

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the matter of the application of Crypto Colo	)	Docket No. 23-CONS-3055-CMSC
Center Corp (Operator) to drill its proposed	)	
Bower #4B well in Jefferson County, Kansas.	)	CONSERVATION DIVISION
	)	
	)	License No. 35955
_____	)	

PREFILED TESTIMONY

OF

TIMOTHY PARK  
CHIEF FIELD OPERATOR

ON BEHALF OF  
CRYPTO COLO CENTER CORP (OPERATOR)

FEBRUARY 23, 2023

1 Q Would you please state your name, by whom employed and in what capacity, and  
2 business address?

3 A Timothy Park, employed by Crypto Colo Center Corp (“CCC”) and Colo Energy  
4 Productions as Chief Field Operator. The business address is 4601 E Douglas Avenue,  
5 Suite 150, Wichita, Kansas 67218.

6 Q How long have you been employed by CCC, and what are responsibilities of your  
7 position?

8 A I have been employed since October of 2022, and I am the Chief Field Operator for the  
9 oil and gas leases owned by Crypto Colo Center Corp and Colo Energy Productions. My  
10 responsibilities include operations, development, production, and marketing the oil, gas  
11 and other minerals extracted from those oil and gas leases.

12 Q Have you previously testified before the Commission as an expert witness?

13 A No.

14 Q Please briefly state your educational background and work history.

15 A 2021-03 - present:

16 General Manager, Oil Sector

17 Orpheum Properties, Inc/dba., KLMKH, Inc.

18 Licensed oil field operator with State of Kansas (K.C.C)

19 Formed strategic partnerships and connections with potential clients

20 Onboarded the company with major refineries in the U.S. to have the ability to purchase  
21 crudes, refined fuels, and lubricants

22 Re-established relationships with refineries and blending facilities

1 Provided JV agreements with other sub-major companies to assist with buying and selling  
2 refined fuels and crudes

3 Introduced Susten Energy for the Solar Project

4 Handled all aspects of procedures with confidentiality and ethics

5 2012-05 - 2021-03:

6 Vice President Regional Management Commodities and Consulting, LLC , Mandeville,  
7 Louisiana

8 Core accomplishments:

9 Company oversight, committed to cost-effective management of resources and quality  
10 performance. Sales executive with international sales experience.

11 Defined industry segments and identified opportunities in domestic and international  
12 markets

13 Worked with several major refineries and secondary markets, whole-sellers, and  
14 third-party vendors to buy and sell refined fuels.

15 Scheduled logistics for the transportation of products

16 2010-01 - 2012-05:

17 Vice President Regional Disaster Management, LLC, Mandeville, Louisiana

18 Subcontractor helping with BP oil spill cleanup

19 Supplied vessels and manpower for the cleanup

20 1996-11 - 2009-12:

21 President/Owner Timber Construction, Belle Chase, Louisiana

22 Self-employed

1 Residential and Commercial new construction and remodeling

2 1991-06 - 1996-11:

3 Kinder Morgan , Harvey, Louisiana

4 Transfer products from vessel to tanks

5 Transferred product from trucks to tanks

6 Tank to tank transfers

7 Transferred products to barrels

8 Cleaned tanks

9 Q Are you familiar with the Application of CCC in this proceeding?

10 A Yes.

11 Q Please briefly summarize the Application and its objective.

12 A CCC filed a Notice of Intent to Drill its Bower 4B test well in the Northwest Quarter of  
13 the Southwest Quarter (NW/4 SW/4) of Section 5, Township 10 South, Range 20 East,  
14 Jefferson County, Kansas to determine the oil and gas production potential of the Reagan  
15 Sandstone formation at a projected total depth of 3,000 feet. At this location, the target  
16 zone is below the McLouth Sandstone formation which is used by Southern Star Central  
17 Gas Pipeline, Inc. (“Southern Star”) for natural gas storage. The objective of the  
18 Application is to obtain approval to drill through the Southern Star gas storage zone in  
19 order to obtain and produce hydrocarbon reserves from formations below the base of the  
20 gas storage zone.

