

**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 Notice of Denial of License	)	Docket No.: 17-CONS-3701-CMSC
Renewal Application issued to AX&P, Inc.	)	
	)	CONSERVATION DIVISION
	)	
_____	)	License No.: 3830

**PRE-FILED TESTIMONY**

**OF**

**CYNTHIA K. MAINE**

1 Q. What is your name and business address?  
2 A. Cynthia 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-3701-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 AX&P's license renewal application denied?  
18 A. Under K.S.A. 55-155, officers, directors, partners, and members of license applicants must  
19 be in good standing with the Commission in order for the applicant to obtain a license.  
20 AX&P's license renewal application lists three partners.  
21 Jorgen Hanke is president and a partner in AX&P, but Jorgen Hanke, as partner in  
22 Consolidated Gas & Energy Corp., License #31834, is not in good standing with the  
23 Commission, because Consolidated's license is suspended for non-compliance with  
24 Docket 16-CONS-433-CSHO. There are six unplugged wells remaining on that license.  
25 Jeff Goodrich is a partner in AX&P, but Jeff Goodrich, as a partner in Kelt Energy, Inc.,  
26 License #4469, is not in good standing with the Commission, because Kelt's license is  
27 suspended for non-compliance with Docket 16-CONS-204-CSHO. There are 164  
28 unplugged wells remaining on that license.  
29 Jon R. Viets is a partner in AX&P, but Jon R. Viets, as a partner in Kelly Oil Company,  
30 License #5632, is not in good standing with the Commission, because Kelly Oil's license

1 is suspended for non-compliance with Docket 16-CONS-3816-CSHO. There are three  
2 unplugged wells remaining on that license.

3 So, under K.S.A. 55-155, AX&P's license application cannot be approved.

4 Q. How do you know Mr. Hanke, Mr. Goodrich, and Mr. Viets are partners in AX&P?

5 A. Because that is what AX&P said in its June 5, 2017, license application.

6 Q. How do you know Mr. Hanke was a partner of Consolidated?

7 A. The Commission's licensing database says that Mr. Hanke was a partner in Consolidated.

8 Q. How do you know Mr. Goodrich was a partner of Kelt Energy?

9 A. The Commission's licensing database says that Mr. Goodrich was a partner in Kelt Energy.

10 Q. How do you know Mr. Viets was a partner in Kelly Oil?

11 A. The Commission's licensing database says that Mr. Viets was a partner in Kelly Oil.

12 Q. How do you know the Commission's licensing database is accurate?

13 A. The database is a repository for all information provided by an operator when submitting  
14 a license or license renewal application. So the information in the database is exactly what  
15 was provided by the operator itself.

16 Q. How do you know Consolidated's license is suspended for non-compliance with Docket  
17 16-CONS-433-CSHO?

18 A. The Default Order says Consolidated's license shall remain suspended until such time as  
19 compliance is obtained by Consolidated plugging the wells on its license, reimbursing the  
20 Commission for the costs of plugging the subject wells, or transferring the subject wells to  
21 a licensed operator. Consolidated has done none of those things in regard to the six  
22 unplugged wells remaining on its expired license. So, the license remains suspended in  
23 Commission databases.

24 Q. How do you know Kelt's license is suspended for non-compliance with Docket 16-CONS-  
25 204-CSHO?

26 A. For the same reason as with Consolidated. The Default Order says Kelt's license shall  
27 remain suspended until such time as compliance is obtained by Consolidated plugging the  
28 wells on its license, reimbursing the Commission for the costs of plugging the subject  
29 wells, or transferring the subject wells to a licensed operator. Kelt has done none of those  
30 things in regard to the 164 unplugged wells remaining on its expired license. So, the license  
31 remains suspended in Commission databases.

1 Q. How do you know Kelly Oil's license is suspended for non-compliance with Docket 16-  
2 CONS-3816-CSHO?

3 A. Same thing. The Default Order says Kelly Oil's license shall remain suspended until such  
4 time as compliance is obtained by Kelly Oil plugging the wells on its license, reimbursing  
5 the Commission for the costs of plugging the subject wells, or transferring the subject wells  
6 to a licensed operator. Kelly Oil has done none of those things in regard to the three  
7 unplugged wells remaining on its expired license. So, the license remains suspended in  
8 Commission databases.

9 Q. What would AX&P have to do for its license application to satisfy K.S.A. 55-155?

10 A. Mr. Hanke, Mr. Goodrich, and Mr. Viets would either have to divest themselves of all  
11 interest in AX&P; or Consolidated, Kelt, and Kelly Oil would have to brought into  
12 compliance with the dockets under which their licenses are suspended.

13 Q. How could Consolidated, Kelt, and Kelly Oil bring themselves into compliance with the  
14 dockets under which their licenses are suspended?

15 A. As stated in the Commission's default orders in those dockets, the wells remaining on their  
16 licenses would have to be plugged or transferred to a current operator's license.

17 Q. And then AX&P's license application could be processed?

18 A. Yes.

19 Q. Does this conclude your testimony as of this date, November 30, 2017?

20 A. Yes.

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**CERTIFICATE OF SERVICE**

I, Paula Murray, certify that on November 30, 2017, I did cause a true and correct copy of the Pre-Filed Testimony of Cynthia K. Maine to be served electronically to the following:

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