2017-11-17 09:00:24 Kansas Corporation Commission /s/ Lynn M. Retz

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:	Pat Apple, Chair Shari Feist Albre Jay Scott Emler		
In the matter of the Notice of E Renewal Application issued to)	Docket No.: 17-CONS-3685-CMSC CONSERVATION DIVISION
))	License No.: 32461

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
- records requests, and processing legal filings, among other tasks.
- 13 Q. Are you familiar with this docket, 17-CONS-3685-CMSC?
- 14 A. Yes.
- 15 Q. How are you familiar with this docket?
- 16 A. I have reviewed all filings in this docket.
- 17 Q. Why was Tailwater's license renewal application denied?
- A. Under K.S.A. 55-155, partners and members of license applicants must be in good standing
- with the Commission in order for the applicant to obtain a license. Christian L. Martin is
- president of Tailwater, Inc, but Christian L. Martin, as a member of Westside Energy, L.C.,
- 21 is not in good standing with the Commission, because Westside Energy's license is
- suspended for non-compliance with Docket 17-CONS-3237-CSHO. So, under K.S.A.
- 23 55-155, Tailwater's license application cannot be approved.
- Q. How do you know Mr. Martin is president of Tailwater?
- A. Because that's what Tailwater said in its May 30, 2017, license application.
- Q. How do you know Mr. Martin was a member of Westside Energy?
- 27 A. The Commission's licensing database says that Westside Energy's only partner was
- Mr. Martin (see Exhibit A). Westside Energy's December 1991 articles of incorporation
- 29 (Exhibit B), online and publicly available from the Kansas Secretary of State's office, list
- Mr. Martin as one of two members of Westside Energy. So there is no doubt Mr. Martin
- was a partner or member of Westside Energy.

- 1 Q. How do you know Westside Energy's license is suspended for non-compliance with
- 2 Docket 17-CONS-3237-CSHO?
- 3 A. The Default Order says Westside Energy's license shall remain suspended until such time
- 4 as compliance is obtained by Westside Energy plugging the four subject wells, reimbursing
- 5 the Commission for the costs of plugging the subject wells, or transferring the subject wells
- 6 to a licensed operator. Westside Energy has done none of those things in regard to the four
- 7 unplugged wells remaining on its expired license. So, the license remains suspended in
- 8 Commission databases.
- 9 Q. Has the Commission already determined Westside Energy is responsible for the wells?
- 10 A. Yes. That is what was determined in Docket 17-CONS-3237-CSHO.
- 11 Q. So that is not at issue in this docket?
- 12 A. Correct.
- Q. What would Tailwater have to do for its license application to satisfy K.S.A. 55-155?
- 14 A. Mr. Martin would either have to divest himself of all interest in Tailwater, or Westside
- Energy would have to brought into compliance with Docket 17-CONS-3237-CSHO.
- 16 Q. How could Westside Energy bring itself into compliance with Docket 17-3237?
- 17 A. The Commission's well database indicates Westside Energy has four unplugged wells
- remaining on its expired license. As stated in the Commission's Default Order in Docket
- 19 17-CON-3237-CSHO, those four wells would have to be plugged or transferred to a current
- 20 operator's license.
- Q. And then Tailwater's license application could be processed?
- 22 A. Yes.
- Q. Do you have anything else to add to your testimony at this time?
- A. Yes. I would note that Staff's denial letter stated Westside Energy's license was #31235,
- but it was actually #30880.
- Q. Does this conclude your testimony as of this date, November 17, 2017?
- 27 A. Yes.

Search T-1s / Letters

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ARTICLES OF ORGANIZATION

of

WESTSIDE ENERGY, L.C.

000001 10 9758 12-13-91

NEW CORPORATION

(a Kansas Limited Liability Company)

TRAMS. TOTAL

150.00

We, the undersigned, hereby form and establish a limited liability company under the laws of the State of Kansas.

- 1. The name of the company is Westside Energy, L.C.
- 2. The period of duration of the company is thirty (30) years, unless sooner terminated by the occurrence of one of the termination events provided for in the operating agreement.
- 3. The purposes for which the company is organized are: to own, manage, operate, invest in, secure capital for, and develop energy-related properties, investments, ventures and programs; and to engage in such further activities for which limited liability companies may be organized under the Kansas Limited Liability Company Act, to the extent of conducting or promoting any lawful business or purpose which a partnership or individual may conduct or promote, as authorized in such Act. The company shall have all of the powers enumerated in the Kansas Limited Liability Company Act as presently enacted; and such further powers as may hereafter be authorized by amendments to such Act.
- 4. The registered office of the company in the State of Kansas is located at 932 Massachusetts St., Lawrence, Douglas County, Kansas 66044. The resident agent in charge thereof at such address is John C. Chappell.
- 5. Additional members may be admitted to the company only upon unanimous consent of existing members.

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- 6. In the event of the death, retirement, resignation, expulsion, bankruptcy, or dissolution of a member, or the occurrence of an event which terminates the continued membership of a member in the company, the remaining members may continue the business of the company as provided in the operating agreement, if there is more than one member remaining after the occurrence of such event.
- 7. Management of the company is reserved to the members, whose names and mailing addresses are:

Christian L. Martin

P.O. Box 18423

Oklahoma City, OK 73154

Brady D. Oman

4309 Jacksboro Hwy., Suite 100 Wichita Falls, TX 76302

In witness whereof, we have hereunto subscribed our names bis 15th day of December, 1991.

Christian L. Martin

Brady D. Oman

STATE OF KANSAS, COUNTY OF DOUGLAS, ss:

This instrument was acknowledged before me on <u>December 1</u>, 1991 by Christian L. Martin and Brady D. Oman.

Notary Public

JOHN C. CHAPPELL NOTARY PUBLIC STATE OF KANSAS APPT. EXPIRES DEC 16, 1992

THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:	Pat Apple, Chair Shari Feist Albro Jay Scott Emler		
In the matter of the Notice of Denial of License Renewal Application issued to Tailwater, Inc.)	Docket No.: 17-CONS-3685-CMSC
Renewal Application issued	i to Tanwater, mc.)	CONSERVATION DIVISION
		_)	License No.: 32461

CERTIFICATE OF SERVICE

I, Paula Murray, certify that on <u>November 17, 2017</u>, I did cause a true and correct copy of the Pre-Filed Testimony of Cynthia Maine to be served electronically to the following:

John C. Chappell PO Box 602 Lawrence, KS 66044 jchappell@jchap.com Attorney for Tailwater, Inc.

Cynthia Maine KCC Central Office

Jonathan R. Myers, Litigation Counsel KCC Central Office

Michael Duenes, Assistant General Counsel KCC Topeka Office

/s/ Paula J. Murray
Paula J. Murray
Legal Assistant
Kansas Corporation Commission