

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

**APPLICATIONS OF GOODNIGHT MIDSTREAM
PERMIAN, LLC FOR APPROVAL OF SALTWATER
DISPOSAL WELLS LEA COUNTY, NEW MEXICO.**

CASE NOS. 23614-23617

**APPLICATION OF GOODNIGHT MIDSTREAM
PERMIAN LLC TO AMEND ORDER NO. R-
22026/SWD-2403 TO INCREASE THE APPROVED
INJECTION RATE IN ITS ANDRE DAWSON SWD #1,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23775

**APPLICATIONS OF EMPIRE NEW MEXICO LLC TO
REVOKE INJECTION AUTHORITY,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 24018-24020, 24025

**APPLICATION OF GOODNIGHT MIDSTREAM
PERMIAN, LLC FOR APPROVAL OF A SALTWATER
DISPOSAL WELL, LEA COUNTY, NEW MEXICO.**

**DIVISION CASE NO. 24123
ORDER NO. R-22869-A**

**GOODNIGHT'S EMERGENCY MOTION TO PARTIALLY STAY
COMMISSION ORDER NO. R-24004**

Goodnight Midstream Permian, LLC (“Goodnight” or “GNM”) by and through its undersigned attorneys, respectfully submits to the Division Director (the “Director”) and the Oil Conservation Commission (“Commission”) this Emergency Motion to Partially Stay (“Motion”)¹ Order No. R-24004 (“Order”) pursuant to 19.15.4.23(B) NMAC and NMSA 1978, Section 70-2-11. Specifically, Goodnight respectfully requests the Director grant an immediate partial stay as to the Order’s command for Goodnight to suspend its permits and injection in its four existing disposal wells in the Eunice Monument South Unit (“EMSU”) pending Commission action on the Motion. Goodnight further requests that the Commission partially stay the Order as to the provisions suspending its permits and injection pending

¹ Goodnight expressly reserves the right to supplement or amend this Motion as appropriate.

final resolution of Goodnight's forthcoming Application for Rehearing and any subsequent appeals. The Order's other provisions, in particular the requirement for Empire to conduct a ROZ pilot project and return to the Commission within three years to present further data on the recoverability of the purported ROZ, should remain in effect.

The Order states that the Commission is temporarily suspending Goodnight's four injection permits within the EMSU, but delegates implementation of the suspension to the Oil Conservation Division. At the September 12, 2025 Special Hearing approving the Order, Goodnight's counsel, to confirm the Order's compliance timeframes, asked the Commission for guidance on whether the Order provides a "firm deadline" for when suspension of injection operations takes effect and was told only that the Order delegates implementation to the Division.² Following issuance of the Order, and in response to Goodnight's request for a meeting with the Division and Empire to discuss implementation of the Order and suspension of its permits, Empire informed the parties that it intended to file a motion for contempt of the Order for Goodnight's failure to immediately cease injection.³ Goodnight strongly disagrees that the Order mandates immediate suspension of injection and its permits. However, in light of Empire's position and to prevent immediate and irreparable harm to Goodnight, other affected parties, and the State of New Mexico, Goodnight respectfully requests the Director grant an immediate partial stay as to the Order's command for Goodnight to suspend injection in its four existing disposal wells in the EMSU pending Commission action on the Motion.

Failure to grant an immediate stay of the Order's suspension of Goodnight's permits and disposal operations at its EMSU injection wells will result in serious and irreparable harm to Goodnight, other affected parties, and the State of New Mexico. Specifically, if that aspect of the Order is not immediately stayed it will: (1) cause significant and substantial waste; (2) directly violate correlative rights; (3) impose

² <https://www.youtube.com/watch?v=Zc0BhNb67B4>.

³ A true and correct copy of the correspondence between Goodnight, the Division, and Empire is attached hereto as **Exhibit B**.

severe and unnecessary economic burdens on owners; (4) violate the New Mexico Constitution's designation that underground sources of "water" belong to the public; (5) violate the New Mexico Constitution's and United States Constitution's protections against the taking of property without just compensation; and (6) undermine the directives and environmental goals set forth in both the New Mexico Oil and Gas Act as well as the New Mexico Administrative Code, calling into question the stability and reliability of the Division's regulatory framework governing produced water disposal.

Pursuant to Section 70-2-11, the Division, "is empowered to make and enforce rules, regulations and orders, and to do whatever may be reasonably necessary to carry out the purpose of this act, whether or not indicated or specified in any section hereof." NMSA 1978, § 70-2-11 (emphasis added). Therefore, given the gravity of these adverse consequences—and the complex legal and technical issues at stake—Goodnight respectfully urges the Director, as the executive of the Division, to partially stay the Order commanding suspension of disposal before the Commission acts on this Motion. Further, the Commission should ultimately affirm a partial stay of the Order as to the provisions suspending Goodnight's permits and injection pending final resolution of Goodnight's Application for Rehearing⁴ and any subsequent appeals; however, the Order's other provisions, specifically the requirement for Empire to conduct a pilot project to develop a ROZ and report back to the Commission within three years, should remain in effect.

Rice Operating Company and Permian Line Service, LLC support the Motion. Counsel for Pilot Water Solutions SWD, LLC was unable to provide a position before the Motion was filed. Given the nature of the relief requested, Empire is presumed to oppose the Motion.

In support of its Motion, Goodnight states the following:

BACKGROUND

On August 14, 2025, the Commission previewed through an oral pronouncement a summary of its ruling in the above-captioned cases, stating that a written order would follow. The Commission approved

⁴ The deadline for Goodnight to file an Application for Rehearing pursuant to 19.15.4.23(A) NMAC is October 2, 2025. Goodnight will file an Application for Rehearing within the prescribed deadline.

and issued the written Order on September 12, 2025. Order No. R-24004. The Order provides that it suspends Goodnight's existing injection operations authorized in Case Nos. 24018, 24019, 24020, and 24025 for three years to provide Empire the opportunity to conduct a pilot project to determine whether the alleged ROZ in the EMSU is recoverable, but delegates implementation of the Order and suspension of Goodnight's permits and injection to the Division. Goodnight intends to file an Application for Rehearing pursuant to 19.15.4.25 NMAC within 20 days of the Order.

APPLICABLE LAW

When seeking to stay an administrative order during the pendency of an administrative appeal, the party seeking relief must first seek a stay from the issuing agency. *Tenneco Oil Co. v. N.M. Water Quality Control Comm'n.*, 1986-NMCA-033, ¶ 8. A party must seek a stay "from the Commission in the first instance before requesting one from [a court]." *City of Las Cruces v. N.M. Pub. Regulation Comm'n.*, 2020-NMSC-016, ¶ 22, 476 P.3d 880.

