

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 DUANE SIMS

1 Q. Please state your name and address for the record.
2 A. Duane Sims, 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 Petroleum Industry Regulatory Technician II
6 ("P.I.R.T. II").
7 Q. How long have you worked for the Corporation Commission's Conservation
8 Division?
9 A. Since December 31, 2007.
10 Q. What are some of your duties as a P.I.R.T. II in District #3?
11 A. As a P.I.R.T. II, I am responsible for the witnessing and monitoring of oil and gas
12 related activities in Chautauqua, Elk and the west half of Montgomery County,
13 Kansas. My job involves inspections, documentation, investigation and consultation
14 with lease operators, landowners and Commission Staff on compliance issues related
15 to oil and gas production in Kansas. I witness and monitor the drilling and completion
16 of oil, gas, injection and disposal wells. I also investigate spills and complaints,
17 witness mechanical integrity tests, witness the plugging of wells, and witness the
18 completion of wells. In addition, I conduct GPS surveys on new and abandoned wells.
19 Q. Have you previously testified before the Kansas Corporation Commission?
20 A. No, I have not.
21 Q. Would you please give the Commission a brief educational background as well as any
22 experience you have acquired in the oil and gas industry?
23 A. I graduated from Sedan High School in 1992. After graduation I attended Coffeyville
24 Community College for a year and a half. Before coming to the KCC, I worked at
25 Kansas Department of Transportation ("KDOT") for two years as an Equipment
26 Operator. Prior to that, I was employed by Sedan Floral, in conjunction with Summer
27 Sun Gas, Inc. for three years. I managed the day to day operations of the gas wells
28 and disposal wells, and all of the maintenance on the leases and the greenhouse
29 operation. I also worked with my family, Sims Oil Company & Meadowlark Oil
30 Company in the oil & gas business around Sedan, Kansas and surrounding areas for
31 many years.

1 Q. Are you acquainted with the matters before the Commission in Docket No. 11-CONS-
2 253-CSHO?

3 A. Yes.

4 Q. How did you become acquainted with these matters?

5 A. In 2007, District #3 Staff was in the process of requiring John M. Denman Oil Co.,
6 Inc. ("Denman"), KCC oil and gas operator's license #5723, and at that time, owners
7 of the Alexander lease located in Section 31, Township 34 South, Range 12 East
8 Chautauqua County, Kansas, to produce or plug the abandoned wells located on the
9 lease. Wayne Bright, Superintendent for Denman contacted my co-worker Ryan
10 Duling, who was the Temporary Abandoned ("TA") Well Coordinator for District #3.
11 It is my understanding that Mr. Bright wanted to have a meeting concerning the
12 Alexander lease. Ryan Duling, Wayne Bright, and Gary Bridwell met at the District
13 #3 Office in Chanute on June 27, 2008 because Gary and Kayla Bridwell d/b/a Black
14 Rain Energy wanted to acquire the Alexander lease from Denman. Ryan Duling met in
15 the District #3 office with Wayne Bright and Gary Bridwell to discuss the matter of
16 the abandoned wells on the Alexander lease. I was in the District Office the day of the
17 meeting and Ryan Duling introduced me to Wayne Bright and Gary Bridwell because
18 the Alexander lease is located in the area that I take care of. I sat in on part of the
19 meeting and I remember Gary Bridwell agreed to start putting wells on line
20 immediately and get the wells into production. Ryan Duling was going to monitor the
21 lease for a while to make sure Gary Bridwell was doing what he said he would do.
22 Ryan Duling documented our meeting with Mr. Bright and Mr. Bridwell in his
23 prefiled testimony.

24 Q. When did Denman sell the Alexander lease to Gary Bridwell?

25 A. The date on the Transfer of Operator ("T-1") form indicates the transfer took place on
26 July 1, 2008. (Sims Exhibit #1)

27 Q. To the best of your knowledge, did Gary Bridwell begin producing the wells on the
28 Alexander lease?

29 A. Not that I am aware of. Ryan Duling was monitoring the Alexander lease for a while
30 because I had only been on the job for a short time. I know that Gary Bridwell signed
31 an agreement that was approved by John McCannon, Litigation Counsel, that had

1 required Mr. Bridwell to produce or plug at least two wells per month with a
2 timeframe of getting all the wells in production or plugged within two years. (Sims
3 Exhibit #2)

4 Q. Did Gary Bridwell comply with the agreement?

5 A. No, he did not.

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

7 A. He equipped three wells and produced them for a short time.

8 Q. Did he plug any wells?

9 A. No, he did not.

10 Q. Did he sell any oil?

11 A. I do not know.

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 visited with Mr. Bridwell several times about producing the wells and he told me he
15 was getting ready to start the next week. I know that John Almond called him several
16 times and that he had written him several letters about the abandoned wells.

