invoice covering assessment for plugging this well should be sent to _____
John M. Denman Oil Co. Address Sedan, Kansas
and payment will be guaranteed by applicant.

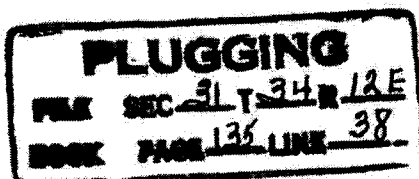
RECEIVED
STATE CORPORATION COMMISSION

JUL 20 1955

CONSERVATION DIVISION
Wichita, Kansas

L. M. Brosius
Applicant or Acting Agent

Date July 19, 1955





STATE OF KANSAS
STATE CORPORATION COMMISSION
CONSERVATION DIVISION
800 BITTING BUILDING
WICHITA 2, KANSAS
211 N. Broadway

July 20, 1955

Well No.	32
Lease	Alexander
Description	NE NW 31-34-12E
County	Chautauque
File No.	135-38

John M. Denman Oil Company
Sedan
Kansas

Gentlemen:

This letter is your authority to plug the above subject well, in accordance with the Rules and Regulations of the State Corporation Commission. When you are ready to plug this well, please contact our District Plugging Supervisor, Mr. Bart L. Garrett, Sedan, Kansas.

STATE CORPORATION COMMISSION
CONSERVATION DIVISION

BY: S. S. Greider
S. S. Greider
WELL PLUGGING SUPERVISOR

cc:
District Plugging Supervisor

DISTRICT CONSERVATION AGENT'S REPORT

TO:

State Corporation Commission
Conservation Division
211 North Broadway
Wichita, Kansas

FILE NO. 135-38

LOCATION NE NW

SEC. 31 TWP. 34 RGE. 12E

Dry Hole XX Abandoned Oil Well _____ Abandoned Gas Well _____

I have this date completed supervision of plugging of:

Well No. 32 Lease Alexander

Operator John M Denman Oil Co. Address Sedan, Kansas

Field _____ County Chautauqua

Total Depth 1950' Feet.

Plugging Contractor John M Denman Oil Co.

Plugging Contractor's License No. 121

Address Sedan, Kansas

(Describe briefly the manner in which the well was plugged)

Mud to 1866' four sacks of cement: Mud to 1118' four sacks of

cement: Mud to 200' four sacks of cement: Mud to 10' four sacks of

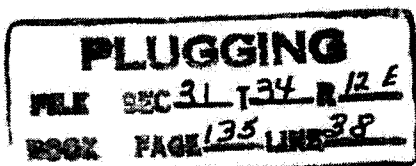
cement: Soil to surface.

RECEIVED
STATE DEPARTMENT OF REVENUE
JUL 27 1955

CONFIRMED

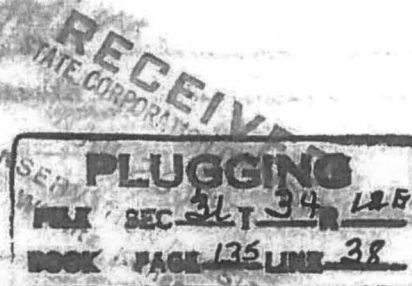
District Conservation Agent

DATE July 25, 1955



Record of John M. Denman Oil Company, Sedan, Kansas, well #52, Alexander lease
 Located in the NE 1/4 of Section 31, Township 34, Range 12, Chautauqua County, Kansas
 Drilled by John M. Denman Oil Company, Sedan, Kansas, with 28L Bucyrus-Erie spudder
 Total depth 1950. Pipe pulled and well abandoned.
 Well commenced June 27, 1955, completed July 19, 1955.