Under 19.15.4.23(B) NMAC, "the director may grant a stay pursuant to a motion for stay or upon the director's own initiative, after according parties who have appeared in the case notice and an opportunity to respond, if the stay is necessary to prevent waste, protect correlative rights, protect public health or the environment or prevent gross negative consequences to an affected party." 19.15.4.23(B) NMAC. Four conditions guide the Director in determining whether to exercise discretion to grant a stay: "(1) a likelihood that applicant will prevail on the merits of the appeal; (2) a showing of irreparable harm to applicant unless the stay is granted; (3) evidence that no substantial harm will result to other interested persons; and (4) a showing that no harm will ensue to the public interest." *Tenneco Oil Co.*, 1986-NMCA-033, ¶ 10. Goodnight meets each of the elements necessary to grant a stay under the *Tenneco* test and 19.15.4.23(B) NMAC. In addition, pursuant to Section 70-2-11, the Division "is empowered to make and enforce rules, regulations and orders, and to do whatever may be reasonably necessary to carry out the purpose of this act, whether or not indicated or specified in any section hereof." § 70-2-11. For the reasons stated below, the Director should issue an immediate partial stay and the Commission should enter a

further stay pending final resolution of Goodnight's Application for Rehearing and any subsequent appeals.

ARGUMENT

A. Goodnight is Likely to Prevail in Its Application for Rehearing.

Goodnight is likely to prevail on its Application for Rehearing because the Commission lacks jurisdiction to issue the Order. Goodnight is also likely to prevail because the Commission's Order applies an incorrect legal standard—erroneously adopted at Empire's urging—that improperly shifted the burden of proof from Empire to Goodnight and creates at least two Constitutional conflicts. Each provides an independent reason why Goodnight is likely to prevail in its Application for Rehearing.

1. The Commission Lacks Jurisdiction to Issue the Order.

The Commission lacks jurisdiction to order Goodnight to suspend its disposal operations without finding that such action is necessary to prevent waste or protect correlative rights. “[A]n order which failed to include a finding of the jurisdictional fact upon which its issuance is conditioned by the legislature” is fatally flawed. See *Cont'l Oil Co. v. Oil Conservation Comm'n*, 1962-NMSC-062, ¶ 16, 373 P.2d 809 (citing *Hunter v. Hussey*, 90 So.2d 429, 441 (La. App. 1956)). The Commission's authority is conveyed through statute and is equally bound by the contents of those same statutes. NMSA 1978, § 70-2-11; see *Cont'l Oil Co.*, 1962-NMSC-062, ¶ 11. In addition, “[t]he Commission cannot grant equitable remedies[.]” *AA Oilfield Serv. v. N.M. State Corp. Comm'n*, 1994-NMSC-085, ¶ 18, 881 P.2d 18. The Commission's legislative purpose is to prevent waste and protect correlative rights, but before that purpose can be fulfilled, there must be a showing of recoverability. NMSA 1978, § 70-2-3 (defining waste in relation to “the total quantity of crude petroleum oil or natural gas ultimately recovered.”). The Order is fatally flawed because it seeks to enjoin Goodnight's duly authorized injection without a requisite finding that doing so is necessary to prevent the waste of recoverable hydrocarbons.⁵ According to the Commission, Empire

⁵ This jurisdictional fact distinguishes Order No. R-24004 from the holding in *Grace v. Oil Conservation Comm'n of N.M.*, 1975-NMSC-001, ¶ 11, 531 P.2d 939 and *Cont'l Oil Co. v. Oil*

failed to prove that the hydrocarbons within the alleged ROZ are recoverable. Order at III(D). This finding alone is sufficient to render the Order void. *Cont'l Oil Co.*, 1962-NMSC-062, ¶ 16. The Order instead purports to protect against the “possibility” of future waste or impairment where there has not yet been a showing that the purported reserves to be protected are even recoverable, economic, or that injection from Goodnight’s disposal has or will impair recovery in either the Grayburg or San Andres. Order at III(C). The Commission found only that there was a “potential for FUTURE impairment or waste in the EMSU” but, as discussed below, that finding is premised on an invalid standard and improperly shifted the burden of proof to Goodnight. Order at III(B) (emphasis retained).

These compounded potentialities—contingent, first, on proof of recoverability and, second, on potential future impairment of the Grayburg and San Andres from Goodnight’s injection, which is itself contingent on proof of future loss of confinement of injection fluids from the disposal zone—make the Commission’s Order to suspend Goodnight’s permits and injection an ultra vires act, outside the Commission’s statutory jurisdiction to prevent waste and protect correlative rights and contrary to Commission’s governing authorities. At a minimum, this aspect of the Order is arbitrary and capricious and not in accordance with the law because the findings necessary to suspend and shut in Goodnight’s injection are completely lacking. See NMSA 1978, § 39-3-1.1.

2. The Order Applies the Wrong Test to Suspend Injection and Improperly Shifts the Burden of Proof.

Despite finding that Empire failed to meet its burden of proof regarding waste and impairment of correlative rights, the Commission concluded that Goodnight failed to refute the possibility of future waste or impairment by not proving the existence of a “continuous barrier” between the Grayburg and the San Andres. Order at III(B). The Commission’s analysis relies on the wrong test to suspend injection—erroneously adopting a standard urged upon it by Empire—and improperly shifts the burden of proof from

Conservation Comm’n, 1962-NMSC-062, ¶ 11, 373 P.2d 809 where there was no dispute as to the recoverability of the oil or gas at issue or the Commission’s jurisdictional authority to enter an order.

Empire to Goodnight before Empire met its initial burden to prove that Goodnight's injection fluids were are not being confined within the disposal interval. Empire FOF, ¶¶ 75, 81, 85(q), (r), L (3), (4); Order at III(B) ¶ 53.

It is well settled that agencies are bound by their own regulations. *Saenz v. N.M. Dep't of Human Servs., Income Support Div.*, 1982-NMCA-159, ¶ 14, 653 P.2d 181. Under the regulations governing injection of fluids into reservoirs, a movant seeking to revoke or suspend an existing permit must evidence a "failure to confine liquids to the authorized injection zone." NMAC 19.15.26.10(E) (emphasis added); *see also* NMSA 1978, § 70-2-12(B)(4) (granting the Division power to make rules and orders "to prevent the drowning by water" and "premature and irregular encroachment of water or any other kind of water encroachment that reduces or tends to reduce the total ultimate recovery" of oil and gas from any pool). Neither the legislature nor the Commission's regulations impose a requirement that an operator like Goodnight prove the existence of a "continuous barrier" between formations at any point in a UIC Class II permit review process, either at the initial permitting stage or in response to a challenge of an existing permit.⁶ For injection operations, the regulations require only that injection wells be operated "in such a manner as will confine the injected fluids to the interval or intervals approved and prevent surface damage or pollution resulting from leaks, breaks or spills." 19.15.26.10(B) NMAC. As to suspension of injection, the regulations provide that the Commission "may" shut in injections wells only after such wells "have exhibited failure to confine injected fluids to the authorized injection zone or zones[.]" 19.15.26.10(E) NMAC (emphasis added). Even if Empire had affirmatively shown the lack of a continuous barrier, and it did not, that evidence alone would not satisfy the confinement test for suspending an injection permit because the confinement test requires a showing of actual intrusion of fluids. *See* 19.15.26.10(E) NMAC. Likewise, the Commission's finding that Goodnight failed to show the existence of a continuous barrier does not justify suspending Goodnight's existing injection operations because that is not the test the

⁶ A search of the Division and Commission's hearing orders returned no hearing orders that have adopted a "continuous barrier" standard for Class II UIC injection.

