

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

In the matter of the application of Gateway)	Docket No: 24-CONS-3114-CMSC
Resources U.S.A, Inc. ("Operator") for an)	
Operator's License Renewal.)	CONSERVATION DIVISION
)	
_____)	License No: 32353

PRE-FILED TESTIMONY

OF

A. BLAINE HANKS

ON BEHALF OF

GATEWAY RESOURCES U.S.A., INC.

FEBRUARY 8, 2024

Q. What is your name?

A. A. Blaine Hanks

Q. Are you an officer of Gateway Resources U.S.A., Inc., and if so, what is your title?

A. Yes, I am the President of Gateway Resources U.S.A., Inc..

Q. How long as you served as the President of Gateway Resources U.S.A., Inc.?

A. I have been Gateway's President since 1998.

Q. Are you familiar with the files and records of Gateway Resources U.S.A., Inc., insofar as they apply to the Compliance Agreement between District #3 Staff and Gateway?

A. Yes.

Q. Have you reviewed the Pre-Filed Testimony of Ryan Duling filed in this Docket?

A. Yes.

Q. Do you agree with Mr. Duling's Pre-Filed Testimony beginning with the question on page 5, line 10 through completion of Mr. Duling's answer ending on page 6, line 12?

A. Yes.

Q. According to Gateway's records, as of October 12, 2023, how many wells had Gateway brought into compliance by plugging those wells?

1 A. 22.

2 **Q. Have you reviewed Mr. Duling's Pre-Filed Testimony beginning with the**
3 **question on page 8, line 7 through completion of Mr. Duling's answer ending**
4 **on page 9, line 4?**

5 A. Yes.

6 **Q. Were two additional wells, the O'Brien Sewell #6-27, API #15-125-30861, and**
7 **the Rutland #3-8, API #15-125-30233 plugged after October 12, 2023?**

8 A. Yes.

9 **Q. Was the O'Brien Sewell #6-27 one of the 75 wells included on the list of**
10 **wells which were out of compliance on January 25, 2017 when you signed**
11 **the original Compliance Agreement?**

12 A. Yes.

13 **Q. Was the O'Brien Sewell #6-27 included in the list of wells out of compliance**
14 **on July 15, 2020 when you signed the updated Compliance Agreement?**

15 A. No.

16 **Q. Do you understand why the O'Brien Sewell #6-27 was omitted from the**
17 **updated Compliance Agreement?**

18 A. No. First, I signed that Agreement on behalf of Gateway on July 15, 2020; it was
19 signed on behalf of Commission Staff by Mr. Troy Russell on July 23, 2020. Mr.
20 Duling's Pre-Filed Testimony indicates that the O'Brien Sewell #6-27 was

1 returned to service in September 2017. The O'Brien Sewell #6-27 is a coal bed
2 methane well. Gateway's records reflect no production from the O'Brien Sewell
3 Lease, including the O'Brien Sewell #6-27 after 2007.

4 **Q. Are you aware of any revisions that were made to the well inventory**
5 **attached to the updated Compliance Agreement between July 2020 and**
6 **October 29, 2020, when the Motion to Approve Updated Compliance**
7 **Agreement was filed with the Commission?**

8 A. No. As far as I am aware, the well inventory attached to the Updated
9 Compliance Agreement signed in July 2020 remained unchanged to the date of
10 filing of the Motion.

11 **Q. Did you review the well inventory attached to the Updated Compliance**
12 **Agreement prior to the time the O'Brien Sewell #6-27 and the Rutland #3-8**
13 **wells were plugged?**

14 A. No. I failed to do that, and directed that those two wells be plugged based on
15 my memory alone, which was obviously faulty.

16 **Q. Do you agree that a Temporary Abandonment Well Application had been**
17 **filed for the Rutland #3-8 which was approved on December 15, 2016, and**
18 **that it was not out of compliance with the Commission's rules and**
19 **regulations?**

20 A. Yes.

1 **Q. Did Gateway apply to have these two wells added to the Updated**
2 **Compliance Agreement prior to the time they were each plugged?**

3 A. No.

4 **Q. Do you believe Gateway's Operator's License should be renewed?**

5 A. Yes.

6 **Q. Why?**

7 A. Although Gateway did not follow the steps specified in the Updated Compliance
8 Agreement required to add the O'Brien Sewell #6-27 and the Rutland #3-8 wells
9 to the well inventory prior to the time those wells were plugged, Gateway was,
10 nevertheless, acting in good faith to attempt to satisfy the terms of the Updated
11 Compliance Agreement.

12 **Q. Does this conclude your testimony?**

13 A. Yes.

CERTIFICATE OF SERVICE

I, the undersigned, certify that a true copy of the attached Pre-filed Testimony of A. Blaine Hanks has been served to the following by means of electronic service on February 8, 2024.

Kelcey Marsh, Litigation Counsel
Kansas Corporation Commission
Central Office
266 N. Main St, Ste 220
Wichita, KS 67202-1513
Fax: 785-271-3354
k.marsh@kcc.ks.gov

Jonathan R. Myers, Asst. General Counsel
Kansas Corporation Commission
266 N. Main St., Ste. 220
Wichita, KS 67202-1513
Fax: 316-337-6211
j.myers@kcc.ks.gov

Nancy Borst
Kansas Corporation Commission
266 N. Main St., Ste. 220
Wichita, KS 67202-1513
n.borst@kcc.ks.gov

/s/ John R. Horst
JOHN R. HORST