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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 CASE NO. 15414 PRODUCTION, LLC TO RE-OPEN CASE NO. (Re-opened) 15414 TO POOL THE INTERESTS OF RECORD TITLE OWNERS UNDER THE TERMS OF COMPULSORY POOLING ORDER R-14104, EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 10th, 2019

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER KATHLEEN MURPHY, TECHNICAL EXAMINER LEONARD LOWE, TECHNICAL EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner; Kathleen Murphy and Leonard Lowe, Technical Examiners; and David K. Brooks, Legal Examiner, on Thursday, January 10th, 2019, 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 500 4th Street, Northwest, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 1 APPEARANCES 2 FOR APPLICANT RKI EXPLORATION AND PRODUCTION, LLC: 3 JULIA BROGGI, ESQ. HOLLAND & HART, LLP 110 North Guadalupe, Suite 1 4 Santa Fe, New Mexico 87501 5 (505) 988-4421 jbroggi@hollandhart.com 6 7 8 INDEX 9 PAGE Case Number 15414 Called 3 10 11 Case Presented by Affidavit 3 5 Proceedings Conclude 12 13 Certificate of Court Reporter б 14 15 16 EXHIBITS OFFERED AND ADMITTED 17 RKI Exploration and Production, LLC Exhibit Number 1 5 18 19 20 21 22 23 24 25

Page 3 1 (2:44 p.m.) 2 EXAMINER JONES: Call Case 15414, 3 application of RKI Exploration and Production, LLC to re-open Case Number 15414 to pool record title owners 4 5 under the terms of Compulsory Pooling Order R-14104, Eddy County, New Mexico. 6 7 Call for appearances. 8 MS. BROGGI: Julia Broggi, with Holland & 9 Hart, on behalf of the Applicant, RKI Exploration and 10 production, LLC. 11 This is just -- I'm presenting this by 12 affidavit. It's just an affidavit from the landman. Essentially, we've identified two additional record 13 title owners that we are asking to be pooled under the 14 terms of that initial order. That's Division Order 15 R-14104, and it's attached -- it's Attachment A to our 16 17 affidavit. 18 EXAMINER BROOKS: These persons own no working interest, right? You said record title. 19 20 MS. BROGGI: No working interest, yes. 21 EXAMINER BROOKS: Okay. 22 MS. BROGGI: And it's the two parties identified on Attachment C to the affidavit of the 23 24 landman. 25 And the only thing that may be a little

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Page 4 confusing to just straighten out that I think I raised 1 in a prior hearing is that you'll see it says "WPX 2 Energy" on the front. And RKI is in the process of 3 changing its name to WPX Energy Permian, but it hasn't 4 5 completed that process yet. б EXAMINER JONES: Thank you for saying that. 7 Okay. Were these locatable parties? 8 Obviously not, I guess. MS. BROGGI: 9 They are locatable. And they've been in touch with them, and they just couldn't 10 11 reach agreement on it, so that's why we're asking them 12 to be pooled. 13 EXAMINER JONES: Okay. MS. BROGGI: And then Exhibit D --14 Attachment D is an affidavit from myself regarding the 15 16 notice issues. So you'll see that a letter went out with the application to re-open to those two record 17 title holders. 18 19 And Exhibit E is the Affidavit of 20 Publication just done out of an abundance of caution. And if there are no questions, we would 21 22 just ask that Case Number 15414 be re-opened and taken under advisement. 23 24 EXAMINER JONES: Okay. Exhibits in Case 25 15414 are admitted.

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1		(RKI Exploration and Production, LLC
2		Exhibit Number 1 is offered and admitted
3		into evidence.)
4		EXAMINER JONES: Case 15414 is taken under
5	advisement.	
6		And a ten-minute break.
7		(Case Number 15414 concludes, 2:47 p.m.)
8		(Recess, 2:47 p.m. to 3:07 p.m.)
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Page 6 1 STATE OF NEW MEXICO 2 COUNTY OF BERNALILLO 3 CERTIFICATE OF COURT REPORTER 4 5 I, MARY C. HANKINS, Certified Court Reporter, New Mexico Certified Court Reporter No. 20, 6 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 a true and correct transcript of those proceedings that 10 were reduced to printed form by me to the best of my 11 12 ability. 13 I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects 14 the exhibits, if any, offered by the respective parties. 15 16 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or 17 18 attorneys in this case and that I have no interest in 19 the final disposition of this case. 20 DATED THIS 31st day of January 2019. 21 22 MARY C. HANKINS, CCR, RPR 23 Certified Court Reporter New Mexico CCR No. 20 Date of CCR Expiration: 12/31/2019 24 Paul Baca Professional Court Reporters 25