Commission is required to apply when evaluating whether to suspend injection. *See id*; Order at III(B) ¶ 53. Under the governing regulations, proof that there is no continuous barrier is neither necessary nor sufficient to suspend an injection permit. Nor is it a proper basis to deny new injection applications.

The Commission's conclusion that Goodnight failed to refute the possibility of future waste or impairment by not proving the existence of a "continuous barrier" between the Grayburg and the San Andres is erroneous for another reason—it improperly shifts the burden of proof from Empire to Goodnight. As the applicant seeking to shut in Goodnight's injection, it was Empire's burden to prove Goodnight's injection wells "exhibited failure to confine injected fluids" to the San Andres; it was not Goodnight's burden to prove the existence of a "continuous barrier" as the permittee seeking to continue its existing and duly authorized injection—especially where there was a previous hearing determination that injection would be contained, as there was for each of Goodnight's four injection permits. *See Duke City Lumber Co. v. N.M. Env't'l Improvement Bd.*, 1980-NMCA-160, ¶ 4, 622 P.2d 709 (explaining the common-law rule that a moving party bears the burden of proof); *see also* Goodnight's Closing Legal Memorandum at Section Four, filed 7/3/2025 (addressing burdens of proof and requirements to overturn an adjudicatory order of an administrative agency).

The Commission's findings explicitly state that thus far, Empire has not provided evidence proving that Goodnight's activities in the San Andres have harmed or impaired Empire's rights within the Grayburg. Order at III(C). Stated another way, Empire has failed to prove that: (1) Goodnight's injection wells have exhibited failure to confine injected fluids to the San Andres and (2) Goodnight's injection has drowned out or reduced the ultimate recovery from the Grayburg. This evidentiary shortcoming alone establishes that Goodnight's activities do not meet the standards for shutting in injection under the Commission's own governing regulations. Having failed to establish its *prima facie* case, a requirement under the governing regulations, the evidentiary burden never shifted to Goodnight. There was nothing for Goodnight to refute. That Empire was unable to prove lack of confinement after more than six decades of continuous disposal injection into the San Andres in and around the EMSU is substantial evidence that

injection is, and continues to be, confined to the disposal zone. *See, e.g.*, Goodnight FOF 48-59, 74-75, 53, 68.

Furthermore, when the Division applied for, and was granted, primacy from the U.S. EPA for the Underground Injection Control (“UIC”) Class II injection program, it did so under the standards promulgated in the administrative code, including the standard adopted under 19.15.26.10(E) NMAC. Nothing under the promulgated regulations, or even Division guidance, establishes a basis for requiring a conclusive showing of a continuous barrier for issuance of a UIC Class II disposal permit or, as applicable here, to prevent suspension of previously approved injection operations. Indeed, nothing in the Division’s application for UIC Class II primacy supports imposition of such a standard. *See* New Mexico Energy and Minerals Department, Oil Conservation Division, Underground Injection Control Program, Class II Demonstration, Submitted to U.S. EPA, Sept. 15, 1981.⁷ The Commission’s implementation of a new “continuous barrier” standard contradicts the basis on which the Division was granted primacy to regulate UIC Class II injection and its current governing regulations. *See, e.g.*, 19.15.26.10(B) NMAC. Imposition of this new and unpromulgated standard, besides contravening the regulations and basis for primacy, establishes a precedent that will have far-reaching negative consequences on the Division’s administration of its UIC program, including existing and future disposal operations, putting at risk the stability and reliability of this critical permitting program in the state. **Exhibit A**, Self Affirmed Statement of Grant Adams, ¶ 10.

⁷ https://ocdimage.emnrd.nm.gov/Imaging/FileStore/santafeadmin/ao/77478/pcjc0919650740_2_ao.pdf (noting that the operating requirements for injection wells will require them to be “operated and maintained at all times in such manner as will confine the injected fluids to the interval or intervals approved and prevent surface damage or pollution resulting from leaks, breaks, or spills.”); *see also* 19.15.26.10(B) NMAC (“The operator of an injection project shall operate and maintain at all times the injection project, including injection wells, producing wells and related surface facilities, in such a manner as will confine the injected fluids to the interval or intervals approved and prevent surface damage or pollution resulting from leaks, breaks or spills.”) (emphasis added).

3. The Commission's Order Creates Constitutional Conflicts.

The Commission's Order creates a constitutional conflict in at least two ways. First, the Order finds that an ROZ exists in the Grayburg and San Andres and therefore, based on the 1984 Commission order creating the EMSU, Order No. R-7765, purports to grant Empire the exclusive rights to produce the ROZ in the EMSU. Order at II(A). As addressed in Section 4 below, that apparent grant of authority is invalid. However, the Order also finds that hydrocarbons within the ROZ have not been proven to be recoverable. Order at III(D). As a result, the Order effectively reaffirms and perpetuates the Commission's original erroneous unitization of the San Andres aquifer within the EMSU, notwithstanding the simultaneous finding that there are no proven recoverable hydrocarbons in that aquifer. Unitizing an aquifer that has no proven recoverable hydrocarbons not only contravenes the express provisions of Oil and Gas Act and the Statutory Unitization Act—both of which apply to and give the Commission authority to unitize only formations with recoverable hydrocarbons—but is also prohibited by the New Mexico Constitution, which declares all underground waters of the state to belong to the public and thus precluded from unitization under the Oil and Gas Act. N.M. Const. Art. XVI, § 2; *see also McBee v. Reynolds*, 1965-NMSC-007, ¶14, 399 P.2d 110 (confirming that “waters of underground streams, channels, artesian basins, reservoirs and lakes, the boundaries of which may be reasonably ascertained, are public” and “included within the term ‘water’ as used in Art. XVI, §§ 1-3, of our Constitution.”).

