

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

In the matter of whether the license of Thor) Docket No. 24-CONS-3001-CSHO
Operating, LLC (Operator) should be revoked.)
) CONSERVATION DIVISION
)
) License No. 36020
_____)

In the matter of the failure of Quito, Inc.) Docket No. 24-CONS-3072-CPEN
(Operator) to comply with K.A.R. 82-3-120.)
) CONSERVATION DIVISION
)
) License No. 33594
_____)

In the matter of the failure of Quito, Inc. and/or) Docket No. 24-CONS-3086-CMSC
Thor Operating, LLC to comply with K.A.R. 82-)
3-120 and K.A.R. 82-3-133.) CONSERVATION DIVISION
)
) License No. 33594 & 36020
_____)

PRE-FILED TESTIMONY OF

NANCY BORST

ON BEHALF OF COMMISSION STAFF

MAY 17, 2024

1 **Q. What is your name and business address?**

2 A. Nancy D. Borst, 266 N. Main St., Suite 220, Wichita, KS 67202

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

4 A. I am employed by the Conservation Division of the Kansas Corporation Commission as an
5 Administrative Specialist in the Licensing and Legal departments.

6 **Q. Would you please briefly describe your background and work experience?**

7 A. I worked as the Communications Coordinator and Public Information Officer for Kingman
8 County from 2013 to 2017. Prior to that I was the managing editor of the Kingman Leader-
9 Courier newspaper. I have worked in various roles in journalism for the past forty-five years
10 and continue to own a freelance journalism business. I have a Bachelor of Science degree
11 from the University of Kansas. I have worked for the Kansas Corporation Commission since
12 February 2018 as an Administrative Specialist. My primary duties include processing and
13 reviewing license applications, processing open records requests, and processing legal filings.

14 **Q. Have you previously testified before this Commission?**

15 A. Yes.

16 **Q. What is the purpose of your testimony in this matter?**

17 A. The purpose of my testimony is to discuss the evidence that supports the penalty order issued
18 by the Commission in Docket 24-CONS-3072-CPEN (Docket 24-3072), and to discuss
19 Staff's position that the license of Thor Operating, LLC (Thor) should be revoked due to its
20 connection with Mr. Mark McCann of Quito, Inc. (Quito).

21 **Q. Why did the Commission issue a penalty order in Docket 24-3072?**

22 A. The Commission issued a penalty order in Docket 24-3072 due to Quito's failure to comply
23 with K.A.R. 82-3-120 by having unplugged wells on its expired license.

1 **Q. Would you please explain the requirements of K.A.R. 82-3-120?**

2 A. Yes. K.A.R. 82-3-120 provides that each operator in physical control of any oil, gas, injection,
3 or monitoring well or gas storage facility shall maintain a current license even if the well or
4 storage facility is shut-in or idle.

5 **Q. When did Quito's license expire?**

6 A. Operator's license expired on May 30, 2020.

7 **Q. Would you please provide a brief background of the facts related to Docket 24-3072?**

8 A. Yes. On September 2, 2021, the Commission issued an Order in Docket 22-CONS-3115-
9 CMSC (Docket 22-3115) denying Quito's application for license renewal. The license denial
10 was based upon Quito's failure to meet the requirements of K.S.A. 55-155(c)(4) and K.A.R.
11 82-3-120(g)(2). The denial was also based on Mr. McCann's substantial relationship with
12 MC C Oil Company, which had a suspended license for noncompliance with KCC Docket
13 16-CONS-361-CSHO.

14 **Q. When did the Commission issue a Final Order in that docket?**

15 A. The Commission issued a Final Order in Docket 22-3115 on February 9, 2023. The
16 Commission's Final Order affirmed its September 2, 2021, Order Denying Application for
17 License based on Quito's failure to demonstrate it was in compliance with all regulations
18 adopted under Chapter 55 of the Kansas Statutes Annotated.

19 **Q. Did Commission Staff send a Notice of Violation (NOV) letter to Operator regarding the
20 unplugged wells on Operator's expired license?**

21 A. Yes. On August 28, 2023, Commission Staff sent an NOV letter to Operator requiring
22 Operator to address the unplugged wells on its license by September 11, 2023. That letter was
23 attached to the Docket 24-3072 Penalty Order as Exhibit A.