21 Q What is your understanding of the requirements for approval of this Application by the  
22 Commission?

1 A Commission regulations, specifically K.A.R. 82-3-311, prescribe requirements for  
2 drilling through gas storage formations. Generally, these requirements are designed to  
3 insure that the natural gas stratum or formation is adequately sealed off in order to  
4 prevent the contamination or escape of stored natural gas either by the use of methods and  
5 materials recommended by the gas storage facility operator and approved by the  
6 Commission, or deemed by the Commission to be fair, equitable and reasonable under the  
7 circumstances.

8 Q Have those requirements been met in this case?

9 A Yes. Pursuant to subsections (c), (d) and (e) of K.A.R. 82-3-111, CCC notified Southern  
10 Star of its intent to drill the Bower 4B test well by letter dated July 8, 2022 from Steve  
11 Cisneros, Vice President of Governmental Affairs for CCC, which was served upon  
12 Southern Star at its Owensboro, Kentucky office by registered mail, with a copy delivered  
13 to the KCC Conservation Division. Thereafter, Southern Star, by letter dated July 22,  
14 2022 from Charles C. McConnell, Manager of Southern Star's Storage Services,  
15 addressed to the Commission's Wichita, Kansas office and copied to CCC, responded to  
16 CCC's notice with fifteen (15) recommendations for protection of its gas storage  
17 operations. CCC, in turn, responded to Southern Star's recommendations by letter dated  
18 July 26, 2022 from Max Smetannikov, CEO of CCC, addressed to the Commission's  
19 Wichita, Kansas office with a copy to Charles C. McConnell, stating that it had no  
20 objection to Southern Star's enumerated recommendations, with the possible exception of  
21 Recommendation No. 11 allowing Southern Star access to CCC's wells for inspection  
22 and testing. CCC would prefer that such tests or inspections be conducted at the

1 wellheads in order to minimize interference with CCC's production operations, or at a  
2 minimum, that CCC be given advance notice of such tests or inspections, but otherwise  
3 has no objection to this request. Copies of the referenced correspondence are submitted  
4 with this testimony as Exhibits CCC-1, CCC-2 and CCC-3.

5 Q Has Southern Star imposed additional conditions upon its approval of CCC's proposed  
6 operations?

7 A Yes. In its July 22, 2022 letter to the Commission (Exhibit CCC-2), Southern Star stated  
8 that it objects to approval of the Application in this matter, or any further applications by  
9 CCC for drilling wells on its Bower Lease, unless: (1) CCC is prohibited from dual or  
10 multi-zone completion of the wells between the Reagan, Forty-Foot, Eighty-Foot,  
11 Mississippian Burlington-Keokuk (B-K) and McLouth Sandstone formations; and (2) all  
12 wells identified in proceedings before the Commission involving another operator of  
13 wells located on the lands covered by the Bower Lease in Docket No. 08-CONS-052-  
14 CMSC are satisfactorily plugged.

15 Q Do you believe that these additional conditions are warranted?

16 A No. First, these conditions are beyond the scope of the recommendations Southern Star  
17 has made in accordance with Commission regulations. Under K.A.R. 82-3-311, Southern  
18 Star is permitted to make recommendations as to the methods and materials to be used by  
19 CCC when drilling through Southern Star's gas storage formation, but not unilaterally  
20 impose unrelated conditions to approval. Conditions on CCC's authority in this regard  
21 are exclusively the province of the Commission.

1 Q What is your specific objection to Southern Star’s requested prohibition against dual or  
2 multi-zone completions?

3 A Southern Star’s objection to dual or multi-zone completions apparently stems from  
4 perceived high hydrogen sulfide (H<sub>2</sub>S) concentrations in the Mississippian B-K zone.  
5 However, gas tests performed by CCC found no H<sub>2</sub>S present in any of the gas samples  
6 taken from five (5) wells on the Bower Lease. See, October 26, 2022 report of Advanced  
7 Environmental Services, Inc. submitted herewith as Exhibit CCC-4. CCC does not  
8 intend to dually complete its wells on the Bower Lease, but if it does, H<sub>2</sub>S contamination  
9 of stored gas should not be a threat. CCC will, in any event, take all necessary  
10 precautions to prevent H<sub>2</sub>S contamination of gas stored by Southern Star.