Second, and similar to improperly unitizing public waters, and as will be more thoroughly briefed in Goodnight's Application for Rehearing, until there is an actual finding that there are recoverable hydrocarbons in Goodnight's San Andres disposal zone and an exhibited failure to confine injected fluids, the Commission's pronouncement constitutes an impermissible regulatory taking of both Goodnight's property interest and the surface owners' property interest in and to the pore space underlying the EMSU without just compensation under both the New Mexico Constitution as well as the Fifth Amendment. *See* U.S.Const. amend. V.; N.M. Const., Art. II, § 20. A regulation which imposes a reasonable restriction on the use of private property will not constitute a “taking” of that property if the regulation is (1) reasonably

related to a proper purpose and (2) does not unreasonably deprive the property owner of all, or substantially all, of the beneficial use of his property.” *Temple Baptist Church, Inc. v. City of Albuquerque*, 1982-NMSC-055, ¶ 27, 646 P.2d 565. The Order does not satisfy either prong of the test articulated in *Temple*; the Order is void and not reasonably related to any proper purpose,⁸ and it deprives Goodnight of substantially all of the benefits of its validly executed lease agreements because those agreements were entered into for the purpose of utilizing the San Andres disposal zone. Adams, ¶ 12. Accordingly, the Order effects an improper regulatory taking.

4. The Order Violates the Statutory Unitization Act and UIC Permitting Requirements.

The Commission’s Order violates the Statutory Unitization Act and contravenes the Division’s UIC regulations and primacy authority granted by the U.S. EPA. In particular, the Commission’s conclusion that, “[b]ased on the 1984 Commission Order, Empire has the exclusive rights to decide how to best extract oil in the EMSU,” clearly exceeds the limited authority conveyed through Order No. R-7765, which unitized the EMSU under the Act only for purposes of secondary recovery through waterflood operations.

Under the Act, as a condition for unitization, an applicant must specify the type of operations the applicant will implement to explore and produce unitized substances. *See* NMSA § 70-7-5(C). Applicants must also establish that “the estimated additional costs, if any, of conducting such operations will not exceed the estimated value of the additional oil and gas so recovered plus a reasonable profit.” § 70-7-6(A)(3). Similarly, the Commission is required to find that the specified “unitized method of operations as applied” to the unitized “pool or portion thereof is feasible, will prevent waste and will result with reasonable probability in the increased recovery of substantially more oil and gas from the pool or unitized portion thereof than would otherwise be recovered.” § 70-7-6(A)(2).

⁸ *See supra*, §§ 1, 2.

In 1984, the Commission authorized Empire's predecessor "to institute a secondary recovery project for the recovery of oil and all associated and constituent liquid or liquified hydrocarbons within the unit area." Order No. R-7765 at decretal ¶ 4 (emphasis added). The Commission made numerous predicate findings necessary under the Act to authorize waterflood operations—and only waterflood operations—to be conducted within the EMSU. For example, the Commission found the proposed "'unitized formation' will include the entire oil column under the unit area permitting the efficient and effective recovery of secondary oil therefrom." Order No. R-7765 at ¶ 10 (emphasis added); *see also* ¶ 14 (finding unit operations are for purposes of instituting a "waterflood project for the secondary recovery of oil"). It found that the "unitized management, operation, and further development of the unit, as proposed, is reasonable and necessary to effectively and efficiently carry on secondary recovery operations and will substantially increase the ultimate recovery of oil and gas from the unitized formations." *Id.* at ¶ 18 (emphasis added). The Commission found "The proposed unitized method of operation applied to the Unit Area is feasible and will result with reasonable probability in the increased recovery of substantially more oil from the unitized portion of the pool than would otherwise be recovered without unitization." *Id.* at ¶ 19 (emphasis added). The Commission also determined the "estimated additional investment costs of the proposed operations," including capital costs necessary to institute the waterflood operations, will not exceed the value of the additional oil obtained plus a reasonable profit. *Id.* at ¶¶ 20-22 (emphasis added).

In issuing the Order, however, the Commission impermissibly expanded Empire's authority and erroneously determined that Empire has the exclusive right to decide how best to extract oil in the EMSU and to produce the alleged ROZ pursuant to Order No. R-7765. Order at II(A). Order No. R-7765 never authorized CO2 flood operations in the EMSU or any other type of enhanced oil recovery operation necessary to produce an ROZ—it was expressly limited to secondary recovery operations through waterflooding. Nor did the Commission make the necessary findings to authorize CO2 flood operations in the EMSU. The profitability of Empire's proposed San Andres CO2 flood—including capital costs—was never presented to the Commission—and still has not been presented—as required. *See* § 70-7-

6(A)(2)-(3). The Commission has never found that a San Andres CO2 flood would be profitable, as required. *See* Order No. R-7765, ¶ 22.⁹ The Commission therefore has erroneously expanded Empire's rights and authority regarding CO2 flood operations in the EMSU beyond the approved secondary recovery operations before the necessary showings have been made and before any such necessary authority has been issued under the requirements of the Act and the UIC permitting program. Accordingly, the Order is in direct contravention of the Act, the Division's UIC permitting requirements, U.S. EPA's primacy authority, and the Commission's own order, Order No. R-7765, which expressly limits approved operations to secondary recovery through waterflood operations.

B. Goodnight Has and Will Suffer Irreparable Harm Without a Stay.

A party seeking a stay must show "irreparable harm will result unless a stay . . . is granted." *Tenneco Oil Co.*, 1986-NMCA-033, ¶ 10. Here, if the Order is not stayed, especially if the Order requires immediate shut in of Goodnight's injection wells, Goodnight will suffer irreparable harm to its business operations that will have a negative cascading impact on its customers and, more broadly, the oil and gas industry in the area, as well as the public interest, for at least the following four reasons.

First, and foremost and as outlined above, the Order effects an improper regulatory taking under both the New Mexico Constitution as well as the Fifth Amendment. *See* U.S.Const. amend. V.; N.M. Const., Art. II, § 20.