1 **Q. Did you have any communications with Quito regarding the unplugged wells on its**
2 **expired license?**

3 A. No.

4 **Q. Are there still unplugged wells on Quito's expired license?**

5 A. Yes. Quito still has around 145 unplugged wells remaining on the license as of the date of this
6 testimony.

7 **Q. When did Thor receive an Operator's license?**

8 A. On February 15, 2023, Thor filed an application for an operator's license. Staff processed the
9 application on February 17, 2023, when Thor's operator's license was issued. However, it
10 later became apparent that a substantial relationship appeared to exist between Thor and
11 Quito. Thor applied for and received an operator's license after the Commission determined
12 Quito's license could not be renewed.

13 **Q. Do you believe this is a coincidence?**

14 A. No. It appears that there is a connection between Quito and Thor. Ms. Denise Klug goes into
15 more detail regarding this connection in her testimony.

16 **Q. Has Thor provided sufficient financial assurance to add wells to its license?**

17 A. It appears that Thor attempted to provide a Letter of Credit as its option of financial assurance
18 as required by K.S.A. 55-155(d). Staff received a Letter of Credit for Thor from Stride Bank
19 of Bartlesville, OK on May 8, 2023. However, the Letter of Credit provided was unacceptable
20 on its face because it did not include the required wording. There are specific instructions
21 operators must follow when submitting a letter of credit. These instructions and a sample letter
22 of credit are included with the KCC License Application. I have attached a copy of these
23 instructions to my testimony as *Exhibit NB-1*. Here, most of the letter of credit submitted by

1 Thor was a recitation of K.S.A. 55-155 and did not follow the specific instructions listed. It
2 also contained an expiration date of May 2, 2024. A Letter of Credit with an expiration date
3 automatically prevents Staff from approving it because it is required to be irrevocable. I also
4 have concerns as to whether Stride Bank can provide an acceptable Letter of Credit as an out
5 of state institution, but I have not taken a detailed look at that. I have attached a copy of the
6 submitted Letter of Credit to my testimony as *Exhibit NB-2*.

7 **Q. Can wells be transferred if the new operator has not provided appropriate financial**
8 **assurance?**

9 A. No.

10 **Q. Will you please explain the requirements of K.S.A. 55-155(c) and K.A.R. 82-3-120(g)(2)?**

11 A. Yes. K.S.A. 55-155(c)(3), (4) and K.A.R. 82-3-120(g)(2) provide that in order to obtain
12 approval of a license or license renewal, an applicant: (1) if registered with the Securities and
13 Exchange Commission, must demonstrate to the Commission's satisfaction that the applicant
14 complies with all requirements of Chapter 55 of the Kansas Statutes Annotated, and
15 amendments thereto, all rules and regulations adopted thereunder and all commission orders
16 and enforcement agreements; or (2) if not registered with the Securities and Exchange
17 Commission, must demonstrate to the Commission's satisfaction that the following
18 individuals comply with all requirements of Chapter 55 of the Kansas Statutes Annotated and
19 amendments thereto, all rules and regulations adopted thereunder, and all commission orders
20 and enforcement agreements: (1) the applicant; (2) any officer, director, partner, or member
21 of the applicant; (3) any stockholder owning in the aggregate more than 5% of the stock of the
22 applicant; and (4) any spouse, parent, brother, sister, child, parent-in-law, brother-in-law, or
23 sister-in-law of the foregoing.

1 **Q. Did you have any communications with Thor regarding its license application?**

2 A. No.

3 **Q. Please summarize your recommendations.**

4 A. I believe the facts in this matter support the penalty order assessed by the Commission in
5 Docket 24-3072. I would recommend that the penalty assessed against Operator by the
6 Commission be affirmed. Operator failed to address the unplugged wells on its expired license
7 by the deadline provided in the NOV, or by the deadline set forth in the Penalty Order in this
8 matter. Additionally, unplugged wells remain on Operator's expired license. Further, if the
9 Commission determines that a relationship exists between Quito and Thor, then I would
10 recommend that Thor's license be revoked.

11 **Q. Does this conclude your testimony?**

12 A. Yes.

KCC LICENSE APPLICATION

General Information & Instructions Packet for New Licenses

FINANCIAL ASSURANCE FOR KANSAS OIL & GAS OPERATORS

Under K.S.A. 55-155(d), Kansas oil and gas operators are required to provide financial assurance in order to obtain or renew a license.

