

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

Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the matter of the failure of Global Energy)	Docket No.: 17-CONS-3697-CPEN
Solutions Inc. (“Operator”) to comply with)	
K.A.R. 82-3-120.)	CONSERVATION DIVISION
)	
)	License No.: 32316

PRE-FILED TESTIMONY

OF

CYNTHIA K. MAINE

1 Q. What is your name and business address?
2 A. Cynthia K. Maine, 266 North Main Suite 220, Wichita, Kansas 67202.
3 Q. By whom are you employed and in what capacity?
4 A. I'm employed by the Conservation Division of the Kansas Corporation Commission as
5 an administrative assistant in the licensing and legal departments.
6 Q. How long have you been employed by the KCC?
7 A. Since February 2013.
8 Q. Have you previously testified before this Commission?
9 A. Yes.
10 Q. What does your position with the Conservation Division involve?
11 A. My duties include processing and reviewing licensing applications, processing open
12 records requests, and processing legal filings, among other tasks.
13 Q. Are you familiar with this docket, 17-CONS-3697-CPEN?
14 A. Yes.
15 Q. How are you familiar with this docket?
16 A. I recommended the penalty order in this docket on behalf of Commission Staff, and I
17 have reviewed all filings in this docket.
18 Q. Why did you recommend a penalty?
19 A. Operator's license expired on May 30, 2017. As outlined in the penalty recommendation
20 that was made part of the penalty order, Operator was sent the standard electronic notices
21 prior to and immediately after the license expired. Operator failed to timely renew its
22 license, so on June 1, 2017, I sent a Notice of Violation letter to Operator, with a June 15,
23 2017, deadline to renew the license and avoid Staff making a penalty recommendation
24 (Exhibit A). When Operator still failed to renew its license, I recommended a penalty.
25 Q. When did Operator first obtain its license?
26 A. Commission records indicate Operator obtained its license in May of 1998.
27 Q. How long are licenses valid?
28 A. Licenses are valid for one year and expire at the end of the appropriate month. For
29 example, a license first applied for on May 1, 1998, would have expired on May 30,
30 1999. Each subsequent renewal, even if submitted slightly before or after May 30, would
31 expire the following year at the end of May.

1 Q. When did Operator last submit a license renewal application?

2 A. June 8, 2016.

3 Q. Was that license renewal application processed?

4 A. Yes. The license was renewed through May 30, 2017.

5 Q. In Operator's Request for Hearing, Paragraph 1, Operator states that it "submitted an
6 application to renew its license well in advance of the expiration of its license." Is that
7 statement true?

8 A. No. Operator has not submitted a license renewal application since the one approved in
9 June 2016.

10 Q. In Operator's Request for Hearing, Paragraph 2, Operator states that it "was informed by
11 the Commission after submitting its renewal application that its license would not be
12 renewed unless it accepted plugging responsibility for all of the wells listed in Exhibit A,
13 attached hereto." Is that statement true?

14 A. No. Operator has not submitted a renewal application. The wells on the Exhibit A are all
15 the wells listed on Operator's well inventory. Operators are required to certify
16 responsibility for the wells on its well inventory during the license renewal process. But
17 again, Operator has not submitted a renewal application.

18 Q. In Operator's Request for Hearing, Paragraph 7, Operator states that your June 1, 2017,
19 Notice of Violation letter "essentially operated as a refusal to renew Operator's license."
20 Is that statement true?

21 A. No. Operator has not submitted a license renewal application. There has been no license
22 application submitted for the Commission to deny.

23 Q. If Operator had submitted a license renewal application, would you have recommended a
24 penalty?

25 A. No. It is not our procedure to recommend a penalty while there is a pending license
26 renewal application.

27 Q. So pursuant to Staff procedure, if Operator had submitted a license renewal application,
28 would you have recommended a penalty?

29 A. No.

30 Q. Were there any Staff procedures preventing Operator from submitting a license renewal
31 application, even if it wished to dispute its responsibility for wells on its well inventory?

1 A. No.

2 Q. If Operator had submitted a license renewal application without an acceptable well
3 inventory, what would have been the outcome?

4 A. Operator would not have been penalized. It's license application would have been denied,
5 and Operator would have had the right to appeal that denial.

6 Q. Does Staff have a recommendation regarding the Penalty Order in this docket?

7 A. Yes. The Penalty Order should be affirmed in full. Operator violated K.A.R. 82-3-120 by
8 failing to maintain a valid license while unplugged wells remain on the license. The
9 standard notices were sent, but Operator did not even submit a license renewal
10 application. K.A.R. 82-3-120 calls for a \$500 penalty for such a violation, which is
11 exactly what the Penalty Order assesses.