Second, Goodnight's harm is most easily quantified through its direct tangible injuries, like money lost, capital costs to be incurred, and business opportunities taken away. Goodnight has invested millions of dollars in reliance on the authority of its duly authorized injection permits and the protection of the governing regulations. *Adams*, ¶ 10. Such injury manifests clear gross negative consequences. 19.15.4.23(B) NMAC. At the time of this Motion, Goodnight's injection capacity for the wells affected

⁹ Limiting finding of profitability to proposed waterflood operations. *See also* Ex. 1, OCC Case No. 8397-8399 Tr. 76:4-77:10, 105:11-107:5, 109:13-110:16 (outlining waterflood profitability analysis); *id.* at 224:22-25 (EMSU waterflood is limited to the Grayburg and Lower Penrose and excludes San Andres); *id.* at 214:23-215:1 (San Andres formation is a non-productive water source); Ex. 2 at 3; Ex. 3; Ex. 4.

by the Order is 105,000 barrels of produced water per day, meaning that Goodnight facilitates the production of approximately 34,000 barrels of crude oil per day through its four injection wells in the EMSU. Adams, ¶ 2. That is production that will be immediately and irreparably impacted. Goodnight's disposal operations are therefore critical to ongoing oil and gas development in the state of New Mexico. Goodnight is currently operating near maximum disposal capacity, and to secure third-party operations to offload this capacity for a period of just 6 months will cost Goodnight more than \$10 million. Adams, ¶ 5. This money will come directly out of Goodnight's pocket and cannot be recouped in any manner. If the stay is denied, it would be entirely cost prohibitive for Goodnight to simply defer injection operations at these four disposal wells or attempt to offload those impacted volumes onto third party operators; it will instead have to construct new facilities for replacement capacity. Adams, ¶ 6. These capital costs are expected to exceed \$40 million. *Id.*

Third, while these financial harms are measurable and substantial, much of Goodnight's harm is impossible to quantify and cannot be remedied through any monetary compensation. For example, upon the Commission's oral recitation of proposed order on August 14, 2025, Goodnight was forced to alert all of its customers in the affected area of the occurrence of a force majeure event, resulting in irreparable and continuing damage to existing customer relations and business reputation. Adams, ¶ 7. To date, Goodnight has already lost at least one previously negotiated disposal opportunity due to the imminent three-year suspension. Adams, ¶ 8. This loss of goodwill within the oil and gas industry is wholly irreparable and some of that damage has already occurred. In addition to gross negative consequences to its existing operations and infrastructure and loss of goodwill, Goodnight's ability to pursue growth projects is completely diminished without a stay of the Order. Adams, ¶ 8. Instead of being able to pursue new long-term contracts and promote the continued development of New Mexico's oil and gas resources through its established and existing disposal fields, Goodnight will have to utilize newly acquired pore space rights and build new facilities just to make up for these substantial regulatory curtailments. Adams, ¶ 9. Goodnight has continually advocated for the importance of in-state disposal into sustainable reservoirs

as the superior solution for produced water within the industry; however, this Order casts doubt on not only the assumptions underpinning deployment of any capital on injection infrastructure in the State of New Mexico, but also on the reliability of New Mexico's regulatory framework for disposal itself. Adams, ¶ 10. With the introduction of a new and contradictory unpromulgated standard for disposal, this Order calls into question the validity of injection permits previously granted, and Goodnight believes disposal operators will instead choose other locations for these services rather than expose tens of millions of dollars in capital to the increased risk of arbitrary adverse regulatory decisions that contravene existing standards. Adams, ¶ 11.

Finally, an immediate partial stay will prevent not just irreparable harm to Goodnight, but to the industry at large, and, ultimately, to the state and the public interest. On the whole, statewide injection alternatives are diminishing, and relocating Goodnight's current disposal capacity is not guaranteed. Adams, ¶ 13. Without an immediate partial stay, 8%-10% of Lea County's operable disposal capacity will be shut-in. Adams, ¶ 13. And if Goodnight's customers are unable to immediately find alternative disposal operators able to replace Goodnight's disposal capacity, it would result in a loss of 32 to 37 million barrels of oil production over this three-year shut-in period. Adams, ¶ 13. A stay is therefore necessary to prevent gross negative consequences to Goodnight and to the broader public, including waste and impairment of correlative rights relating to active and existing offsetting oil production, not to mention state coffers that directly benefit from Goodnight's disposal. Adams, ¶ 14.

C. Empire Has Not and Will Not Suffer Substantial Harm.

A stay will not cause Empire to suffer substantial harm. Granting an immediate partial stay would maintain the status quo, and the Commission found that the status quo does not harm Empire. *See* Order at III(C). According to the Commission, Empire did not prove that Goodnight's operations caused impairment to Empire's rights within the Grayburg. *Id.* at III(C)(54)-(56). The Commission also found that Empire failed to prove that hydrocarbons in the alleged ROZ are recoverable. Order at III(D). Empire also has not proven that the alleged ROZ, even if it is recoverable, is economic. It follows then that

granting Goodnight's Motion would have no impact on Empire. At a minimum, under the Commission's findings, Goodnight's injections will have no impact on Empire unless and until Empire actually undertakes a CO2 pilot project.¹⁰ *Id.* at II(B) ¶ 40. Moreover, an expert for Empire testified that there was not enough direct evidence to justify shutting in Goodnight's operations. Lindsey 2/24/25 Tr., 195:24-196:5. Based on the findings of the Commission, Empire would not suffer any harm until it proves (1) the ROZ is recoverable and (2) that Goodnight's activity in the San Andres impairs its rights within the ROZ. Given that the Commission has already found that the status quo has not harmed Empire, Empire will not suffer any harm, or substantial harm, by preserving the status quo until the Commission reviews Goodnight's Application for Rehearing and any appeals related appeals are fully and completely resolved.

D. A Stay Benefits Public Interest.

As discussed above and briefed more thoroughly in Goodnight's forthcoming Application for Rehearing, when balancing the interests of the parties in this matter, along with the interests of the community at large, a stay of the Order strongly benefits the public interest. While Empire's interest in exploring and theoretically producing the ROZ certainly benefits Empire, there is no demonstrative support that those endeavors will even yield Empire's desired result or otherwise benefit the public. Nor is there any guarantee or provisions in the Order to ensure Empire will even undertake any of the capital expenditures or activities necessary to attempt to prove the purported hydrocarbons in the ROZ are economically recoverable. In addition, no technical basis in the evidence or the Order's findings that supports concluding Empire cannot proceed with its ROZ assessment while Goodnight's disposal operations continue—at least to the point that a pilot project commences. Order at III(E). As a consequence, under the Order, with no requirements for intermittent reporting, status updates, or demonstration of incremental milestones, Empire can sit back and do nothing for three years to the severe detriment of Goodnight, offsetting producers, and the state.

¹⁰ Goodnight strenuously disagrees its injection will ever have any adverse effect on Empire's efforts to undertake a CO2 pilot project.

Goodnight's operations, on the other hand, provide a substantial present benefit that reaches far beyond its own gain. Goodnight provides critical operations for the continued development of the State's oil and gas resources. Adams, ¶¶ 2-3. At any given time, Goodnight is primarily responsible for safe and proper disposal of approximately 100,000 barrels of produced water per day and in 2023 alone disposed of 53.9 million barrels of produced water. Adams, ¶¶ 2, 4. More importantly, these disposal operations facilitate the production of roughly 19,000 barrels of oil per day, and in 2023 supported the successful production of 48.4 million barrels of oil and 110.7 billion cubic feet of gas. Adams, ¶ 4. Overall, Goodnight's wells have supported nearly \$5 billion in oil sales and are projected to support another \$20 billion over the next decade. Adams, ¶ 4. In contrast, Empire's EMSU currently produces only about 800 barrels of oil a day. Order at ¶ 54. Not only has Goodnight already provided a substantial and demonstrable benefit to the public, but operations of this volume and frequency cannot simply come to an immediate stop without causing delay and other harms to operators of oil and gas who rely on this disposal. The public benefits of allowing Goodnight's injection to continue far outweigh the potential, and unproven, future risk to Empire and the EMSU.