COMMON OPTIONS FOR PROVIDING FINANCIAL ASSURANCE

1) **Obtain a Blanket Performance Bond or Letter of Credit (K.S.A. 55-155(d)(2)).**

Under this option, the operator must obtain a bond or letter of credit in an amount determined by the number and depth of wells on the license as follows:

Wells less than 2,000 feet in depth		Wells 2,000 feet or more in depth	
1-5 wells	\$7,500	1-5 wells	\$15,000
6-25 wells	\$15,000	6-25 wells	\$30,000
Over 25 wells	\$30,000	Over 25 wells	\$45,000

An operator with wells in each category must provide financial assurance totaling the amount needed for each category.

2) **Pay a Non-Refundable Annual Fee Equal to 6% of the Amount of the Bond/Letter of Credit Under Option 1 Above. (K.S.A. 55-155(d)(4)).**

Under this option, the monetary amounts are as follows:

Bond/Letter of Credit of	\$7,500	=	Non-Refundable Fee of	\$450
Bond/Letter of Credit of	\$15,000	=	Non-Refundable Fee of	\$900
Bond/Letter of Credit of	\$22,500	=	Non-Refundable Fee of	\$1,350
Bond/Letter of Credit of	\$30,000	=	Non-Refundable Fee of	\$1,800
Bond/Letter of Credit of	\$37,500	=	Non-Refundable Fee of	\$2,250
Bond/Letter of Credit of	\$45,000	=	Non-Refundable Fee of	\$2,700
Bond/Letter of Credit of	\$52,500	=	Non-Refundable Fee of	\$3,150
Bond/Letter of Credit of	\$60,000	=	Non-Refundable Fee of	\$3,600
Bond/Letter of Credit of	\$75,000	=	Non-Refundable Fee of	\$4,500

3) **Provide a Bond or Letter of Credit in an Amount Equal to \$0.75 Times the Total Aggregate Depth of All Wells on the License (K.S.A. 55-155(d)(1)).**

FINANCIAL ASSURANCE – ADDITIONAL CONSIDERATIONS

- Once a method of financial assurance is selected, that method must remain in place until the next license renewal.
- Operators with no wells are not required to pay financial assurance.
- If at any time during the year the number or depth of wells increases such that the amount of financial assurance on the license is inadequate, the operator must immediately provide the required additional financial assurance.
- Operators with an acceptable record of compliance (fewer than 5 violations, less than \$3,000 in fines) demonstrated during the preceding 36 months may pay a non-refundable fee of \$100 in lieu of other financial assurance.

KCC LICENSE APPLICATION

General Information & Instructions Packet for New Licenses

INSTRUCTIONS FOR LETTERS OF CREDIT

Standard Letter: The attached sample Letter of Credit must be followed. Pre-printed letters of credit containing most of the terms shown here are satisfactory if the remaining terms are included under a special provision section. The Letter of Credit must be an irrevocable Letter of Credit, payable only upon the Commission's drafts.

Kansas Banks: Letters of Credit will only be accepted from banks or banking institutions authorized to do business in Kansas.

Signature Requirements:

The following must accompany the Letter of Credit.

- A Corporate Secretary's Certificate, bearing the bank's seal, as to the bank's Board of Directors' resolution establishing authorization of officer positions to execute Letters of Credit.
- Incumbency Certificates, as needed.

Amount of Letter of Credit:

Please see "Financial Assurance for Kansas Oil & Gas Operators," which appears on the preceding page of this information and instruction packet.

INSTRUCTIONS FOR PERFORMANCE BONDING

- To obtain a performance bond, contact your insurance agent or surety company.
- The performance bond must be written by a surety company authorized to write performance bonds in the state of Kansas.
- The performance bond is to be filed with the Kansas Corporation Commission, Conservation Division, 266 N. Main St., Suite 220, Wichita, Kansas 67202-1513, phone (316) 337-6200.
- A sample performance bond is attached.

Penal Sum of Performance Bond:

Please see "Financial Assurance for Kansas Oil & Gas Operators," which appears on the preceding page of this information and instruction packet.

KCC LICENSE APPLICATION

General Information & Instructions Packet for New Licenses

– SAMPLE –

(Issuing Bank's Letterhead)

(Date)

IRREVOCABLE LETTER OF CREDIT

LETTER OF CREDIT NO. *(reference number)*

Kansas Corporation Commission
Conservation Division
266 N Main St, Ste 220
Wichita, KS 67202-1513

We hereby establish, effective immediately, by order and for the account of *(name and address of operator)*, our irrevocable Letter of Credit No. *(reference number)* up to aggregate amount of U.S. \$ *(numeric and written total amount of the credit)* in favor of Kansas Corporation Commission, Conservation Division and available by your drafts drawn on us at sight.