17 Q. What happened next?

18 A. District #3 Staff and Legal Staff was in the process of requesting a Show Cause
19 Hearing with Gary Bridwell but he sold the Alexander lease to TSCH, LLC ("TSCH")
20 before the Show Cause process could begin.

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

22 A. I believe it was in March 2010

23 Q. How many wells did TSCH produce or plug during their time as operator of the
24 Alexander lease?

25 A. TSCH has had the lease since February or March 2010 and has done little or nothing
26 to get the lease in production or plug any wells on the lease, although they did apply
27 for and received authorization for injection into Alexander Well #16, Docket #E-
28 30,693. They also ran pipe in two wells and moved two pump jacks on the lease but
29 did not put them on the wells.

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

31 A. I do not know.

1 Q. Do you know if Mr. Bridwell ever produced any of the wells on the Alexander lease?

2 A. I know that he put equipment on three of the wells and he had them producing for a

3 short time. I do not know if he produced or sold any oil, but I witnessed him hauling

4 off several loads of produced water.

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

6 A. I have not seen anyone on the lease since August 2010.

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

8 A. I talked to Mr. Bridwell, who was working for TSCH, several times on the phone and

9 asked him why they were not doing anything on the lease. He told me that the operator

10 would not send him any money.

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

12 A. The Alexander lease covers the East Half of the Northwest Quarter and the West Half

13 of the Northeast Quarter of Section 31, Township 34 South, Range 12 East,

14 Chautauqua County, Kansas. The lease had thick native grass three feet tall and the

15 rocky, brushy terrain proved to be very challenging and in some cases impossible to

16 locate wells at the surface of the ground. Ryan Duling, P.I.R.T. II and Temporary

17 Abandoned Well Coordinator for District #3 at the time, conducted a GPS survey on

18 the lease in 2008 Ryan located and GPS'd 32 abandoned wells on the lease. The

19 District #3 Compliance Officer, John Almond and myself spent several days in

20 November 2010 on the lease and we located at least 44 abandoned wells, we went

21 back to the lease this past spring after the landowner had burned off the grass to look

22 for more wells and we did not find any additional wells. So, to answer your question, I

23 believe we have located at least 44 abandoned wells on the lease and there could be

24 more wells that we did not find.

25 Q. Do you know how many wells Denman transferred to Gary Bridwell d/b/a Black Rain

26 Energy, Inc. when he purchased the lease?

27 A. I do, the T-1 form indicated 32 wells were transferred from John Denman Oil

28 Company to Mr. Bridwell.

29 Q. Why do you think Denman only transferred 32 abandoned wells when you stated that

30 District #3 Staff located at least 44 abandoned wells on the lease?

1 A. I believe that they relied on the results of the GPS survey rather than performing their
2 due diligence to discover how many wells were actually on the lease.

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

4 A. Mr. Bridwell transferred the same 32 wells to TSCH when he sold the lease as were
5 transferred to him when he bought the lease. (Sims Exhibit #3)

6 Q. So it would appear that neither party conducted any higher degree of due diligence
7 regarding the number of wells on the Alexander lease than in the previous transfer?

8 A. It does appear that way.

9 Q. Did any of the selling parties or selling operators or purchasing parties or purchasing
10 operators exempt out any portion of the lease or exempt any wells from the lease when
11 they made the transfer to a new operator?

12 A. No, not to my knowledge.

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

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

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

16 A. Yes.

RECEIVED

KANSAS CORPORATION COMMISSION

JUL 03 2008

CONSERVATION DIVISION
WICHITA, KSKANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISIONREQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMITForm 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 ☐ DrillingPast Operator's License No. 5723
5729Past Operator's Name & Address: John M. Denman Oil CO., Inc.P.O. Box 38 Sedan, Ka 67361Title: PRESIDENTNew Operator's License No. 30916New Operator's Name & Address: GARY BRIDWELL AND KAYLA BRIDWELL871 N. CR 3325 INDEPENDENCE, KANSAS 67301Title: OWNERSEffective Date of Transfer: 7/1/08

JUL 30 2008

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

WICHITA, KS

Lease Name: M.A. AlexanderSec. 31 Twp. 34a R. 12 ☒ E ☐ WLegal Description of Lease: E 1/2 NW 1/4 and W 1/2 NE 1/4County: CHAUTAUQUAProduction Zone(s): PeruInjection Zone(s): n/a_____ feet from ☐ N / ☐ S Line of Section_____ feet from ☐ E / ☐ W Line of SectionContact Person: John T. DavisPhone: 573-482-1268Date: 7-1-08Signature: [Signature]Contact Person: GARY BRIDWELLPhone: 620-331-0184Oil / Gas Purchaser: COFFEYVILLE RESOURCESDate: 7-1-08Signature: [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 8-1-08PRODUCTION AUG 01 2008LIC 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

