

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

**APPLICATION OF EMPIRE NEW MEXICO
LLC TO REVOKE THE INJECTION
AUTHORITY GRANTED UNDER ORDER NO.
R-21190 FOR THE SOSA SA 17 NO. 2 WELL
OPERATED BY GOODNIGHT MIDSTREAM
PERMIAN LLC, LEA COUNTY, NEW
MEXICO.**

CASE NO. 24025

**APPLICATION OF GOODNIGHT
MIDSTREAM PERMIAN, LLC TO AMEND
ORDER NO. R-7765, AS AMENDED TO
EXCLUDE THE SAN ANDRES FORMATION
FROM THE UNITIZED INTERVAL OF THE
EUNICE MONUMENT SOUTH UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24278

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

CASE NOS. 23614-23617

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

CASE NOS. 24018-24020

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

**APPLICATION OF GOODNIGHT PERMIAN MIDSTREAM,
LLC FOR APPROVAL OF A SALTWATER DISPOSAL WELL,
LEA COUNTY, NEW MEXICO; ORDER NO. R-22869-A.**

CASE NO. 24123

PILOT WATER SOLUTIONS LLC'S REHEARING BRIEF IN CHIEF

Pilot Water Solutions LLC ("Pilot") respectfully submits this Rehearing Brief in Chief in accordance with the New Mexico Oil Conservation Commission's ("Commission") October 17, 2025 Order (the "Rehearing Order").

ARGUMENT

Pilot is an important player in the oil and gas industry in New Mexico and has a significant stake in the outcome of this hearing. Pilot operates dozens of wells and hundreds of miles of pipeline that transport and dispose of nearly 500,000 barrels of water per day. Without this disposal, the associated oil and gas could not have been produced. Pilot's current produced water transportation and injection capacity directly supports the production of tens of thousands of barrels of crude oil production per day. Pilot's operations in Eddy and Lea County will be significantly impacted by the outcome of the rehearing.

In its Brief in Chief, Goodnight notes that the Commission made an express finding that there was "there was insufficient evidence presented at the hearing to prove whether the ROZ is recoverable." Goodnight argues that recoverability is a prerequisite for any Commission action to prevent waste or protect correlative right, for without recoverable oil or gas, there can be no waste and no correlative rights to protect. Goodnight further notes that the Commission made no finding of failure to confine injected fluids to the disposal zone, and Goodnight correctly argues that such a finding is a necessary prerequisite to any Commission action suspending injection. Pilot agrees with Goodnight's positions and analysis and hereby incorporates them by reference into its brief.

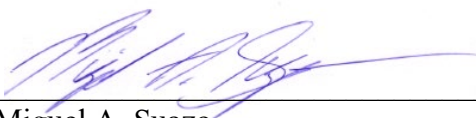
Rice Operating Company ("Rice") also submitted a brief in chief, wherein it argues that the Commission has broad authority under the Oil and Gas Act, NMSA 1978 §§ 70-2-1, et seq., but that authority is not unbounded. It is bound by the statutory jurisdictional requirement that the Commission may act only to prevent waste and protect correlative rights. And prevention of waste

requires that there be proof that the activities sought to be restrained reduce or tend to reduce an amount of oil “ultimately recovered.” NMSA 1978, § 70-2-3(A). The Commission found, after reviewing 1.2 megabytes of information and taking five weeks of testimony, that “there was insufficient evidence presented at the hearing to prove whether the ROZ is recoverable.” The Rice argues that without a finding of recoverable oil or gas, the Commission lacks authority to suspend Goodnight’s injection wells. Pilot agrees with Rice’s positions and analysis and hereby incorporates them by reference into its brief.

CONCLUSION

Therefore, Pilot respectfully requests the Commission: 1) amend its Original Order to remove any suspension requirement and allow Goodnight to continue its current SWD injection into the Lower San Andres; and 2) clarify that the Division has the authority to implement the Original Order, which Pilot believes is already plain from the text of the Original Order itself.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that on November 6, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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