We hereby engage with you that drafts drawn and presented by you in accordance with the terms of this Credit will be duly honored by us if presented to us at our Letter of Credit Section at *(address)* by *(expiration date)*; *(expiration date must be at least 120 days from the last day of the month the operator's license or renewal is issued)* or prior to any subsequent expiration as provided herein.

Except as otherwise provided herein, drafts drawn hereunder must be marked "Drawn Under" *(name of bank)* Letter of Credit No. *(reference number)* dated *(effective date)* and accompanied by a copy of a Kansas Corporation Commission Order requiring *(name of operator)* to plug a well(s) within the state of Kansas and a statement from the Director or Litigation Counsel of the Commission that the well(s) have not been plugged as required by the Commission Order.

The original Letter of Credit and all amendments, if any, must be presented at the time of any drawings hereunder for our endorsement.

It is a condition of this Letter of Credit that it shall be automatically extended for additional terms of one (1) year from the present or each future expiration date, unless we give you and *(name of operator)* at least one-hundred twenty (120) days before said expiration date written notice by certified mail, return receipt requested, or hand delivery, that we elect to terminate this Credit at the end of its then current term.

(NOTE: Letter of Credit must be accompanied by a Certificate of Authority or Board of Directors' minutes certifying that the signatory is authorized by the Board of Directors to execute Letters of Credit on behalf of the bank.)

(Typed Name and Title)

(Signature)

IRREVOCABLE LETTER OF CREDIT

Borrower: THOR OPERATING, LLC
207 W 4TH AVE
CANEY, KS 67333-1461

Lender: Stride Bank, N.A.
Bartlesville Office
1415 SE Washington Blvd.
Bartlesville, OK 74006

Received
KANSAS CORPORATION COMMISSION

MAY 08 2023

CONSERVATION DIVISION
WICHITA, KS

Beneficiary: KANSAS CORPORATION COMMISSION, OIL AND GAS DIVISION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027

NO.: 3309694

EXPIRATION DATE. This letter of credit shall expire upon the earlier of the close of business on 05-02-2024 and all drafts and accompanying statements or documents must be presented to Lender on or before that time, or the day that Lender honors a draw under which the full amount of this Letter of Credit has been drawn (the "Expiration Date").

AMOUNT OF CREDIT. Lender hereby establishes at the request and for the account of Borrower, an Irrevocable Letter of Credit in favor of Beneficiary for a sum of Thirty Thousand & 00/100 Dollars (\$30,000.00) (the "Letter of Credit"). These funds shall be made available to Beneficiary upon Lender's receipt from Beneficiary of sight drafts drawn on Lender at Lender's address indicated above (or other such address that Lender may provide Beneficiary in writing) during regular business hours and accompanied by the signed written statements or documents indicated below.

WARNING TO BENEFICIARY: PLEASE EXAMINE THIS LETTER OF CREDIT AT ONCE. IF YOU FEEL UNABLE TO MEET ANY OF ITS REQUIREMENTS, EITHER SINGLY OR TOGETHER, YOU SHOULD CONTACT BORROWER IMMEDIATELY TO SEE IF THE LETTER OF CREDIT CAN BE AMENDED. OTHERWISE, YOU WILL RISK LOSING PAYMENT UNDER THIS LETTER OF CREDIT FOR FAILURE TO COMPLY STRICTLY WITH ITS TERMS AS WRITTEN.

DRAFT TERMS AND CONDITIONS. Lender shall honor drafts submitted by Beneficiary under the following terms and conditions: Beneficiary shall have the right to collect on this Letter of Credit for penalties imposed due to Borrower's default of the requirements of K.S.A. § 55-155 as recited below after all other collection efforts have been exhausted.

Licensure of operators and contractors; requirements; fees; transfers of operator responsibility; notification of surface owner.