CONSERVATION DIVISION
WICHITA, KS

Side Two

Must Be Filed For All Wells

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 '67)	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 FSL/FNL 2421 FEL/FWL	OIL	ABANDONED
4	15-019-19515 ✓	3914 FSL/FNL 2182 FEL/FWL	OIL	ABANDONED
5	15-019-19516 ✓	3708 FSL/FNL 1924 FEL/FWL	OIL	ABANDONED
6	15-019-19517 ✓	4375 FSL/FNL 2080 FEL/FWL	OIL	ABANDONED
7	15-019-19518 ✓	4085 FSL/FNL 2421 FEL/FWL	OIL	ABANDONED
8	15-019-19519 ✓	3240 FSL/FNL 2454 FEL/FWL	OIL	ABANDONED
9	15-019-19520 ✓	3174 FSL/FNL 2089 FEL/FWL	OIL	ABANDONED
10	15-019-19521 ✓	2864 FSL/FNL 2073 FEL/FWL	OIL	ABANDONED
11	15-019-19522 ✓	2810 FSL/FNL 2314 FEL/FWL	OIL	ABANDONED
12	15-019-19523 ✓	3453 FSL/FNL 2064 FEL/FWL	OIL	ABANDONED
13	15-019-19524 ✓	3186 FSL/FNL 1788 FEL/FWL	OIL	ABANDONED
14	15-019-19525 ✓	2882 FSL/FNL 1603 FEL/FWL	OIL	ABANDONED
15	15-019-19526 ✓	3174 FSL/FNL 2755 FEL/FWL	OIL	ABANDONED
16	15-019-19527 ✓	3296 FSL/FNL 2964 FEL/FWL	OIL	ABANDONED
17	15-019-19528 ✓	2919 FSL/FNL 3349 FEL/FWL	OIL	ABANDONED
18	15-019-19529 ✓	3161 FSL/FNL 3271 FEL/FWL	OIL	ABANDONED
19	15-019-19530 ✓	3076 FSL/FNL 3957 FEL/FWL	OIL	ABANDONED
20	15-019-19531 ✓	2882 FSL/FNL 3850 FEL/FWL	OIL	ABANDONED
21	15-019-19532 ✓	3053 FSL/FNL 3583 FEL/FWL	OIL	ABANDONED
22	15-019-19533 ✓	3793 FSL/FNL 3801 FEL/FWL	OIL	ABANDONED
24	15-019-19534 ✓	4036 FSL/FNL 3986 FEL/FWL	OIL	ABANDONED
23	15-019-19535 ✓	4090 FSL/FNL 3719 FEL/FWL	OIL / Gas	ABANDONED

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

JUL 30 2008

CONSERVATION DIVISION
WICHITA, KS

Sims Exhibit 1
Page 2 of 3

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

CONSERVATION DIVISION
WICHITA KS
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KANSAS CORPORATION COMMISSION

Sims Exhibit 1
Page 3 of 3



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 ~~1404~~ *1404 or 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/>

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 Pit, WO or Haul)

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

Past Operator's License No. 30916

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

Independence, KS 67301 Operator for Black Rain
Title: _____

Contact Person: Gary Bridwell

Phone: 620-331-0194

Date: May 31 - 2010

Signature: [Signature]

New Operator's License No. 34407

New Operator's Name & Address: as Operator for

TSCH, LLC, a Florida

limited liability co.

Title: _____

Contact Person: Gary Bridwell

Phone: 620-331-0194

Oil / Gas Purchaser: Pacer

Date: March 31 - 2010

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 2078, Wichita, Kansas 67202