11 Q What is your specific objection to Southern Star’s demand that wells on the Bower Lease  
12 be plugged as a condition to approval of this Application?

13 A. With respect to plugging abandoned wells on the Bower Lease, CCC did not participate  
14 in Docket No. 08-CONS-052-CMSC, is not a successor to Global Energy Solutions or a  
15 party to any agreement reached by Southern Star with Global Energy Solutions pertaining  
16 to the wells in that docket, and thus is not bound by any orders entered therein or  
17 agreements resolving the same. CCC has acquired new oil and gas leases of lands on  
18 which the wells are located, and has the right to test wells on its Bower Lease to  
19 determine their suitability for service in connection with its operations prior to their  
20 plugging. Any wells deemed suitable for production or injection will be reworked and  
21 completed for such purpose in accordance with Commission regulations, in the manner of  
22 a prudent and responsible operator. Wells which cannot be restored to service or

1 economically operated, or which exhibit the possibility of H2S contamination, will be  
2 plugged. Southern Star recognizes that the Bower 9A well has been plugged. See,  
3 Exhibit CCC-2. Plugging applications have been filed with the Commission for the  
4 Bower 4, 5A, 6, 6A and 8A wells, with the Bower 5A well scheduled to be plugged by  
5 CCC by the end of February 2023. Apart from the Bower 5A well, the remaining wells,  
6 together with the Bower 1A well, continue to be evaluated and will be plugged or  
7 restored to service as appropriate. In short, notwithstanding any previous settlements or  
8 Commission orders, all abandoned wells on the Bower Lease will be properly cared for  
9 and controlled by CCC in compliance with Commission regulations and in accordance  
10 with their test results.

11 Q What steps has and will CCC take to comply with Southern Star's recommendations?

12 A CCC either has taken or will employ all appropriate measures to comply with the fifteen  
13 (15) recommendations made by Southern Star in its July 22, 2022 correspondence with  
14 the Commission (Exhibit CCC-2). Apart from requesting advance notice of well testing  
15 by Southern Star pursuant to Recommendation No. 11, CCC has no objection to any of  
16 Southern Star's recommendations, and considers them to be fair and reasonable. CCC  
17 intends to survey all of the open holes on the Bower Lease to determine whether their use  
18 for oil and gas production purposes is feasible. Mechanical integrity tests and casing  
19 integrity tests have already been conducted for the Bower 2 SWDW, and the Bower 3, 4  
20 and 6 wells. Any wells subsequently found to lack casing integrity or which pose a threat  
21 of contamination of Southern Star's stored natural gas and cannot be economically  
22 repaired or reworked will be plugged. Southern Star's speculative threat of H2S



1           contamination that has not materialized should not be grounds for denial of CCC's  
2           Application. Unnecessary plugging of wells that may prove useful for CCC's production  
3           operations constitutes physical and economic waste, and likewise should not prevent  
4           CCC's development of its Bower Lease.

5       Q     Is it your recommendation that the Application of CCC in this docket be granted by the  
6           Commission?

7       A     Yes. Southern Star's conditions for its approval of the Application are unreasonable, and  
8           should be rejected. However, CCC's plan for drilling and operation of the Bower 4B well  
9           in accordance with the recommendations Southern Star has made is fair, equitable and  
10          reasonable under the circumstances, and should serve as a precedent for future  
11          development of the Bower Lease by CCC.

12      Q     Does this conclude your testimony?

        A     Yes.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on this 23<sup>rd</sup> day of February, 2023, he caused true and correct copies of the above and foregoing Prefiled Testimony of Timothy Park, Crypto Colo Center Corp (Operator)., to be served upon the following persons at the email addresses shown:

Jonathan R. Myers  
Assistant General Counsel  
Kansas Corporation Commission  
266 N. Main Street, Suite 220  
Wichita, KS 67202-1513  
Email: [j.myers@kcc.ks.gov](mailto:j.myers@kcc.ks.gov)

Kelcey Marsh  
Litigation Counsel  
Kansas Corporation Commission  
266 N. Main Street, Suite 220  
Wichita, KS 67202-1513  
Email: [k.marsh@kcc.ks.gov](mailto:k.marsh@kcc.ks.gov)

William R. Griffin  
Martin, Pringle, Oliver, Wallace & Bauer, LLP  
645 E. Douglas, Suite `00  
Wichita, KS 67202-3557  
Email: [wgriffin@martinpringle.com](mailto:wgriffin@martinpringle.com)

Attorney for Southern Star Central Gas Pipeline, Inc.