- (a) Operators and contractors shall be licensed by the commission pursuant to this section.
- (b) Every operator and contractor shall file an application or a renewal application with the commission. Application and renewal application forms shall be prescribed, prepared and furnished by the commission.
- (c) No application or renewal application shall be approved until the applicant has:
 - (1) Provided sufficient information, as required by the commission, for purposes of identification;
 - (2) submitted evidence that all current and prior years' taxes for property associated with the drilling or servicing of wells have been paid;
 - (3) demonstrated to the commission's satisfaction that the applicant complies with all requirements of chapter 55 of the Kansas Statutes Annotated, and amendments thereto, all rules and regulations adopted thereunder and all commission orders and enforcement agreements, if the applicant is registered with the federal securities and exchange commission;
 - (4) demonstrated to the commission's satisfaction that the following comply with all requirements of chapter 55 of the Kansas Statutes Annotated, and amendments thereto, all rules and regulations adopted thereunder and all commission orders and enforcement agreements, if the applicant is not registered with the federal securities and exchange commission: (A) The applicant; (B) any officer, director, partner or member of the applicant; (C) any stockholder owning in the aggregate more than 5% of the stock of the applicant; and (D) any spouse, parent, brother, sister, child, parent-in-law, brother-in-law or sister-in-law of the foregoing;
 - (5) paid an annual license fee of \$100, except that an applicant for a license who is operating one or more gas wells used strictly for personal use on the property where such gas wells are located shall pay an annual license fee of \$25;
 - (6) complied with subsection (d); and
 - (7) paid an annual license fee of \$25 for each rig operated by the applicant. The commission shall issue an identification tag for each such rig which shall be displayed on such rig at all times.
- (d) In order to assure financial responsibility, each operator shall annually demonstrate compliance with one of the following provisions:
 - (1) The operator has obtained an individual performance bond or letter of credit, in an amount equal to \$.75 times the total aggregate depth of all wells, including active, inactive, injection or disposal, of the operator.
 - (2) The operator has obtained a blanket performance bond or letter of credit in an amount equal to the following, according to the number of wells, including active, inactive, injection or disposal, of the operator:
 - (A) Wells less than 2,000 feet in depth: 1 through 5 wells, \$7,500; 6 through 25 wells, \$15,000; and over 25 wells, \$30,000.
 - (B) Wells 2,000 or more feet in depth: 1 through 5 wells, \$15,000; 6 through 25 wells, \$30,000; and over 25 wells, \$45,000.
 - (3) The operator: (A) Has an acceptable record of compliance, as demonstrated during the preceding 36 months, with commission rules and regulations regarding safety and pollution or with commission orders issued pursuant to such rules and regulations; (B) has no outstanding undisputed orders issued by the commission or unpaid fines, penalties or costs assessed by the commission and has no officer or director that has been or is associated substantially with another operator that has any such outstanding orders or unpaid fines, penalties or costs; and (C) pays a nonrefundable fee of \$100 per year.
 - (4) The operator pays a nonrefundable fee equal to 6% of the amount of the bond or letter of credit that would be required by subsection (d)(2).
 - (5) The state has a first lien on tangible personal property associated with oil and gas production of the operator that has a salvage value equal to not less than the amount of the bond or letter of credit that would be required by subsection (d)(1) or (d)(2).
 - (6) The operator has provided other financial assurance approved by the commission.
- (e) Upon the approval of the application or renewal application, the commission shall issue to such applicant a license which shall be in full force and effect until one year from the date of issuance or until surrendered, suspended or revoked as provided in K.S.A. 55-162, and amendments thereto. No new license shall be issued to any applicant who has had a license revoked until the expiration of one year from the date of such revocation.
- (f) If an operator transfers responsibility for the operation of a well or gas gathering system or for underground porosity storage of natural gas to another person, such operator shall file a notice of transfer of operator with the commission in accordance with rules and regulations of the

EXHIBIT NB-2

**IRREVOCABLE LETTER OF CREDIT
(Continued)**

Loan No: 3309694

Page 2

commission. The commission shall, upon receipt of such notice, send a copy of such notice to the surface owner, as well as the contact information, including name, address, phone number, fax or email address, for a designated representative of the operator. The commission need not send such information if the operator verifies that the notice filed with the commission has been delivered to the surface owner. The commission need not send a copy of notice to the surface owner for transfers of responsibility for the operation of a gas gathering system or for underground porosity storage of natural gas to another person.

(g) The commission shall remit all moneys received from fees assessed pursuant to subsection (c)(7) to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury and credit 10% of each such deposit to the state general fund with the balance credited to the conservation fee fund created by K.S.A. 55-143, and amendments thereto.

(h) The commission shall remit all moneys received pursuant to subsections (d)(3) and (d)(4) to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the abandoned oil and gas well fund established pursuant to K.S.A. 55-192, and amendments thereto.

