

BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
BURNING SPRINGS ENERGY PARTNERS,
APPALACHIAN ENERGY PARTNERS,
MARTIN R. TWIST, CHARLES WHITE,
DREW THOMAS, and SCOTT PAMIDA,
Respondents.

PETITION FOR ORDER

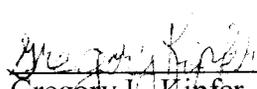
File No. S-04122(EX)

The staff of the Bureau of Registration & Enforcement, of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Burning Springs Energy Partners (“Burning Springs Energy”) is a foreign business entity, Kentucky Limited Liability Partnership, with a last known business address of 530 W. Main Street, Louisville, Kentucky 40202.
2. Appalachian Energy Partners (“Appalachian Energy”) is a foreign business entity, Indiana Limited Liability Partnership, with a last known business address of 700 Missouri Avenue, Jeffersonville, Indiana 47130.
3. Martin R. Twist (“Twist”) is an individual who at all time material hereto has been president of Burning Springs Energy and Appalachian Energy, with a last known business address at that of Burning Springs Energy.
4. Charles White (“White”) is an individual who at all time material hereto has been an agent of Burning Springs Energy, Appalachian Energy, and Twist, with a last known business address at that of Burning Springs Energy.
5. Drew Thomas (“Thomas”) is an individual who at all times material hereto has been an agent of Burning Springs Energy, Appalachian Energy, and Twist, with a last known business address at that of Burning Springs Energy.
6. Scott Pamida (“Pamida”) is an individual who at all times material hereto has been an agent of Burning Springs Energy, Appalachian Energy, and Twist, with a last known business address at that of Burning Springs Energy.
7. During November 2001, White, on behalf of Appalachian Energy and Twist, offered to at least one person in Wisconsin the opportunity to invest in membership interests in an oil and gas well drilling project named Appalachian Energy Partners 2001-D LLP.
8. During the period of February 2000 through December 2001, Thomas, on behalf of Burning Springs Energy, Appalachian Energy, and Twist, offered to at least one person in Wisconsin the opportunity to invest in membership interests in oil and gas well drilling projects named Burning Springs Energy Partners 2001-S LLP and Appalachian Energy Partners 2001-D LLP.

9. During the period of July 2003 through October 2003, Pamida, on behalf of Appalachian Energy and Twist, offered to at least one person in Wisconsin the opportunity to invest in membership interests in an oil and gas well drilling project named Appalachian Energy Partners 2001-D LLP.
10. In connection with the offers described above, White, Thomas, and Pamida transacted business in Wisconsin as “agents” for Burning Springs Energy, Appalachian Energy, and Twist as that term is defined by sec. 551.02(2), Wis. Stats.
11. At no time have White, Thomas, and Pamida been licensed as securities agents pursuant to Ch. 551, Wis. Stats.
12. White, Thomas, and Pamida have violated Sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as unlicensed securities agents.
13. Burning Springs Energy, Appalachian Energy, and Twist have violated sec. 551.31(2), Wis. Stats., by employing unlicensed securities agents to represent them in Wisconsin.
14. Upon information and belief, each investor will not be involved in the day-to-day management of the Burning Springs Energy Partners 2001-S or Appalachian Energy Partners 2001-D, since there are too many investors for them to each have any meaningful input, and they do not have the expertise or experience necessary to perform its duties.
15. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the “membership units” offered and sold by the respondents are investment contracts as defined by DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by 551.02(13), Wis. Stats.
16. Upon information and belief, the Wisconsin offerees were cold-called by a person with whom they had no preexisting relationship, in violation of Regulation D’s ban on general solicitation.
17. All respondents have violated sec. 551.21(1), Wis. Stats. by offering unregistered securities in Wisconsin..
18. On 1/5/2003, the State of Alabama Securities Commission issued a Cease And Desist Order against Twist and White based on allegations of securities violations.
19. On 7/14/2003, the State of Oklahoma Department of Securities issued a Cease And Desist Order against Twist based on allegations of securities violations including fraud.
20. On 2/11/2004, the State of Pennsylvania Securities Commission issued a Cease And Desist Order against Twist based on allegations of securities violations.

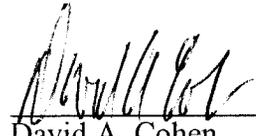
Therefore, the staff of the Enforcement Unit petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.



Gregory L. Kipfer
Examiner
Enforcement Unit

7/19/04

Date



David A. Cohen
Supervising Attorney
Enforcement Unit

7/20/04

Date