Formation:	Thickness of Strata	Total Depth	Remarks:
Lime (black)			
Sandy loam	7	1883	
Clay	4	1887	
Clay (soft)	10	1897	13'2" - 10" drive pipe
Sand (hard)	8	1905	
Shale	10	1915	
Sand	19	1934	Total depth
Shale	105	156	
Lime	3	159	
Shale	28	187	
Sand	12	199	
Shale	11	210	
Sand	5	215	6 BW per run
Sand	42	257	HFW @ 225'
Shale	226	483	271' - 8 1/4"
Sand (hurry up)	5	488	
Shale	47	535	
Lime & shale	25	560	
Shale	107	667	
Lime	4	671	
Shale	8	679	
Sand	21	700	2 1/2 BW per run
Sand	5	705	
Shale	5	710	
Sand	35	745	
Shale	55	800	
Shale (sandy)	10	810	
Sand	74	884	HFW @ 817'
Shale	27	921	888' - 7" O.D. SLM
Lime	3	924	
Shale (sandy)	21	945	
Shale	140	1085	
Shale (dark)	14	1099	
Lime	3	1102	
Shale	3	1104	
Lime (cap)	12	1116	
Shale	2	1118	
Sand	4	1122	Shdw. Reduced hole @ 1120' SLM
Shale	13	1135	
Sand (dark)	10	1145	
Shale	34	1179	
Lime	11	1190	
Shale	1	1191	
Lime	19	1210	
Sand	18	1228	
Shale (sandy)	11	1239	
Shale	81	1320	
Lime (pink)	28	1348	
Shale	8	1356	
Sand	6	1362	
Shale (sandy)	15	1377	
Shale	38	1415	
Oswego Lime	33	1448	
Shale (black)	6	1454	
Lime	18	1472	
Shale (black)	4	1476	
Lime	12	1488	
Shale	31	1519	
Lime	3	1522	
Shale (black)	3	1525	
Shale (light)	25	1550	
Shale (dark)	15	1565	
Shale (black)	4	1569	
Shelly	18	1587	
Red rock	7	1594	
Shale	116	1710	
Shale (light)	12	1722	
Shale (dark)	28	1750	
Shale	94	1844	SLM
Lime	3	1847	
Shale (black)	3	1850	
Shale (light)	9	1859	



Give All Information Completely
Make in Duplicate
Mail to: Division of
Conservation, State
Corporation Commission
800 Mining Building
Wichita, Kansas

WELL PLUGGING RECORD

Record of John M. Denman Oil Company, Sedan, Kansas, well #32, Alexander lease

Formation: NORTH

Shale (black)	
Chat	
Lime (hard & sharp)	
Shale	
Lime (soft)	
Lime (hard)	
Lime	

Locate well correctly on above
Section Plat

Name of Conservation Agent who supervised plugging of this well Mr. Bert L. Garrett

Producing formation Mississippi Lime Depth to top 1886 Bottom 1950 Total Depth of Well 1950 Feet

Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULLED OUT
	"Formation log attached"					

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from _____ feet to _____ feet for each plug set.

Mudded to 1886' and cemented with 4 sacks of cement, mudded to 1118'
and cemented with 4 sacks of cement, mudded to 200' and cemented with
4 sacks of cement, mudded to 10' and cemented with 4 sacks of cement,
soil to surface.

RE
STATE

CONSERVATION

(If additional description is necessary, use BACK of this sheet.)

Name of Plugging Contractor John M. Denman Oil Company

Address Sedan, Kansas

STATE OF Kansas COUNTY OF Chautauqua ss.
Geo. J. McVay - Manager (employee of owner) of the above-described
well, being first duly sworn on oath, says: That I have knowledge of the facts, statements and matters herein contained and the log of the
above-described well as filed and that the same are true and correct. So help me God.

(Signature)

[Signature]
Sedan, Kansas
(Agent)

Subscribed and sworn to before me this 11 day of July 1950

My commission expires February 11, 1952

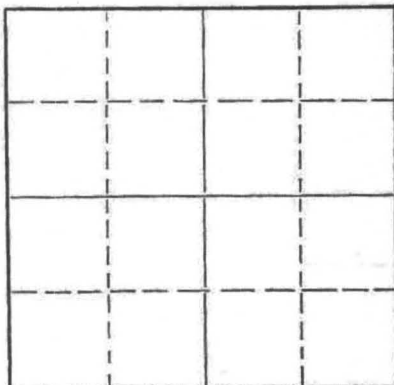
PLUGGING
FILED REC-31 1-24-1950
BOOK PAGE 145

STATE OF KANSAS
STATE CORPORATION COMMISSION

Give All Information Completely
Make Required Affidavit
Mail or Deliver Report to:
Conservation Division
State Corporation Commission
800 Biting Building
Wichita, Kansas

WELL PLUGGING RECORD

NORTH



Locate well correctly on above
Section Plat

Chautauqua County, Sec. 31 Twp. 34 Rge. 12 (E) ~~524~~
Location as "NE/CNW/SW" or footage from lines ~~NE+NW~~
Lease Owner John M. Denman Oil Company
Lease Name W. L. Alexander Well No. 32
Office Address Sedan, Kansas
Character of Well (completed as Oil, Gas or Dry Hole) Dry Hole
Date well completed July 19, 19 55
Application for plugging filed July 19, 19 55
Application for plugging approved July 20, 19 55
Plugging commenced (Verbal permission) July 19, 19 55
Plugging completed July 19, 19 55
Reason for abandonment of well or producing formation

If a producing well is abandoned, date of last production 19
Was permission obtained from the Conservation Division or its agents before plugging was commenced? Yes

Name of Conservation Agent who supervised plugging of this well Mr. Bert L. Garrett
Producing formation Mississippi Lime Depth to top 1866 Bottom 1950 Total Depth of Well 1950 Feet
Show depth and thickness of all water, oil and gas formations.