Moreover, as previously discussed, New Mexico water is constitutionally protected for public use and the "management of New Mexico's water is increasingly a matter of general public interest." NMSA § 72-12-1; *Aquifer Sci., LLC v. Verhines*, 2023-NMCA-020, ¶ 29, 527 P.3d 667. In fact, the State's interest in protecting the public interest in and to the use of such water warranted the legislative scheme by which the State Engineer weighs every application for use of water against the impact to public interest. NMSA 1978, § 72-12-3. The Commission's continued and improper unitization of the San Andres Aquifer runs afoul of the constitution and the State's interest in regulating the use of such public waters. Unless and until Empire proves the San Andres ROZ is actually recoverable and economical, it is still an aquifer subject to appropriation for beneficial use and therefore precluded from being included in the unitization of separate hydrocarbon bearing formations.

CONCLUSION

For the reasons stated, Goodnight respectfully requests the Director grant an immediate partial stay as to the Order's command for Goodnight to suspend injection in its four existing disposal wells in the EMSU pending Commission action on the Motion and enter the proposed order granting this Emergency Motion attached as Exhibit C. Goodnight further requests that the Commission ultimately stay the Order as to the provisions suspending its permits and injection pending final resolution of Goodnight's forthcoming Application for Rehearing and any subsequent appeals and enter the proposed order granting this Emergency Motion attached as Exhibit D. The Order's other provisions, in particular the requirement for Empire to conduct a ROZ pilot project and report back to the Commission within three years, should remain in effect.

Respectfully submitted,

HOLLAND & HART LLP

/s/ Adam G. Rankin

By: _____

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**ATTORNEYS FOR GOODNIGHT MIDSTREAM PERMIAN,
LLC**

CERTIFICATE OF SERVICE

I hereby certify that on September 21, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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Adam G. Rankin
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35797230_v1

EXHIBIT A

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

**APPLICATIONS OF GOODNIGHT
MIDSTREAM PERMIAN, LLC FOR
APPROVAL OF SALTWATER DISPOSAL
WELLS LEA COUNTY, NEW MEXICO.**

CASE NOS. 23614-23617

**APPLICATION OF GOODNIGHT MIDSTREAM
PERMIAN LLC TO AMEND ORDER NO. R-
22026/SWD-2403 TO INCREASE THE
APPROVED INJECTION RATE IN ITS ANDRE
DAWSON SWD #1,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23775

**APPLICATIONS OF EMPIRE NEW MEXICO
LLC TO REVOKE INJECTION AUTHORITY,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 24018-24020, 24025

**APPLICATION OF GOODNIGHT MIDSTREAM
PERMIAN, LLC FOR APPROVAL OF A
SALTWATER DISPOSAL WELL, LEA
COUNTY, NEW MEXICO.**

**DIVISION CASE NO. 24123
ORDER NO. R-22869-A
ORDER NO. R-24004**

SELF AFFIRMED STATEMENT OF GRANT ADAMS

1. My name is Grant Adams. I work for Goodnight Midstream Permian LLC (“Goodnight”) as Chief Executive Officer (“CEO”). I have over 15 years of experience in the midstream sector.

2. Goodnight operates four existing water disposal wells within the EMSU that are the subject of Commission Order No. R-24004 (the “Order”). Between these four wells, Goodnight’s current injection capacity is approximately 105,000 barrels of produced water per

day, which directly supports the production of approximately 34,000 barrels of crude oil production per day.

3. Goodnight's disposal operations are critical to ongoing oil and gas development in the state of New Mexico and suspending these operations would be severely detrimental to both Goodnight and the operators it supports.

4. For example, in 2023 Goodnight disposed of 53.9 million barrels of produced water. Wells connected to Goodnight's Llano system produced 48.4 million barrels of oil and 110.7 billion cubic feet of gas. Overall, Goodnight's wells have supported over \$5 billion in oil sales and are projected to support another \$20 billion over the next decade.

5. Goodnight's Llano system is currently operating near maximum disposal capacity, and to secure third-party operations to offload this capacity for a near-term six-month period will cost Goodnight more than \$10 million. This is money that will come directly out of Goodnight's pocket and cannot be recouped in any manner.

6. If required to suspend operations for three years, it would be entirely cost prohibitive for Goodnight to defer injection operations at these four disposal wells by offloading onto third party operators. Goodnight will instead have to construct new facilities for replacement capacity. These capital costs are expected to be more than \$40 million.

7. Upon the issuance of the oral orders by the Commission, Goodnight was forced to notify its customers in the affected area of a force majeure event, resulting in irreparable and continuing damage to existing customer relationships and business reputation. A copy of the notice letter, with customer and personal identifying information redacted, is attached hereto as **Attachment 1**.

8. To date, one of Goodnight's producer customers has already terminated previously ongoing negotiations for a future disposal opportunity due to concern about the viability of New Mexico injection as a result of the imminent three-year suspension. Goodnight expects that if the three-year suspension moves forward, additional business opportunities will be impaired and the Company will suffer irrevocable impacts to its goodwill.

9. The three-year suspension will additionally require Goodnight's capital to be diverted from growth projects to instead construct replacement capacity. Instead of being able to pursue new long-term contracts and promote the continued development of New Mexico's oil and gas resources through its established and existing injection, Goodnight will have to build new facilities and use newly acquired pore space rights to make up for the suspension. Growth opportunities lost during this period of capital diversion cannot be recovered.

10. Goodnight has continually advocated for the importance of in-state disposal as the superior solution for produced water within the industry. Goodnight invested in excess of \$300 million on its Llano system and millions of dollars on its four EMSU disposal wells and facilities in reliance on the authority of its duly authorized injection permits and the protection of the governing regulations. However, this Order casts doubt on the stability of the regulatory framework currently in place in New Mexico for disposal itself, and permanently increases uncertainty for disposal operators who have previously relied upon validly-issued injection permits to invest significant sums of money.

11. With the implementation of a new and different standard for suspension of disposal wells than what the regulations provide for, the Order calls into question the validity of all injection permits previously granted, and Goodnight believes disposal operators will instead choose other locations, if available, for these services rather than subject tens of millions of dollars in capital to

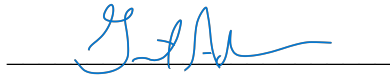
the increased risk of arbitrary adverse regulatory decisions. Operators such as Goodnight are less efficient without a dependable regulatory regime, and less efficient operations will diminish tax revenues for the State.

