

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

In the matter of the application of Val Energy,     )  
Inc. for a well location exception and assignment )  
of attributed acreage and oil allowable for its     )  
Rogers #1-20 well in Section 20, Township 32     )  
South, Range 6 East, Cowley County, Kansas.     )

Docket No 25-CONS-3265-CWLE

CONSERVATION DIVISION

LISCENSE NO: 5822

Received by  
Kansas Corporation Commission

SEP 16 2025

Conservation Division, Wichita, KS

**PREFILED DIRECT & REBUTTAL TESTIMONY  
OF WILLIAM H. GATES AND PAMELA M. GATES**

**September 15, 2025**

- 1 Q. Please state your names and address for the record.
- 2 A. William H. Gates and Pamela M. Gates, 18157 191st Road, Burden, Kansas.
- 3
- 4 Q. What is your interest in this proceeding?
- 5 A. We are mineral owners in Section 20, Township 32 South, Range 6 East,
- 6 Cowley County, Kansas. We own approximately 70.16 acres with a 25%
- 7 mineral interest. This ownership gives us standing and a direct interest
- 8 in this docket.
- 9
- 10 Q. Have you reviewed the testimony of Jake Eastes on behalf of Commission Staff?
- 11 A. Yes, we have.
- 12
- 13 Q. Do you agree with Staff's testimony that the Rogers 1-20 well location is
- 14 acceptable under K.A.R. 82-3-108 with only a reduced allowable?
- 15 A. No, we do not.

1 Q. Why do you disagree with Staff's position?

2 A. First, Kansas regulations require that all wells be drilled at least 330 feet  
3 from a property boundary. Staff admits that this well was drilled only  
4 276 feet short of the requirement. However, our certified surveys show that  
5 the well is in fact only 258 feet from our boundary, which is far short of  
6 the 330-foot requirement.

7

8 Q. What evidence do you have of this?

9 A. We obtained surveys from Advantage Elevations (Exhibit C) and Smith & Oakes  
10 (Exhibits C-1 and D-2). Both confirmed that the well was located too close  
11 to our boundary. Smith & Oakes, certified surveyors, measured the actual  
12 distance at 258 feet.

13

14 Q. What did you request from Smith & Oakes?

15 A. We specifically instructed them to measure from the property boundary to the  
16 well bore or casing wellhead. Their certified result was 258 feet.

1 Q. How do you respond to Staff's claim that the fracture envelope does not extend  
2 more than 230 feet in Mississippian wells in this area?

3 A. We disagree. Staff relies on generalized data. This well was stimulated with  
4 approximately 22 frac tanks at 500 barrels each. Drainage and fracture  
5 propagation under those conditions are unpredictable and can exceed the  
6 assumed 230 feet. Even if Staff were correct, the statute and regulations  
7 require 330 feet—not 230 feet.

8

9 Q. Did you receive notice of this well location exception application?

10 A. No. We did not receive mailed notice even though we are mineral owners.  
11 Constructive notice in a newspaper does not satisfy K.A.R. 82-3-135 when  
12 affected mineral owners can be directly identified. We were deprived of a  
13 timely opportunity to protest.

14

15 Q. Do you agree with Staff's recommendation to approve the application with a  
16 reduced allowable of 84 barrels per day (16% cut)?

17 A. Absolutely not.

1 Q. Why do you oppose the 16% reduced allowable recommendation?

2 A. A reduced allowable does not cure a statutory violation. The well was drilled  
3 in the wrong location. The Operator has already produced oil for more than  
4 a year while in violation of spacing requirements. Allowing a reduced  
5 allowable rewards unlawful conduct instead of correcting it.

6

7 Q. What resolution do you believe would be fair?

8 A. The only fair and equitable resolution is that if Val Energy is permitted to  
9 produce from a well located 258 feet from the boundary, then we as adjoining  
10 mineral owners must also be permitted to drill our own well 258 feet from  
11 the same boundary. That would put both parties on equal footing and protect  
12 correlative rights.

13

14 Q. What do you ask the Commission to do in this matter?

15 A. We respectfully request that the Commission deny Val Energy's application as  
16 filed. If the Commission considers approval, it must condition approval on  
17 equal treatment—allowing us to drill a well 258 feet from the line.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing  
Prefiled Direct and Rebuttal Testimony of William H. Gates and Pamela M. Gates  
was served by U.S. Mail, postage prepaid, and ~~FILED~~ *FILED* this 15th day  
of September, 2025, addressed to:

Jake Eastes, Geologist Specialist  
Kansas Corporation Commission  
266 N. Main St., Ste. 220  
Wichita, KS 67202-1513  
jake.eastes@ks.gov

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Kansas Corporation Commission  
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Kansas Corporation Commission  
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jon.myers@ks.gov

Thomas Rhoads, Attorney for Val Energy  
Law Office of Thomas M. Rhoads, LC  
200 E. 1st Street, Suite 301

*William H Gates*

*Pamela M. Gates*



State of Kansas  
County of Cowley  
Subscribed Before me, September 15, 2025  
*Gloria L. Ulbrich, Notary Public*

Exhibit C



OIL FIELD SURVEYORS

BOX 8604 - PRATT, KS 67124  
(620) 672-6491

221241

INVOICE NO.