Upon Lender's honor of such drafts, Lender shall be fully discharged of Lender's obligations under this Letter of Credit and shall not be obligated to make any further payments under this Letter of Credit once the full amount of credit available under this Letter of Credit has been drawn.

Beneficiary shall have no recourse against Lender for any amount paid under this Letter of Credit once Lender has honored any draft or other document which complies strictly with this Letter of Credit, and which on its face appears otherwise in order but which is signed, issued, or presented by a party or under the name of a party purporting to act for Beneficiary, purporting to claim through Beneficiary, or posing as Beneficiary without Beneficiary's authorization. By paying an amount demanded in accordance with this Letter of Credit, Lender makes no representation as to the correctness of the amount demanded and Lender shall not be liable to Beneficiary, or any other person, for any amount paid or disbursed for any reason whatsoever, including, without limitation, any nonapplication or misapplication by Beneficiary of the proceeds of such payment. By presenting upon Lender or a confirming bank, Beneficiary certifies that Beneficiary has not and will not present upon the other, unless and until Beneficiary meets with dishonor. Beneficiary promises to return to Lender any funds received by Beneficiary in excess of the Letter of Credit's maximum drawing amount.

USE RESTRICTIONS. All drafts must be marked "DRAWN UNDER Stride Bank, N.A. IRREVOCABLE LETTER OF CREDIT NO. 3309694 DATED 05-02-2023," and the amount of each draft shall be marked on the draft. Only Beneficiary may complete a draft and accompanying statements or documents required by this Letter of Credit and make a draw under this Letter of Credit. This original Letter of Credit must accompany any draft drawn hereunder.

Partial draws are not permitted under this Letter of Credit.

PERMITTED TRANSFEREES. The right to draw under this Letter of Credit shall be nontransferable, except for:

- A. A transfer (in its entirety, but not in part) by direct operation of law to the administrator, executor, bankruptcy trustee, receiver, liquidator, successor, or other representative at law of the original Beneficiary; and
- B. The first immediate transfer (in its entirety, but not in part) by such legal representative to a third party after express approval of a governmental body (judicial, administrative, or executive).

TRANSFEREES REQUIRED DOCUMENTS. When the presenter is a permitted transferee (i) by operation of law or (ii) a third party receiving transfer from a legal representative, as described above, the documents required for a draw shall include a certified copy of the one or more documents which show the presenter's authority to claim through or to act with authority for the original Beneficiary.

COMPLIANCE BURDEN. Lender is not responsible for any impossibility or other difficulty in achieving strict compliance with the requirements of this Letter of Credit precisely as written. Beneficiary understands and acknowledges: (i) that unless and until the present wording of this Letter of Credit is amended with Lender's prior written consent, the burden of complying strictly with such wording remains solely upon Beneficiary, and (ii) that Lender is relying upon the lack of such amendment as constituting Beneficiary's initial and continued approval of such wording.

NON-SEVERABILITY. If any aspect of this Letter of Credit is ever declared unenforceable for any reason by any court or governmental body having jurisdiction, Lender's entire engagement under this Letter of Credit shall be deemed null and void ab initio, and both Lender and Beneficiary shall be restored to the position each would have occupied with all rights available as though this Letter of Credit had never occurred. This non-severability provision shall override all other provisions in this Letter of Credit, no matter where such provision appears within this Letter of Credit.

GOVERNING LAW. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions, and except to the extent such laws are inconsistent with the 2007 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, ICC Publication No. 600. This Agreement has been accepted by Lender in the State of Oklahoma.

EXPIRATION. Lender hereby agrees with Beneficiary that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to Lender on or before the Expiration Date unless otherwise provided for above.

Dated: May 2, 2023

LENDER:

STRIDE BANK, N.A.

By: 
Charles Allcott, Market President

Received
KANSAS CORPORATION COMMISSION

MAY 08 2023

CONSERVATION DIVISION
WICHITA, KS

CERTIFICATE OF SERVICE

24-CONS-3001-CSHO, 24-CONS-3072-CPEN, 24-CONS-3086-CMSC

I, the undersigned, certify that a true and correct copy of the attached Prefiled Testimony of Nancy Borst has been served to the following by means of electronic service on May 17, 2024.

NANCY BORST
KANSAS CORPORATION COMMISSION
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266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
n.borst@kcc.ks.gov

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/s/ Nancy D. Borst
Nancy D. Borst