Sims Exhibit 3

Page 1 of 3

061810 M.A. Alexander
KANSAS CORPORATION COMMISSION
RECEIVED
JUN 21 2010
CONSERVATION DIVISION
WICHITA, KS

Must Be Filed For All Wells

KDOR Lease No.: _____

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

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TAD/Abandoned)
ALE-1	15-019-19513 ✓	3750 ^{Circle} FSL/FNL 2492 ^{Circle} FEL/FWL	Oil	Inactive
ALE-2	15-019-19514 ✓	4436 ^{Circle} FSL/FNL 2421 ^{Circle} FEL/FWL	Oil	Inactive
ALE-4	15-019-19515 ✓	3914 ^{Circle} FSL/FNL 2182 ^{Circle} FEL/FWL	Oil	Producing
ALE-5	15-019-19516 ✓	3708 ^{Circle} FSL/FNL 1924 ^{Circle} FEL/FWL	Oil	Inactive
ALE-6	15-019-19517 ✓	4375 ^{Circle} FSL/FNL 2080 ^{Circle} FEL/FWL	Oil	Inactive
ALE-7	15-019-19518 ✓	4085 ^{Circle} FSL/FNL 2421 ^{Circle} FEL/FWL	Oil	Inactive
ALE-8	15-019-19519 ✓	3240 ^{Circle} FSL/FNL 2454 ^{Circle} FEL/FWL	Oil	Producing
ALE-9	15-019-19520 ✓	3174 ^{Circle} FSL/FNL 2089 ^{Circle} FEL/FWL	Oil	Producing
ALE-10	15-019-19521 ✓	2864 ^{Circle} FSL/FNL 2073 ^{Circle} FEL/FWL	Oil	Plugged (no plugging records found)
ALE-11	15-019-19522 ✓	2810 ^{Circle} FSL/FNL 2314 ^{Circle} FEL/FWL	Oil	Inactive
ALE-12	15-019-19523 ✓	3453 ^{Circle} FSL/FNL 2064 ^{Circle} FEL/FWL	Oil	Inactive
ALE-13	15-019-19524 ✓	3186 ^{Circle} FSL/FNL 1788 ^{Circle} FEL/FWL	Oil	Inactive
ALE-14	15-019-19525 ✓	2882 ^{Circle} FSL/FNL 1603 ^{Circle} FEL/FWL	Oil	Inactive
ALE-15	15-019-19526 ✓	3174 ^{Circle} FSL/FNL 2755 ^{Circle} FEL/FWL	Oil	Inactive
ALE-16	15-019-19527 ✓	3296 ^{Circle} FSL/FNL 2964 ^{Circle} FEL/FWL	Oil	Inactive
ALE-17	15-019-19528 ✓	2919 ^{Circle} FSL/FNL 3349 ^{Circle} FEL/FWL	Oil	Inactive
ALE-18	15-019-19529 ✓	3161 ^{Circle} FSL/FNL 3271 ^{Circle} FEL/FWL	Oil	Inactive
ALE-19	15-019-19530 ✓	3076 ^{Circle} FSL/FNL 3957 ^{Circle} FEL/FWL	Oil	Inactive
ALE-20	15-019-19531 ✓	2882 ^{Circle} FSL/FNL 3850 ^{Circle} FEL/FWL	Oil	Inactive
ALE-21	15-019-19532 ✓	3053 ^{Circle} FSL/FNL 3583 ^{Circle} FEL/FWL	Oil	Inactive
ALE-22	15-019-19533 ✓	3793 ^{Circle} FSL/FNL 3801 ^{Circle} FEL/FWL	Oil	Inactive
ALE-23	15-019-19535 ✓	4090 ^{Circle} FSL/FNL 3719 ^{Circle} FEL/FWL	Oil/Pass Gas	Inactive
ALE-24	15-019-19534 ✓	4036 ^{Circle} FSL/FNL 3986 ^{Circle} 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

Must Be Filed For All Wells

KDOR Lease No.: _____

* Lease Name: M.E. Alexander

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

Chaut. Co., KS

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)	Type of Well (Oil/Gas/INJWSW)	Well Status (PROD/TA'D/Abandoned)
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[illegible]

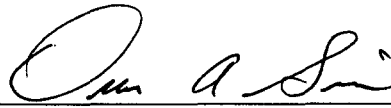
A separate sheet may be attached if necessary

* 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.

VERIFICATION OF DUANE SIMS

STATE OF KANSAS)
) ss:
COUNTY OF NEOSHO)

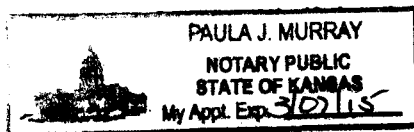
Duane Sims, being first duly sworn, deposes and says that he is the Duane Sims referred to in the foregoing document entitled "Prefiled Testimony of Duane Sims" in Docket No.: 11-CONS-253-CSHO before the State Corporation Commission of the State of Kansas and the statements and attached exhibits therein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


DUANE SIMS

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

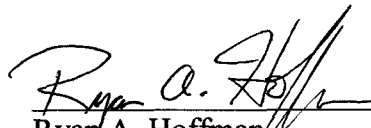
I hereby certify that on August 26, 2011, I caused a true and correct copy of the foregoing "Prefiled Testimony of Duane Sims" to be served by placing the same in the United States mail, postage prepaid, to the following parties:

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