

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

In the matter of a Compliance Agreement) Docket No.: 17-CONS-3474-CMSC
between Gateway Resources U.S.A. Inc. and)
Commission Staff regarding bringing 75 wells) CONSERVATION DIVISION
in Montgomery County into compliance with)
K.A.R. 82-3-111.) License No.: 32353

STATUS UPDATE ADDING WELLS TO COMPLIANCE AGREEMENT

On February 9, 2017, the Commission approved a Compliance Agreement wherein Gateway Resources U.S.A. Inc. (Operator) was to bring 75 wells into compliance with K.A.R. 82-3-111 at a rate of three wells every three months, with all wells in compliance by May 31, 2023. On December 30, 2019, three wells were added to the Compliance Agreement, extending the compliance deadline to August 2023.

On November 17, 2020, the Commission issued an Order Granting Motion to Approve Updated Compliance Agreement. The Updated Compliance Agreement required Operator to bring 42 wells into compliance with K.A.R. 82-3-111 by bringing 2 wells into compliance by December 31, 2020, and two wells into compliance per quarter thereafter.¹ Under the Updated Compliance Agreement, all wells would have been brought into compliance with K.A.R. 82-3-111 by December 31, 2025. To date, Operator has brought 18 wells into compliance with the Updated Compliance Agreement. The Updated Compliance Agreement provides that it may be amended to include additional wells with the written consent of the District Supervisor.²

The District #3 Supervisor recommends amending this Agreement to include the Knisley #32-1, API #15-125-31920; Knisley #32-3, API #15-125-31841; Knisley #32-4, API #15-125-

¹ Order Granting Motion To Approve Updated Compliance Agreement, Compliance Agreement ¶¶ 1-2, (Nov. 17, 2020).

² *Id.* at ¶6.

31646; and Knisley #32-8, API #15-125-31860 wells (Subject Wells).³ Operator has indicated it is not opposed to the addition of the Subject Wells to the Agreement. Further, Staff recommends the final compliance deadline be extended to June 30, 2026.

Respectfully submitted,

/s/ Kelcey Marsh

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³ Each of the Subject Wells have been plugged. However, Operator requested and obtained Staff approval to add the Subject Wells to the Updated Compliance Agreement on August 10, 2023, prior to plugging the Subject Wells.

CERTIFICATE OF SERVICE

17-CONS-3474-CMSC

I, the undersigned, certify that a true and correct copy of the attached Status Update to Compliance Agreement has been served to the following by means of first class mail and electronic service on October 5, 2023.

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/s/ Paula J. Murray

Paula J. Murray