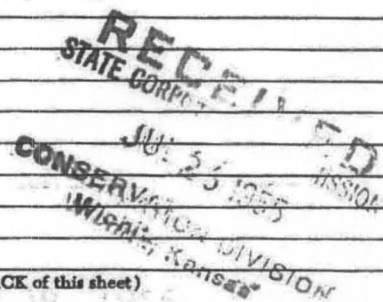
OIL, GAS OR WATER RECORDS

CASING RECORD

FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULLED OUT
	"Formation log attached"					

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from feet to feet for each plug set.

Mudded to 1866' and cemented with 4 sacks of cement, mudded to 1118'
and cemented with 4 sacks of cement, mudded to 200' and cemented with
4 sacks of cement, mudded to 10' and cemented with 4 sacks of cement,
soil to surface.



(If additional description is necessary, use BACK of this sheet)
Name of Plugging Contractor John M. Denman Oil Company
Address Sedan, Kansas

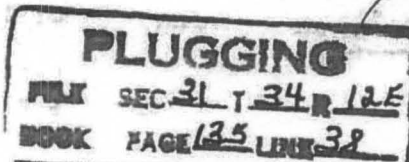
STATE OF Kansas COUNTY OF Chautauqua, ss.
Geo. J. McVey - Manager (employee of owner) of the above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed and that the same are true and correct. So help me God.

(Signature) [Signature]
Sedan, Kansas (Address)

SUBSCRIBED AND SWORN TO before me this 25 day of July, 19 55

My commission expires February 11, 1958

24-7366-5 3-53-20M



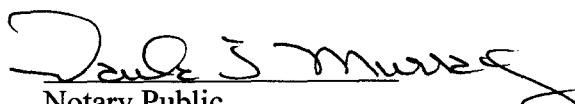
VERIFICATION OF JOHN ALMOND

STATE OF KANSAS)
) ss:
COUNTY OF NEOSHO)

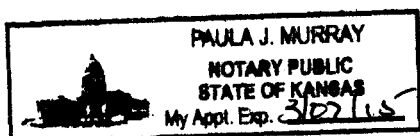
John Almond, being first duly sworn, deposes and says that he is the John Almond referred to in the foregoing document entitled "Prefiled Testimony of John Almond" in Docket No. 11-CONS-253-CSHO before the State Corporation Commission of the State of Kansas and the statements and attached exhibits therein were prepared by him or under his direction and are true and correct to the best of his information, knowledge and belief.


JOHN ALMOND

SUBSCRIBED AND SWORN to before me on this 25 day of August, 2011.


Notary Public

My Commission expires:



**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Mark Sievers, Chairman
 Ward Loyd
 Thomas E. Wright

In the Matter of an Order to Show Cause on)	Docket No. 11-CONS-253-CSHO
the Commission's own Motion issued TSCH,)	
LLC, Gary and Kayla Bridwell d/b/a Black)	
Rain Energy, and John M. Denman Oil Co.,)	
Inc., with regard to responsibility under)	CONSERVATION DIVISION
K.S.A. 55-179 for plugging the M.A.)	
Alexander lease in the East Half of the)	
Northwest Quarter and the West Half of the)	
Northeast Quarter of Section 31, Township 34)	License No. 34407 (Expired)
South, Range 12 East, Chautauqua County,)	License No. 30916
Kansas.)	License No. 5729
)	

CERTIFICATE OF SERVICE

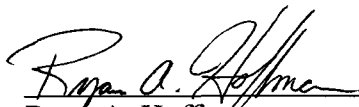
I hereby certify that on August 26, 2011, I caused a true and correct copy of the foregoing "Prefiled Testimony of John Almond" to be served by placing the same in the United States mail, postage prepaid, to the following parties:

Charles L. Hoffman, Jr.
TSCH, LLC
480 Mars Way
Juno Beach, Florida 33408-1909

John Almond
KCC District #3 Office
1500 W. Seventh
Chanute, Kansas 66720

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155 N. Market, Suite 1050
Wichita, Kansas 67202
Attorneys for John M. Denman Oil Co., Inc.



Ryan A. Hoffman
Litigation Counsel
Kansas Corporation Commission