

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF RKI EXPLORATION AND PRODUCTION, LLC TO RE-OPEN CASE NO. 15414 TO POOL THE INTERESTS OF RECORD TITLE OWNERS UNDER THE TERMS OF COMPULSORY POOLING ORDER R-14104, EDDY COUNTY, NEW MEXICO. CASE NO. 15414

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 14, 2017

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER
GABRIEL WADE, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner, and Gabriel Wade, Legal Examiner, on Thursday, September 14, 2017, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR
New Mexico CCR #20
Paul Baca Professional Court Reporters
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APPEARANCES

FOR APPLICANT RKI EXPLORATION AND PRODUCTION, LLC:

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1 (9:03 a.m.)

2 EXAMINER McMILLAN: Okay. The next case I
3 would like to call is Case Number 15414, application of
4 RKI Exploration & Production, LLC to re-open Case Number
5 15414 to pool the interests of record title owners under
6 the terms of Order R-14104, Eddy County, New Mexico.

7 Call for appearances.

8 MS. KESSLER: Jordan Kessler, from the
9 Santa Fe office of Holland & Hart, representing the
10 Applicant.

11 EXAMINER McMILLAN: Any other appearances?
12 Please proceed.

13 MS. KESSLER: No witnesses today,
14 Mr. Examiners. This will be presented by affidavit.
15 And I'll just walk through the affidavit, if that's
16 okay.

17 EXAMINER McMILLAN: (Indicating.)

18 MS. KESSLER: If we look at Exhibit 1, this
19 is an affidavit from Mr. Aaron Young. And what RKI is
20 requesting in this case is to pool two uncommitted
21 record title interest owners who are either unlocatable
22 or who have not filed the appropriate paperwork with the
23 BLM, so they do not have authority to sign the
24 communitization agreement.

25 So this case was previously heard before

1 the Division. An order resulted, and that's Order
2 R-14104, which is attached as Exhibit A. RKI had
3 thought that they were going to be able to obtain the
4 signatures of the record title interest owners, but for
5 the various reasons that I've explained, they have not
6 been able to.

7 So what RKI is requesting is that the
8 owners on Exhibit B -- this would be the Estate of Joe
9 R. Henderson and Estate of H.B. Wigzell, and this has
10 since been transferred to the Wigzell 2009 Trust -- that
11 those record title interest owners be compulsory pooled.

12 As set forth in Exhibit 1, RKI has sent
13 communitization agreements to both of the known
14 addresses for those interest owners. RKI has tracked
15 down the Wigzell Trust, who is the entity that has taken
16 over the Wigzell Estate. They have been discussing
17 information with them, but Wigzell has not filed the
18 appropriate paperwork with the BLM to sign those
19 communitization agreements.

20 The Estate of Joe R. Henderson has not been
21 probated in New Mexico, and there are no heirs in Eddy
22 County that RKI has been able to identify. RKI has
23 conducted a diligent search of the county records, of
24 computer searches and telephone searches and has not
25 found anything. Notice of the application has been

1 provided to the known addresses, both of those entities,
2 both of those interests.

3 A notice of the hearing, which is included
4 as Exhibit C, is a copy of the letters that were sent to
5 both of those interests by RKI with the communitization
6 agreement.

7 Exhibit D is the affidavit from my office
8 with letters providing the notice of this hearing.

9 And then, finally, Exhibit E is the Notice
10 of Publication directed, in particular, to Joe R.
11 Henderson and his heirs and devisees.

12 EXAMINER WADE: And it's all the Eddy
13 County, the wells --

14 MS. KESSLER: Eddy County.

15 So, Mr. Examiners, unless you have any
16 questions for me, I would ask this case be taken under
17 advisement and that Exhibit 1, including Exhibits A
18 through E, be submitted as part of the record.

19 EXAMINER McMILLAN: Exhibit 1, A through E,
20 shall be accepted as part of the record, and this case
21 shall be taken under advisement.

22 MS. KESSLER: Thank you.

23 (RKI Exploration and Production, LLC

24 Exhibit Number 1, A through E, is offered
25 and admitted into evidence.)

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(Case Number 15414 concludes, 9:07 a.m.)

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court
6 Reporter, New Mexico Certified Court Reporter No. 20,
7 and Registered Professional Reporter, do hereby certify
8 that I reported the foregoing proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings that
11 were reduced to printed form by me to the best of my
12 ability.

13 I FURTHER CERTIFY that the Reporter's
14 Record of the proceedings truly and accurately reflects
15 the exhibits, if any, offered by the respective parties.

16 I FURTHER CERTIFY that I am neither
17 employed by nor related to any of the parties or
18 attorneys in this case and that I have no interest in
19 the final disposition of this case.

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MARY C. HANKINS, CCR, RPR
Certified Court Reporter
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2017
Paul Baca Professional Court Reporters