*/s/ Thomas M. Rhoads*

\_\_\_\_\_  
Thomas M. Rhoads

**CRYPTO COLO CENTER CORP**

523 Dawson St. lot 5  
Easton, Kansas 66020

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July 8, 2022

**VIA REGISTERED MAIL**

Southern Star Gas Pipeline  
Attn: Charlie McConnell  
4700 State Route 56  
Owensboro, KY 42301

EXHIBIT CCC-1

**Re: Notice of Intent to Drill / Bower 4B SW/4 Sec.05-10S-20E, Jefferson County, Kansas**

Dear Mr. McConnell:

Crypto Colo Center Corp ("CCC") received the attached correspondence from the Kansas Corporation Commission, Conservation Division ("KCC"), in connection with the new well (the "Well") CCC wishes to drill in the McLouth Area. CCC intends to commence plugging and drilling, on or about August 11, 2022, and drilling of the Well will penetrate below the McLouth natural gas storage field sands and go to substantially deeper formations below the Mississippian. CCC intends to plug two wells and drill one new one. Within CCC's initial submission, CCC has already planned to add several strings of intermediate casings to prevent any drilling fluids or communication from other formations. Per Kan. Admin. Regs. § 82-3-311 (c), CCC is respectfully requesting Southern Star Gas Pipeline's ("Southern Star") plugging (for two wells already approved for plugging) and drilling specifications to submit alongside the Intent to drill application.

In accordance with Kan. Admin. Regs. § 82-3-311 (d), please forward to the KCC, within ten days of Southern Star's receipt of this notice, Southern Star's recommendations as to the manner, methods, and materials to be used in the sealing off or plugging operation, and additionally provide notice, by mail, of a copy of any such recommendations to CCC, at the address set forth in this letterhead, in order that CCC may notify CCC's drilling and plugging operator of the same.

Thank you for your time and attention to this matter.

Very truly yours,



Steve Cisneros  
Vice President of Government Affairs  
Crypto Colo Center Corp  
(785) 217-7766

cc: CeLena Peterson, Kansas Corporation Commission,  
Conservation Division (Production Department)



Southern Star Central Gas Pipeline, Inc.  
4700 State Route 56  
P.O. Box 20010  
Owensboro, Kentucky 42304-0010  
Phone 270/852-5000

July 22, 2022

Sent via E-mail

Kansas Corporation Commission  
266 North Main Street, Suite 220  
Wichita, KS 67202-1513  
Attn: CeLena Peterson

EXHIBIT CCC-2

Re: Crypto Colo Center Corp Notice of Intent to Drill Oil Well,  
Sec 4 and 5, T10S, R20E, Jefferson County, KS  
Proposed Bower 4B Well

Dear Ms. Peterson:

Southern Star Central Gas Pipeline, Inc. ("Southern Star") is the owner and operator of the McLouth Gas Storage Field in Jefferson and Leavenworth Counties, KS.

On July 13, 2022, Southern Star received notification from Crypto Colo Center Corp. ("CCC"), for a Notice of Intent to Drill its proposed Bower 4B well in Section 5, Township 10S, Range 20E, in Jefferson County, Kansas.

The projected total depth of the well is 3,000 feet, with the target formation at that depth being the Reagan Sandstone. This formation is below Southern Star's McLouth Gas Storage reservoir and below the Mississippian Burlington-Keokuk (B-K) formation, which has historically produced extremely high H<sub>2</sub>S gas on this lease and in the area. **To protect the gas storage reservoir (McLouth Sandstone), Southern Star objects to any dual or multi-zone completion of this well between the Reagan, Forty-foot, Eighty-foot, Mississippian B-K and the McLouth Sandstone.** Southern Star also believes the KCC should carefully consider any dual or multiple zone completions that include the Mississippian B-K zone due to the high H<sub>2</sub>S concentrations. Southern Star also requests the KCC require CCC to fully abide by all mandatory provisions of API RP 49-Recommended Practice for Drilling and Well Servicing Operations Involving Hydrogen Sulfide, due to the known high H<sub>2</sub>S concentrations in the Mississippian B-K formation, which CCC will be drilling through.

