

1 Q. Please state your name.

2 A. My name is Phil Hudgens.

3 Q. By whom are you employed, and in what capacity?

4 A. I am employed by EnergyQuest II, LLC ("EnergyQuest") as the Vice President of
5 Production.

6 Q. Is EnergyQuest authorized to do business in Kansas and does it hold a valid operator's
7 license from the Kansas Corporation Commission?

8 A. Yes, EnergyQuest is authorized to do business in Kansas and it holds KCC License No.
9 36216.

10 Q. What are your duties and responsibilities as the Vice President of Production for
11 EnergyQuest?

12 A. I am responsible for and supervise all of EnergyQuest's oil and gas operations and
13 personnel in Kansas, as well as in several other states. I have been in my current position
14 at EnergyQuest and had those same responsibilities for seven (7) years.

15 Q. Are you familiar with the Penalty Order that is at issued in this docket?

16 A. Yes, I am. EnergyQuest received that Penalty Order on or about June 15, 2016.

17 Q. Why did EnergyQuest request a hearing in response to that Penalty Order?

18 A. EnergyQuest requested the hearing because it does not believe that it violated K.A.R.
19 § 82-3-400, which is alleged in the Penalty Order. K.A.R. § 82-3-400 provides for a
20 penalty for injecting without a permit. EnergyQuest has valid permits for all of the wells
21 in issue, and has operated those wells within the limits of those permits at all times. The
22 only violation alleged in the Penalty Order was for injecting above the permitted pressures
23 or, therefore, outside the permit. Upon receipt of the Penalty Order, we recognized that
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1 the U3C forms that had been filed were in error because the wells had not been operated
2 above their permitted pressure. Amended U3C reports were filed to correct that error, and
3 reported that the wells had in fact been operated within the authorized pressures of each
4 permit. Therefore, EnergyQuest has not violated K.A.R. § 82-3-400 because it has valid
5 permits for all of the wells and, moreover, none of those well were ever operated outside
6 of those permits.

7 Q. Were any of the wells in issue in this docket ever operated at an injection pressure of
8 more than 0 psi at any time during 2015?

9 A. No, they were not and they could not have been.

10 Q. How do you know that none of those wells were ever operated at an injection pressure of
11 more than 0 psi at any time during 2015?

12 A. Because each of those injection wells takes the water by gravity feed. None of those
13 injection wells are, or were at any time during 2015, equipped with any type of pump that
14 would generate any type of injection pressure. There is no physical means by which to
15 create any pressure to inject. Attached to my testimony as Exhibit 1 through 8 are
16 photographs of wellhead and tank battery for all of the wells in issue. The physical
17 condition of all of those wells was as shown in those pictures during all of 2015. As seen
18 in those photographs, there are no pumps and, without pumps, the injection pressure must
19 be 0 psi, which the corrected U3C reports now reflect.

20 Q. Have you conducted any investigation to determine why the original U3C forms filed by
21 EnergyQuest contained that error?

22 A. Yes, I have.

23 Q. What did you learn from that investigation?

24 A. The error was caused by miscommunication between our field personnel and our

1 reporting personnel. It was, quite simply, an honest mistake. When we realized that
2 mistake on June 15, 2016, after receiving the Penalty Order, the amended reports
3 correcting that mistake were filed on June 23, 2016.

4 Q: Have you reviewed the Pre-Filed Testimony of Rene Stucky in this docket?

5 A: Yes, I have reviewed his pre-filed testimony.

6 Q: Did Mr. Stucky present any evidence in his pre-filed testimony that any of the 8 wells
7 were in fact operated at pressures greater than 0 psi in 2015?

8 A: No, he does not.

9 Q: Does that conclude your testimony?

10 A: Yes, it does.

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VERIFICATION

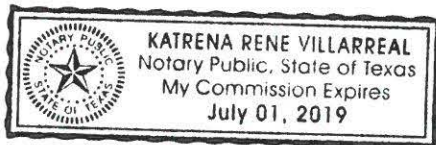
STATE OF Texas)
)
COUNTY OF Montgomery)

Phil Hudgens, of lawful age, being first duly sworn upon his oath states that he has read the above Pre-filed Testimony, that he knows the contents thereof, and declares that the statements made therein are true and correct to the best of his knowledge and belief.



Phil Hudgens

SUBSCRIBED AND SWORN to before me this 10th day of October, 2016.



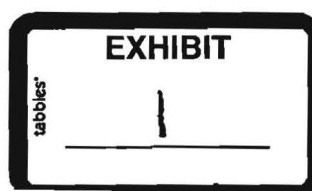
Katrena Rene Villarreal

Notary Public

My Appointment Expires:

7/1/2019

Operator:	EnergyQuest II, LLC
Operator License Number	35216
Well / Lease Name	Adkins #1-15
API Number	15155211100000
Location	15-26S-9W, Reno County
UIC Permit Number	D25550.0



Operator:	EnergyQuest II, LLC
Operator License Number	35216
Well / Lease Name	Allphin #4
API Number	15065230160001
Location	33-9S-21W, Graham County
UIC Permit Number	D30345.0



EXHIBIT

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Operator:	EnergyQuest II, LLC
Operator License Number	35216
Well / Lease Name	Brack Family Farms #1-19
API Number	15009251620001
Location	19-17S-13W Barton County
UIC Permit Number	D30597.0



Operator:	EnergyQuest II, LLC
Operator License Number	35216
Well / Lease Name	Chapman #5
API Number	15185017960001
Location	32-21S-13W, Stafford County
UIC Permit Number	E27862.0



Operator:	EnergyQuest II, LLC
Operator License Number	35216
Well / Lease Name	Demel #2-15
API Number	15009251420001
Location	15-17S-13W, Barton County
UIC Permit Number	D30318.0



EXHIBIT

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Operator:	EnergyQuest II, LLC
Operator License Number	35216
Well / Lease Name	H W Vine #2
API Number	15051191360002
Location	14-11S-19W, Ellis County
UIC Permit Number	D11763.0



EXHIBIT

tabbles

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Operator:	EnergyQuest II, LLC
Operator License Number	35216
Well / Lease Name	Hullman Trust #2
API Number	151852340100001
Location	36-21S-12W, Stafford County
UIC Permit Number	D30004.0



Operator:	EnergyQuest II, LLC
Operator License Number	35216
Well / Lease Name	Nunemaker B #1
API Number	15155211530000
Location	10-26S-9W, Reno County
UIC Permit Number	D26193.0



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

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

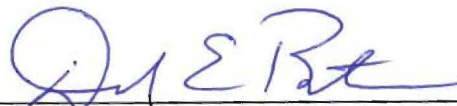
In the matter of the failure of EnergyQuest II, LLC ("Operator") to comply with K.A.R. 82-3-400 regarding injection that took place during the 2015 calendar year.)	Docket No. 16-CONS-4068-CPEN
)	
)	CONSERVATION DIVISION
)	
)	License No. 35216

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 10th day of October, 2016, he caused a true and correct copy of the foregoing Pre-Filed Testimony of Phil Hudgens to be filed with the Kansas Corporation Commission, and that he caused a copy to be served via electronic mail to the following parties:

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David E. Bengtson