12. Moreover, implementation of a suspension with a requirement for Goodnight to shut-in its disposal operations without finding that there are recoverable and economic hydrocarbons in the San Andres disposal zone, and under a new and different standard that conflicts with existing rules, will improperly and substantially eliminate the value of Goodnight's pore space leasehold interests, which are directly tied to the San Andres disposal interval.

13. On the whole, statewide injection alternatives are diminishing, and relocating Goodnight's current disposal capacity is not guaranteed. Goodnight is diligently attempting to locate third-party offload capacity to mitigate the impending regulatory curtailment, however, we have been unable to identify alternative disposal capacity necessary to address an immediate suspension of operations. That means as much as 34,000 barrels of oil production per day will be immediately impacted upon effect of the Order until Goodnight is able to secure offload disposal capacity. If injection operations in the EMSU are suspended for three years, 8%-10% of Lea County's operable disposal capacity will be shut-in. If just Goodnight's customers are unable to find alternative disposal operators able to replace Goodnight's disposal capacity, it would result in a loss of 32 to 37 million barrels of oil production over this three-year shut-in period, resulting in a material reduction of tax revenues for the State.

14. The Order's three-year suspension would result in gross negative consequences to Goodnight and to the broader public, including active and existing offsetting oil production and state tax revenues that directly benefit from it.

15. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Grant Adams

9/19/2025

Date

EXHIBIT 1



[REDACTED]
Midland, TX 79702
[REDACTED]

Via email and Certified Mail

August 15, 2025

NOTICE OF FORCE MAJEURE**Llano Pipeline System**

All:

Please be advised of a Force Majeure impairment to the Llano System. On August 14, 2025, the New Mexico Oilfield Conservation Commission ("OCC") issued an unfavorable ruling suspending injection at certain of Goodnight's Llano injection wells that will result in an immediate capacity loss on the Llano System. Goodnight disagrees with the ruling and will be appealing the decision and pursuing all available remedies available at law.

Goodnight has been actively working on expansion disposal infrastructure over the last several months. These developments are being accelerated as fast as possible. In addition, we are working to maximize existing and prospective third-party offloads for near-term replacement capacity.

Until Goodnight is able to offset the suspended capacity loss, aggregate volumes on the Llano System will be curtailed to balance available downhole capacity. We will update all customers on the Llano System with near-term and permanent capacity expectations as soon as possible. In the interim, please contact either commercial representative listed below for additional information.

Thank you for your cooperation in this matter. We are expeditiously working all available avenues to remedy this situation.

If you have any questions, please contact the following representatives:

Commercial Representative

Jared Perry
Robert Rubey

Telephone Number

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Rubey".

Robert Rubey



Chief Commercial Officer

EXHIBIT B

From: Dana S. Hardy <dhardy@hardymclean.com>
Sent: Thursday, September 18, 2025 11:08 AM
To: Moander, Chris, EMNRD; Adam Rankin; Tremaine, Jesse, EMNRD
Cc: Jaclyn M. McLean; Ernest Padilla; Matthew M. Beck; jparrot@bwenenergy.com; Shaheen, Sharon; Miguel Suazo; cwehmeyer; Nathan R. Jurgensen; Raylee Starnes; John C. Anderson; Jacqueline F. Hyatt; Dana S. Hardy
Subject: RE: [EXTERNAL] Goodnight / Empire - OCC Order No. R-24004

External Email

Dear Jesse and Chris,

We appreciate the Division's willingness to meet with Goodnight and Empire. However, Order No. R-24004 was issued on September 12, 2025 and states that the Commission:

"Suspends existing Goodnight's injection wells Case No. 24018 (Dawson), Case No. 24019 (Banks), Case No. 24020 (Sosa), Case No. 24025 (Ryno) in order to provide Empire with the opportunity to establish the CO2 EOR pilot project."

This language is clear and does not allow for interpretation, negotiation, or delay. The Order "suspends" Goodnight's permits, present tense. The Order does not suspend Goodnight's permits contingent on Empire initiating a CO2 EOR pilot project or allow Goodnight to continue injecting into these wells over some unspecified period of time. To the extent Goodnight is continuing to inject into these wells, it is violating the Commission's order.

Moreover, although the Commission issued the Order on September 12th, the Commission publicly announced its decision to suspend Goodnight's permits on August 14, 2025. Thus, Goodnight knew its permits would be suspended and apparently failed to take any action to comply.

The Commission's statement that "The Division will implement this Order" does not mean that Goodnight's permits are still in effect or may be revoked over time. Any such interpretation would contravene the plain language of the ordering paragraphs. Rather, implementation means the Division must ensure Goodnight complies with the requirements set out in the Division's regulations:

19.15.26.12 COMMENCEMENT, DISCONTINUANCE AND ABANDONMENT OF INJECTION OPERATIONS:

A. The following provisions apply to injection projects, storage projects, produced water disposal wells and special purpose injection wells.

B. Notice of commencement and discontinuance.

(1) Immediately upon the commencement of injection operations in a well, the operator shall notify the division of the date the operations began.

(2) Within 30 days after permanent cessation of gas or liquefied petroleum gas storage operations or within 30 days after discontinuance of injection operations into any other well, the

operator shall notify the division of the date of the discontinuance and the reasons for the discontinuance.

(3) Before temporarily abandoning or plugging an injection well, the operator shall obtain approval from the appropriate division district office in the same manner as when temporarily abandoning or plugging oil and gas wells or dry holes.

Based on the clear language of the Order and the Division's regulations, Goodnight must immediately cease injection into the Dawson, Banks, Sosa, and Ryno wells and file the paperwork required to do so. Empire will seek relief for Goodnight's contempt of the Order by Monday, September 22nd if Goodnight has not ceased injection.

Please let me know if you need any additional information.