In addition, Southern Star filed an application on October 26, 2007 in Docket No. 08-CONS-052-CMSC requesting that Global Energy Solutions, a predecessor to CCC, plug all wells that had not been produced since 1999 on the Bower Lease in the McLouth Gas Storage Field. In the Order on Hearing dated December 31, 2007, the KCC allowed the wells to be temporarily abandoned, but concluded that the wells should not be approved for Temporary Abandonment status beyond December 31, 2009. To date, of the 10 subject wells, Southern Star is only aware that the Bower #9A well has been plugged.

**Southern Star objects to the approval of any Drilling Intents on the Bower leases until all of the wells on the Bowers Lease that were identified in the KCC Docket have been satisfactorily plugged by CCC.** To settle the KCC Docket, a settlement agreement was reached between Southern Star and Global Energy Solutions, Inc for ongoing and future operations to which Southern Star believes CCC must comply with as heirs to the Global Energy Solutions leases.

Providing both the issues listed above are satisfied, Southern Star submits this letter pursuant to K.A.R. 82-3-311 (d), which permits a natural gas storage field operator to respond to a 30-day notification of an oil operator of their intent to drill through the storage field. This rule permits the storage field operator to recommend the manner, methods and materials be used in drilling and completing wells drilled through the storage field.

**Southern Star submits the following recommendations:**

- 1) CCC shall set surface casing in accordance with Commission requirements;
- 2) CCC shall install, test and maintain a blowout preventor (BOP) and related equipment during all drilling, completion and workover activities;
- 3) CCC shall employ rotary drilling methods and use drilling mud of sufficient weight and with proper additives to contain the pressure of the storage field (Request the current bottom hole pressure from Southern Star prior to commencing drilling operations);
- 4) CCC shall add biocide to all drilling fluids to prevent any contamination of porous formations by drilling and completion fluids carrying or containing sulfate reducing bacteria and/or acid producing bacteria.
- 5) CCC shall cement all casing strings with cement circulated to the surface;
- 6) CCC shall use all reasonable precautions during drilling operations to protect the McLouth storage reservoir and in the event of any emergency in any way affecting the storage reservoir, CCC shall immediately notify Southern Star and the KCC, and shall utilize all methods and procedures; available to protect the public, fresh water and the McLouth storage reservoir;
- 7) CCC shall notify Southern Star at least one week before drilling commences for any well;
- 8) CCC shall furnish Southern Star a copy of all tests and well logs following completion of any well;
- 9) In the event a hole is lost or abandoned and CCC decides to plug and abandon the well, CCC shall clean out the well to total depth drilled and shall plug the well solid with Class A cement from total depth (TD) to surface;

- 10) CCC shall provide Southern Star with notice of and access to each well site at all times during any drilling, completion, operation or plugging of the wells and access to all records relating to the drilling, equipping, maintenance, operation, or plugging for the life of the well;
- 11) CCC shall provide Southern Star access to the wells to inspect or test the wells and review all operational records during the life of the well;
- 12) CCC shall conduct its operations, within the McLouth Gas Storage Field, while gas is stored under these lands, to prevent the escape of gas from and the intrusion of water or other substances into any formation in which gas is so stored;
- 13) CCC shall not commence any manner or form of secondary or tertiary recovery within the McLouth Gas Storage Field; and
- 14) CCC shall not utilize well/formation fracture treatments within the McLouth Gas Storage Field. CCC shall not initiate fractures within the McLouth Storage Reservoir and/or through the overlying or underlying strata.
- 15) As part of Federal Storage Regulations imposed by the Department of Transportation, the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), Southern Star is required to evaluate the mechanical integrity of each of its active wells, including each third-party well, that penetrates its storage reservoirs. At Southern Star's direction, CCC shall conduct, at CCC's expense, periodic mechanical integrity tests of its wells and provide results of the tests to Southern Star upon completion.