VALENERGY INC

OPERATOR

1-20

NO.

ROGERS

FARM

COWLEY CO KS

COUNTY

20

S

32s

T

6e

R

2310' FNL & 1985' FNL of Sec.

LOCATION

ELEVATION: 1311' GR

COWLEY CO. APPRAISER

Signature

Penalty

Date

Rec'd MAR 11 2025

Audited Type

Valued

Data Entry

AUTHORIZED BY: Todd Allam

VAL ENERGY INC.  
125 N. Market Ste 1110  
Wichita, KS 67202

SCALE: 1" = 1000'

IRREGULAR SECTION

2310'

STAKE

FLOWLINE

2895'

20

1985'

Lease Rd

Set 3' wood stake,  
Level rocky pasture.

GPS Coordinates:

37.2522365

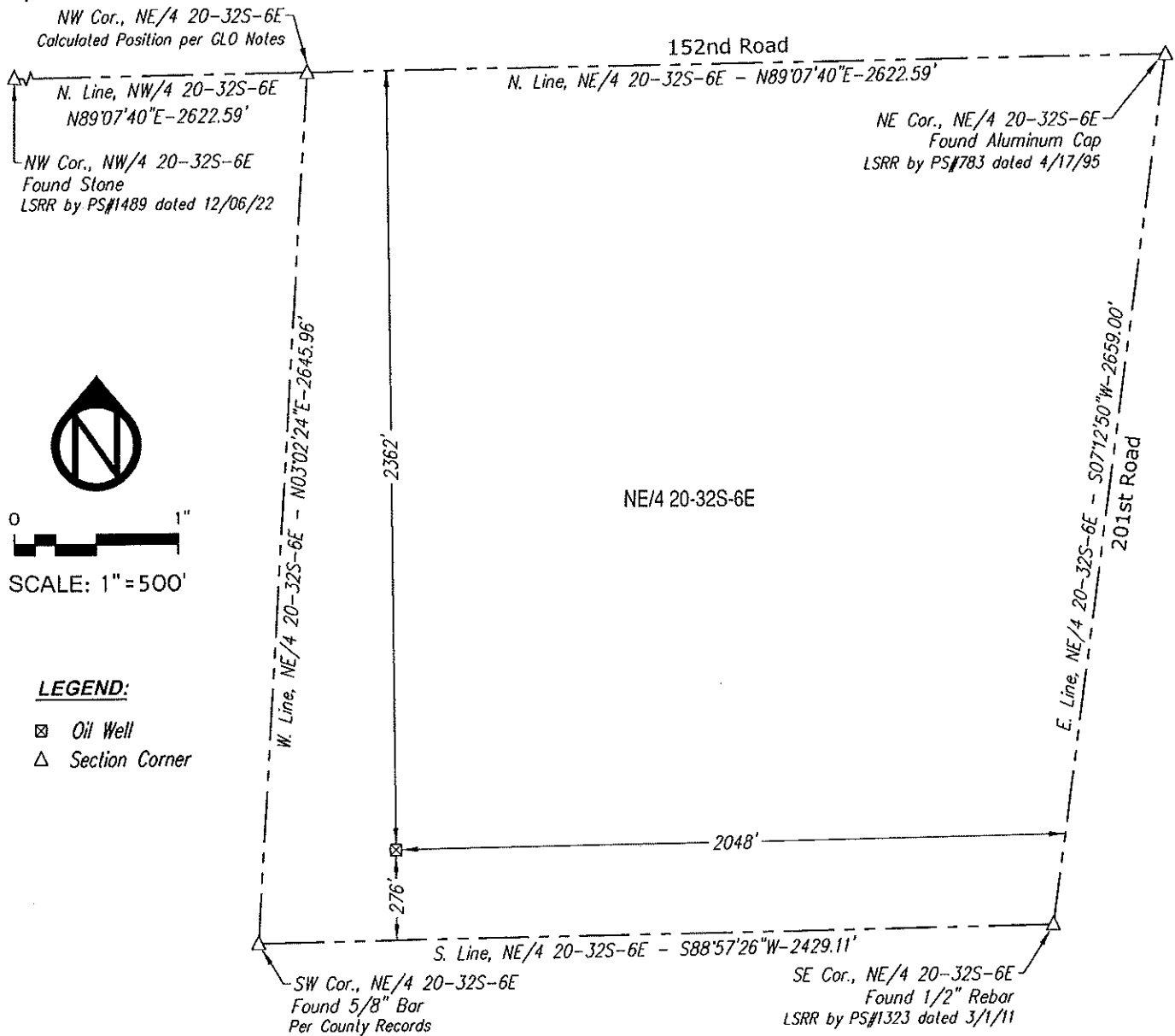
96.7966825

NAD27

DATE STAKED:

3/6/24

2X 6 1 104 05 3



**DESCRIPTION OF SURVEY:**

Locate Oil Well in the Northeast Quarter of Section 20, Township 32 South, Range 6 East of the 6th Principal Meridian, Cowley County, Kansas.

**NOTES:**

-Bearings for this survey are based on an assumed S88°57'26"W for the South Line of the Northeast Quarter, 20-32S-6E. All distances shown are as measured in the field.

-Surveyor has made no investigation or independent search for easements of record, encumbrances, vacated lands, restrictive covenants, ownership title evidence, or any other facts that an accurate and current title search may disclose.

**CERTIFICATION:**

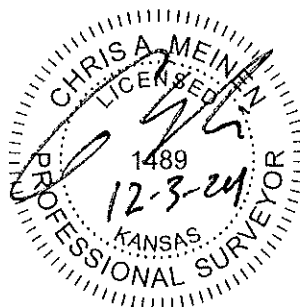
I hereby certify that the above is an accurate plat of the survey completed by me on the 27th day of November, 2024.

