

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

**APPLICATION OF GOODNIGHT
MIDSTREAM PERMIAN, LLC TO AMEND
ORDER NO. R-22506 (SWD-2392) FOR A
ONE-YEAR EXTENSION TO COMMENCE
INJECTION OPERATIONS, LEA COUNTY,
NEW MEXICO.**

CASE NO. 24491

**ORDER DISOLVING STAY OF PROCEEDINGS AND
DENYING EMPIRE NEW MEXICO, LLC'S MOTION TO RECONSIDER DECISION**

This matter came before the Division upon the Motion to Reconsider Decision to Lift Stay, to Vacate Pre-Hearing Order, and to Refer to the Commission or, In the Alternative, Motion to Dismiss ("Motion") filed by Empire New Mexico, LLC ("Empire"). The Division, having reviewed the Motion and the record, and being fully advised in the premises, hereby denies the request to reconsider the decision to lift the stay.

FINDINGS AND CONCLUSIONS

1. Jurisdiction is Proper: The Application of Goodnight Midstream Permian, LLC ("Goodnight") is for a one-year extension to commence injection operations for a saltwater disposal well. The Division has statutory jurisdiction to rule on applications for extensions of time and to determine if "good cause" exists to grant an extension. Goodnight has a due process right to have its properly filed application adjudicated.

2. Stay is No Longer Warranted: The original Order to Stay Proceedings (July 26, 2024) was based on the premise that the Commission would "decide factual and legal issues that will be dispositive". The Commission has now issued its final ruling, OCC Order No. R-24004 (September 12, 2025). Goodnight's Rocket SWD #1 well is located approximately 1.15 miles outside the boundaries of the Eunice Monument South Unit ("EMSU"), which was the direct subject of Order No. R-24004. The Division concludes that the original basis for the stay—

awaiting the Commission's decision on the EMSU wells—is no longer an impediment to hear this Application.

3. Division Can Rule on "Good Cause": The scheduled hearing for this matter is limited to the single legal issue of whether good cause exists to grant the extension. The Division is competent to hear arguments and weigh evidence regarding this issue. Empire's argument that the Commission's findings on the Residual Oil Zone (ROZ) and the lack of a continuous barrier are "dispositive" for this case is a substantive argument that Empire is entitled to present to the Division. The Division can and will consider all relevant and reliable evidence, including the Commission's findings in R-24004, to make a determination. The Division must first hear the case to determine if it is barred by those findings.

4. Referral to Commission is Unnecessary at this Stage: While Empire has a pending application to revoke the underlying permit before the Commission (Case No. 24021), the Division will not hold Goodnight's timely application in abeyance indefinitely pending the resolution of an unrelated, although factually related, revocation case. The Division has the authority to make an initial determination on Goodnight's extension. If Empire is dissatisfied with the outcome, it maintains the right to a de novo appeal to the Commission, where both the issue of standing and the entire record on "good cause" will be fully reviewed. This appellate process adequately protects Empire's rights and avoids the Division unilaterally transferring a matter it is prepared to hear.

5. Mootness Argument is Rejected: The Division notes the requested extension date of March 2, 2025, has passed. However, it is standard administrative practice where proceedings are stayed, any extension granted commences upon the effective date of the Division's order,

thus avoiding mootness.

ORDER

IT IS THEREFORE ORDERED:

1. Empire's Motion to Reconsider the Decision to Lift the Stay is DENIED.
2. Empire's Motion to Vacate the Pre-Hearing Order is DENIED.
3. Empire's Motion to Refer this Case to the Commission is DENIED.
4. Empire's Motion to Dismiss in the Alternative is DENIED.
5. Case No. 24491 shall proceed to hearing as scheduled before the Division on

November 18, 2025.

DONE at Santa Fe, New Mexico, this 7th day of October 2025.

GREGORY CHAKALIAN
HEARING EXAMINER