On May 26, 2022, KLMKH filed a chapter 11 bankruptcy proceeding titled In re: KLMKH, Inc., Case No. 22-30232, Western District of North Carolina, Charlotte Division, that remains pending. Southern Star is an interested party in the chapter 11 proceeding and is participating in the case. KLMKH did not obtain bankruptcy court approval prior to Mr. Parash Patel executing and filing the T-1 Request for Change of Operator form. At least one party in interest in the chapter 11 case has raised an argument that KLMKH should have obtained prior bankruptcy court approval for the transfer and the transfer is potentially avoidable under the Bankruptcy Code. Southern Star does not take a position as to validity of the T-1 form filing.

Additionally, the Gas Lease attached to the T-1 form purports to grant CCC rights to all gas on the property described therein. Southern Star takes exception to the Gas Lease to the extent it could be deemed to convey any rights to gas owned by Southern Star or its customers by virtue of its storage operations.

In sum, Southern Star does not object to CCC's proposed drilling of the Bower 4B well if all of the above conditions are imposed on CCC and the T-1 was properly filed in light of the pending bankruptcy proceeding referenced above.

Southern Star reserves its right to comment and be heard in any and all formal proceedings before the KCC related to the proposed wells referenced above.

If you have any questions, please give me a call at 270-852-4489.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Charles C. McConnell". The signature is written in a cursive style with a large initial "C" and "M".

Charles C McConnell  
Manager, Storage Services

Copies to:  
Crypto Colo Center Corp  
Attn: Steve Cisneros, Max Smetannikov

**CRYPTO COLO CENTER CORP**

4601 E Douglas Ave STE 150  
Wichita, Kansas 67218

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July 26, 2022

**VIA E-MAIL**

Kansas Corporation Commission  
266 North Main Street  
Suite 220  
Wichita, KS 67292-1513  
Attn: CeLena Peterson

EXHIBIT CCC-3

**Re: Notice of Intent to Drill / Bower 4B SW/4 Sec.05-10S-20E, Jefferson County, Kansas**

Dear Ms. Peterson:

Crypto Colo Center Corp ("CCC") is in receipt, by way of copy, of Southern Star Central Gas Pipeline Inc.'s ("Southern Star") response letter ("Recommendation Letter") to the Kansas Corporation Commission, Conservation Division ("KCC"), dated as of July 22, 2022, in connection with CCC's Notice of Intent to Drill sent to Southern Star on July 8, 2022.

In connection with the Recommendation Letter, while, for the most part, CCC does not hold objection to the majority of the enumerated recommendations made by Southern Star, there are two items, one from the enumerated list of recommendations, and one from the fourth paragraph of the Recommendation Letter, that CCC believes require further discussion and clarification. More specifically, CCC will address, herein, those items it believes are necessary to proceed with approval from the KCC concerning the drilling of the Bower 4b, and any subsequent requests made by CCC for new wells on the Bower site.

In connection with the enumerated recommendations, number eleven, CCC has no objection to the concept of CCC providing Southern Star with access to the wells to inspect or test the wells and review all operational records during the life of the well. However, CCC would like to see this recommendation further narrowed so that such tests or inspections are made solely at the well-head valves, as to prevent the cessation of CCC's operations during such inspections or tests. It is CCC's assumption that Southern Star wishes, rightly so, to test (a) whether or not the gas being produced from the wells is from Southern Star's storage field, and/or (b) to ensure that no bacteria known to cause H2S is present. To be clear, CCC has no objection to Southern Star, at its sole cost and expense, testing the gas and fluids of the wells from the well-head valves off of the production lines from any well Southern Star believes is necessary to test.