Chris A. Meinen

Kansas LIC. NO.: PS 1489

**PREPARED FOR:**

Bill Gates  
18157 191st Road  
Burden, KS 67019



**SMITH + OAKES**  
110 W BRYANT RD, ARKANSAS CITY, KS 67005  
620-442-4756 / INFO@SMITHANDOAKES.COM

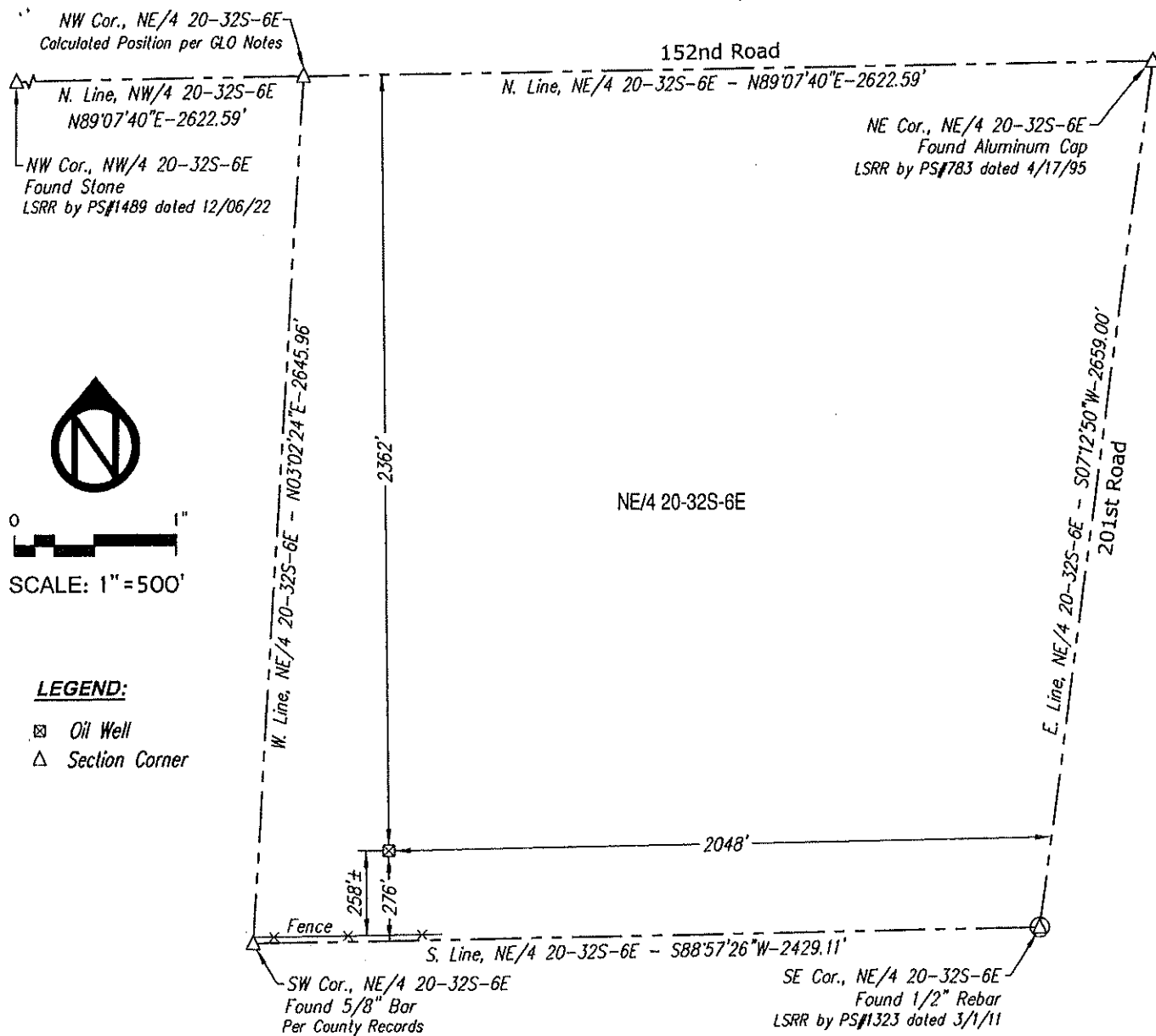
DATE: 12/03/2024

DRAWN BY: RAK

SHEET: 1 OF 1

PROJECT # 44-190





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#### NOTES:

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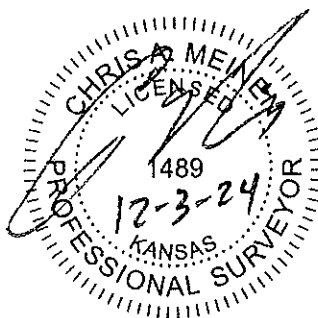
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18157 191st Road  
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110 W BRYANT RD, ARKANSAS CITY, KS 67005  