Best,
Dana



Dana S. Hardy

Senior Managing Partner

Phone: 505-230-4426

Email: dhardy@hardymclean.com

Web www.hardymclean.com

125 Lincoln Avenue, Suite 223, Santa Fe, NM 87501



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From: Moander, Chris, EMNRD <Chris.Moander@emnrd.nm.gov>

Sent: Thursday, September 18, 2025 10:14 AM

To: Adam Rankin <AGRankin@hollandhart.com>; Tremaine, Jesse, EMNRD <JesseK.Tremaine@emnrd.nm.gov>

Cc: Dana S. Hardy <dhardy@hardymclean.com>; Jaclyn M. McLean <jmclean@hardymclean.com>; Ernest Padilla <PadillaLawNM@outlook.com>; Matthew M. Beck <mbeck@peiferlaw.com>; jparrot@bwenergylaw.com; Shaheen, Sharon <sshahen@spencerfane.com>; Miguel Suazo <msuazo@bwenergylaw.com>; cwehmeyer <cwehmeyer@swenergylaw.com>; Nathan R. Jurgensen <NRJurgensen@hollandhart.com>; Raylee Starnes <ARStarnes@hollandhart.com>; John C. Anderson <JCAnderson@hollandhart.com>; Jacqueline F. Hyatt <JFHyatt@hollandhart.com>

Subject: RE: [EXTERNAL] Goodnight / Empire - OCC Order No. R-24004

Mr. Rankin,

OCD is happy to meet with you and your client, per your request, and leave the door open for Empire or others to do the same. Unfortunately, due to scheduling issues, key staff will not be available to meet

until Thursday, September 25th from 10-12. OCD's position is that the key staff members are essential to a fruitful discussion with you and your client. Please confirm that works – we would need to host the meeting *via* Teams.

Insofar as the OCC Order, OCD is actively reviewing the order and evaluating its next steps. OCD's intention is to inform all parties to the underlying cases of its decisions once they are made so matters are clear for everyone. However, OCD cannot and will not make any guarantees or assurances as to how it will ultimately decide to implement the order, including timing and nature of actions OCD may require of either Goodnight or Empire.

Please let me know if the proposed meeting date and time work for you and your client.

Regards,
Chris

From: Adam Rankin <AGRankin@hollandhart.com>

Sent: Monday, September 15, 2025 4:35 PM

To: Tremaine, Jesse, EMNRD <JesseK.Tremaine@emnrd.nm.gov>; Moander, Chris, EMNRD <Chris.Moander@emnrd.nm.gov>

Cc: dhardy@hardymclean.com; Jaclyn M. McLean <jmclean@hardymclean.com>; Ernest Padilla <PadillaLawNM@outlook.com>; Matthew M. Beck <mbeck@peiferlaw.com>; jparrot@bwenergylaw.com; Shaheen, Sharon <sshaheen@spencerfane.com>; Miguel Suazo <msuazo@bwenergylaw.com>; Corey Wehmeyer <cwehmeyer@swenergylaw.com>; Nathan R. Jurgensen <NRJurgensen@hollandhart.com>; Raylee Starnes <ARStarnes@hollandhart.com>; John C. Anderson <JCAnderson@hollandhart.com>; Jacqueline F. Hyatt <JFHyatt@hollandhart.com>

Subject: [EXTERNAL] Goodnight / Empire - OCC Order No. R-24004

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dear Jesse and Chris,

Pursuant to the Commission's Order and Commission counsel's response to my direct questions following adoption of the written order (see <https://www.youtube.com/watch?v=Zc0BhNb67B4>), Goodnight would like to schedule a meeting with the Division regarding the Commission's guidance for implementing the order, including when, how, and over what period of time Goodnight will be required to shut in its EMSU disposal wells, as well as the parameters and requirements for Empire to implement a pilot project, including what zones it is going to target, reporting requirements, and other considerations. As we understand the order, we see the two issues as being closely linked.

Please let us know if there is an opportunity for a conference on these points. Of course, we are open to additional considerations from the Division and anticipate an opportunity to respond to any of the Division's considerations or proposals for implementation.

Sincerely,
Adam



Adam Rankin

Partner

HOLLAND & HART LLP

110 North Guadalupe Street, Suite 1, Santa Fe, NM 87501

agrankin@hollandhart.com | **T:** (505) 954-7294 | **M:** (505) 570-0377

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EXHIBIT C

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

**APPLICATIONS OF GOODNIGHT
MIDSTREAM PERMIAN, LLC FOR
APPROVAL OF SALTWATER DISPOSAL
WELLS LEA COUNTY, NEW MEXICO.**

CASE NOS. 23614-23617

**APPLICATION OF GOODNIGHT MIDSTREAM
PERMIAN LLC TO AMEND ORDER NO. R-
22026/SWD-2403 TO INCREASE THE
APPROVED INJECTION RATE IN ITS ANDRE
DAWSON SWD #1,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23775

**APPLICATIONS OF EMPIRE NEW MEXICO
LLC TO REVOKE INJECTION AUTHORITY,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 24018-24020, 24025

**APPLICATION OF GOODNIGHT MIDSTREAM
PERMIAN, LLC FOR APPROVAL OF A
SALTWATER DISPOSAL WELL, LEA
COUNTY, NEW MEXICO.**

**DIVISION CASE NO. 24123
ORDER NO. R-22869-A**

**ORDER GRANTING GOODNIGHT'S EMERGENCY MOTION
TO PARTIALLY STAY ORDER-24004**

THIS MATTER came before the Oil Conservation Commission on the Emergency Motion to Partially Stay Order-24002 (the "Motion") filed on September 21, 2025, by Goodnight Midstream Permian, LLC. Having considered the matter, and being fully apprised, the Director finds that Order-24002, entered on September 12, 2025 should be partially stayed effective only until the Commission acts on the Motion.

THEREFORE, the Motion is granted, and Order-24002 is partially stayed as set out in the Motion effective only until the Commission acts on the Motion.

Albert Chang, Division Director

EXHIBIT D

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

**APPLICATIONS OF GOODNIGHT
MIDSTREAM PERMIAN, LLC FOR
APPROVAL OF SALTWATER DISPOSAL
WELLS LEA COUNTY, NEW MEXICO.**

CASE NOS. 23614-23617

**APPLICATION OF GOODNIGHT MIDSTREAM
PERMIAN LLC TO AMEND ORDER NO. R-
22026/SWD-2403 TO INCREASE THE
APPROVED INJECTION RATE IN ITS ANDRE
DAWSON SWD #1,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23775

**APPLICATIONS OF EMPIRE NEW MEXICO
LLC TO REVOKE INJECTION AUTHORITY,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 24018-24020, 24025

**APPLICATION OF GOODNIGHT MIDSTREAM
PERMIAN, LLC FOR APPROVAL OF A
SALTWATER DISPOSAL WELL, LEA
COUNTY, NEW MEXICO.**

**DIVISION CASE NO. 24123
ORDER NO. R-22869-A**

**ORDER GRANTING GOODNIGHT'S EMERGENCY MOTION TO
PARTIALLY STAY ORDER-24004**

THIS MATTER came before the Oil Conservation Commission on the Emergency Motion to Partially Stay Order-24002 (the "Motion") filed on September 21, 2025, by Goodnight Midstream Permian, LLC. Having considered the matter, and being fully apprised, the Commission finds that Order-24002, entered on September 12, 2025 should be partially stayed pending the full and final resolution of the issues raised on the Application for Rehearing and any subsequent appeals.

THEREFORE, the Motion is granted, and Order-24002 is partially stayed as set out in the Motion.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**