In connection with paragraph four of the Recommendation Letter, CCC believes that Southern Star's objections and/or recommendations, with regard to the plugging of any wells which were subject to an agreement Southern Star had with Global Energy Solutions ("GES"), constitute objections and/or recommendations that are far too burdensome, per KAR 82-3-311. As a preliminary matter, CCC is not a predecessor, nor heir, of Global Energy Solutions or KLMKH, Inc., and is thereby not bound by any agreement between GES and Southern Star. CCC did not obtain its lease through any operation of law, merger, or assignment. To the contrary, CCC entered into a lease agreement directly with the mineral rights owner of the



Bower site. Notwithstanding these facts, CCC requested, has received and reviewed the settlement agreement ("Settlement Agreement") referenced in Southern Star's Recommendation Letter (a true copy, attached hereto as Exhibit A), along with the original well list for the Bower site. CCC has already filed for three wells, from such list (i.e., 5a, 6a, and 8a), to be plugged (see the attached screenshot of proof of such application, attached hereto as Exhibit B). It is important to note that 6a and 8a are located on land that belongs to a separate landowner, and CCC does not have an oil or gas lease on that property. Thus, CCC can only commit to plugging such wells insofar as that landowner does not object and provides all necessary permissions to CCC to plug same. However, CCC can commit to good faith efforts regarding same, and such good faith is evidenced by CCC's application to plug such wells. It is CCC's further understanding that the foregoing wells are known to have H2S, even though no H2S has ever been reported to have contaminated Southern Star's storage reservoir, and CCC further understands, from previous well operators, that all precautions have been taken to treat any such instances of H2S in the past by such previous well operators.

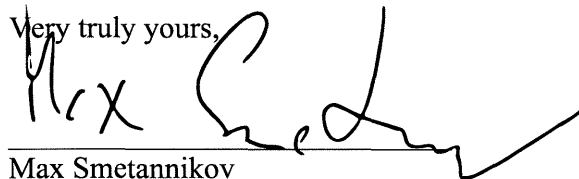
Further, a review of the Settlement Agreement indicates that the only well mentioned, as being an obligation by GES to plug, was Bower 9a. Of course, Southern Star has already acknowledged, in its Recommendation Letter, that such well has indeed been plugged. CCC is not aware of any other agreement between Southern Star and any other party, regarding the Bower site, that would require the plugging of any other wells, or that drilling approval by Southern Star would be conditioned upon any open wells on the Bower site being plugged. Notwithstanding the foregoing, CCC is acutely aware, and agrees, that, Bower 5a, 6a, and 8a need to be plugged, and will do so as fast as the vendors and scheduling allow for such work to be performed and to the extent CCC secures permissions from the landowner, as applicable. Furthermore, CCC will investigate Bower 1a, 6, and 4 as candidates for plugging, if H2S is detected and/or the wells are deemed uneconomical to produce. The Bower 3, 2, and 2a are currently being used and produced. As CCC understands it, H2S has never been detected on Bower 2a or Bower 3. It should also be noted that the Bower 2 is a permitted Saltwater Disposal Well, permit number D27468.0, and has recently passed a scheduled MIT).

*[Letter continues on the next page.]*

In closing, CCC respectfully requests that CCC's application be approved, in accordance with Kansas regulations, and that the KCC permit CCC to plug the wells, as described above, within a reasonable time period, while allowing CCC to proceed with new wells, as requested by CCC in its applications. Of course, CCC will promptly follow up with Southern Star on all of Southern Star's other enumerated recommendations and comply with the same.

Thank you for your time and consideration of the above.

Very truly yours,

A handwritten signature in black ink, appearing to read "Max Smetannikov", written over a horizontal line.

Max Smetannikov  
CEO  
Crypto Colo Center Corp  
(732) 207-5752

cc: Charles C. McConnell  
Manager, Storage Services, Southern Star Central Gas Pipeline, Inc.



# **Advanced Environmental Services Inc.**

3825 SW Dukeries Rd.  
Topeka KS, 66610  
(785) 231-9324

## **Natural Gas Quality Report**

October 26th, 2022

8974 N Hwy 92  
McLouth, KS 66054

EXHIBIT CCC-4

Performed Natural Gas Safety Test on October 25th, 2022 due to request by Gid Dyché to determine whether gas found on property would be relatively safe in the rare event of a gas leak with the presence of hazardous H<sub>2</sub>S effluent element chain. Engineer was lead to a specific gas heads at the above address. AES was told well head identifiers 3, 4, 6, 6A, and 8A. AES is a certified air quality firm with Environmental Engineers on staff for consulting experts. All testing and inspection are done to engineering standard guidelines and industry standards.