620-442-4756 / INFO@SMITHANDOAKES.COM

DATE: 12/03/2024 DRAWN BY: RMK SHEET: 1 OF 1 PROJECT # 44-190

Ex D-2

Instead of 80 acres it is 70.16

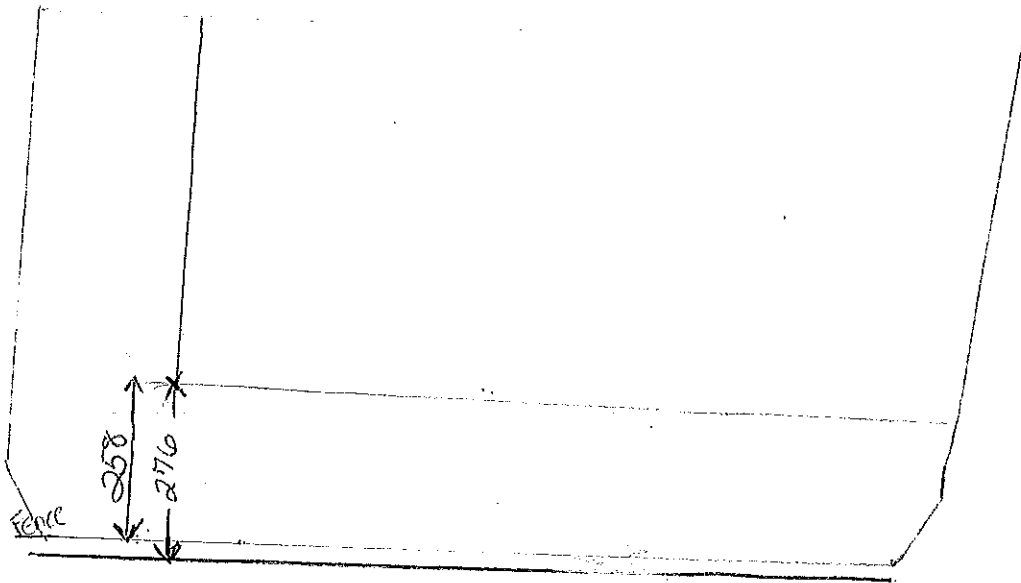
Location: Surveyed by:

1. Advantage Elevations (330) (Not Certified)
2. Smith & Oakes: (Certified) Well bore from property line 276' instead of 330' 54' short. They all did sections

The real property line was 72' short. 258' instead of 330'

Appraiser's office, Winfield Ks Court House-Proof

Smith & Oaks Surveyed same way as Advantage Elevations:



I talked to them about the real boundary they just blew up. They said they surveyed by sections (So there you go), border lines are different.