12 Q. Does this conclude your testimony as of this date, November 8, 2017?

13 A. Yes.

NOTICE OF VIOLATION

June 1, 2017

HERB EDMONDS
GLOBAL ENERGY SOLUTIONS INC
409 PARK ST.
COON RAPIDS, IA 50058-1527

Re: Unplugged Well(s) on Expired License #32316

Operator:

Unplugged well(s) are on your expired license, **which violates K.A.R. 82-3-120**. Attached is a list of the unplugged well(s). Please do one of the following:

- Renew your license, or obtain a new license and transfer the well(s) to that license,
- Transfer the well(s) to another operator by filing T-1 forms with the Commission, or
- File Well Plugging Application (CP-1) form(s) and plug the well(s).

Your deadline is June 15, 2017.

If you do not correct this violation, I will recommend a Commission Order with a \$500 penalty. The Order would also require you to plug the well(s) within 60 days. Failure to comply with the Order would automatically result in the Commission levying additional penalties against you, directing Staff to plug the wells, and assessing plugging costs to you.

You must immediately shut-in all wells and cease oil and gas operations until compliance is achieved.

For help renewing or obtaining a license, contact Judy Streeter at 316-337-6194.

For help transferring wells, contact Olivia Raigosa at 316-337-6203.

For help with CP-1 forms, contact Rick Hestermann at 316-337-6221.

If you have further questions, you may contact me by calling our main number at the top of this letter.

Sincerely,

Cynthia K. Maine
Administrative Assistant

Exhibit A

Global Energy Solutions Inc License: 32316

<u>Unplugged Wells on Operator's License</u>				
API Well #	Lease Name / Well #		Well Location	County
15-087-20012-00-01	BOWER	1	5-10S-20E, SWNENE	JEFFERSON
15-087-20015-00-01	BOWER	2	5-10S-20E, SESENE	JEFFERSON
15-087-20057-00-00	BOWER	3	5-10S-20E, SWSENE	JEFFERSON
15-087-20058-00-01	BOWER	4	5-10S-20E, NESENE	JEFFERSON
15-087-20083-00-00	BOWER	6	5-10S-20E, N2S2NE	JEFFERSON
15-087-20093-00-00	DECKER	2	36-9S-19E, E2SESE	JEFFERSON
15-087-20131-00-00	COPPINGER	1	26-9S-19E, NENESE	JEFFERSON
15-087-20155-00-00	COPPINGER	3	26-9S-19E, SESENE	JEFFERSON
15-087-20308-00-01	BOWER OWWO	2-A	5-10S-20E, E2SENE	JEFFERSON
15-087-20313-00-00	BOWER	5-A	5-10S-20E, S2S2NE	JEFFERSON
15-087-20324-00-00	BOWER	6-A	5-10S-20E, E2NENE	JEFFERSON
15-087-20328-00-00	BOWER	8-A	5-10S-20E, SENENE	JEFFERSON
15-087-20399-00-00	WILMER KIMMEL	1-87	1-10S-19E, NWSENE	JEFFERSON
15-087-20448-00-00	KIMMEL WILMER	1-89	1-10S-19E, E2NWNENE	JEFFERSON
15-103-19105-00-00	FUHR	1	3-9S-20E, SENENW	LEAVENWORTH
15-103-21099-00-00	FUHR	103	3-9S-20E, SENWNW	LEAVENWORTH
15-103-21174-00-00	DEMORANVILLE 6 (COG	104)	3-9S-20E, NWNESW	LEAVENWORTH
15-103-21175-00-00	DEMORANVILLE (COG	105)	3-9S-20E, SWNESW	LEAVENWORTH
15-103-21176-00-00	DEMORANVILLE 8 (COG	106)	3-9S-20E, NWSESW	LEAVENWORTH

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

Before Commissioners: Pat Apple, Chairman
 Shari Feist Albrecht
 Jay Scott Emler

In the matter of the failure of Global Energy)	Docket No.: 17-CONS-3697-CPEN
Solutions Inc. ("Operator") to comply with)	
K.A.R. 82-3-120.)	CONSERVATION DIVISION
)	
_____)	License No.: 32316

CERTIFICATE OF SERVICE

I, Paula Murray, certify that on November 8, 2017, I did cause a true and correct copy of the Pre-Filed Testimony of Cynthia Maine to be served electronically and by United States mail, first class, postage prepaid to the following:

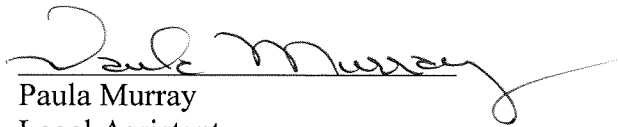
Jeffrey A. Wilson
James G. Flaherty
Anderson & Byrd LLP
216 S. Hickory Street
PO Box 17
Ottawa, KS 66067
JWilson@andersonbyrd.com
jflaherty@andersonbyrd.com
Attorneys for Global Energy Solutions Inc.

And by email to:

Cynthia K. Maine
KCC Central Office

Jonathan R. Myers, Litigation Counsel
KCC Central Office

Michael J. Duenes, Assistant General Counsel
KCC Topeka Office



Paula Murray
Legal Assistant
Kansas Corporation Commission