### **Scope of Work:**

The scope of work for this investigation was limited to single sample over a minute of gas venting at each of the gas well heads the testing engineer was directed to. Engineer was informed he would be conducting sampling of three wells but then lead to five well heads for teating. Testing was conducted as trained and directions set forth by the Draiger instructions as understood by the testing engineer.

Gas sample is reflective of the time of sampling and the gas stream may change over time due to gas stratification, gas stirring, geological movement, and radom H<sub>2</sub>S pocket from gas plume. Engineer reccomends strict safety precautions remain in effect while working near the facility as a sound practice of operation to industry standards. Natural gas is a naturally occurring mixture of gaseous hydrocarbons consisting primarily of methane in addition to various smaller amounts of other higher alkanes. Usually low levels of trace gases like carbon dioxide, nitrogen, hydrogen sulfide, and helium are also present. The enclosed procedure does not determine the complete composition of the sample which would require an expensive gas cromatography test.

Neither Advanced Environmental Services Inc. nor its employees make any warrantee expressed or implied regarding future conditions existing in the well as geology may change over time. This report contains information regarding the conditions present during the investigation. Many

conditions, including but not limited to, temperature, relative humidity, stagnant gas stack effect can create an environment to effect the results.

**Sampling:**

Collected five samples at gas heads as directed by facility staff using a recently calibrated Multi-gas meter in accordance to training set by multiple organizations taken by engineer. Site located at 8974 N Hwy 92 Mcclouth KS 66054. Gas heads were purged for about 30 seconds each at well heads. Sample collected in gas stream with Drager multi-gas pump hose in the plume.

**Testing procedure:**

Samples were taken at the various well heads with a well head slightly opened purged for approximately 30 seconds and the sample hose from the Drager Multi-gas detector put directly into the stream. Sample pump was cleared out between each sample and the machine diagnostics were conducted between each test. The presence of CO (carbon monoxide), LEL (lower explosive limit), and low oxygen alarm provide some assurance the line was correctly receiving the gas to the meter. The testing engineer was trained many times to the use of this Drager unit and various other meter types and performed many gas tests for clients and 911 callers throughout 23 years. Engineer had another Air Quality multi-gas meter on site that confirmed the CO readings and detected no Formaldehyde but this meter did not have H<sub>2</sub>S gas detection on board. Testing method was relatively simple for testing engineer so confidence of accuracy should be high.

**Results of Sampling:**

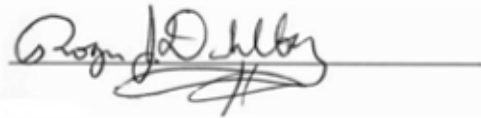
Test results confirm using a recently calibrated Drager multi-gas detector that no H<sub>2</sub>S was present at gas well heads designated to tester of 4, 3, 6, 6A and 8A on October 25th, 2022. Sampling was conducted by an engineer in good standing with the state of Kansas from Advanced Environmental Services, Inc.

**Laboratory Results:**

Sample #	Sample Location	Test
NG-B1-5340	Head #4	%H2S 0.0 %CO 5 %LEL 99
NG-B2-5340	Head #3	%H2S 0.0 %CO 23 %LEL 99
NG-B3-5340	Head #6	%H2S 0.0 %CO 0 %LEL 91
NG-B4-5340	Head #6A	%H2S 0.0 %CO 21 %LEL 99
NG-B5-5340	Head #8A	%H2S 0.0 %CO 0 %LEL 99

H2S is a very hazardous effluent in the gas stream to workers. At the time of the sampling no detectable H2S was found at any of the gas heads at the time of sampling. Gas makeup should remain relatively consistent but Engineer recommends precautions remain in effect and staff remain vigilant of the presence of H2S in the event of a gas leak is very hazardous. If you have any questions about the results or would like to discuss the services offered by Advanced Environmental Services, please do not hesitate to call.

Sincerely,



Roger J. Dahlby, P.E.  
785-231-9324

