

**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

NOTICE OF REVISED EXHIBITS

Goodnight Midstream Permian, LLC, applicant in the above-referenced case, gives notice that it is filing the attached exhibits for acceptance into the record. The revised exhibits include a copy of the notice letter that was sent by email to counsel for Empire New Mexico LLC and the certified mailing report confirming notice was sent to Empire New Mexico LLC that were inadvertently excluded.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

**ATTORNEYS FOR GOODNIGHT MIDSTREAM
PERMIAN, LLC**

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 13, 2024**

CASE NO. 24491

ROCKET SWD #1

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF GOODNIGHT
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CASE NO. 24491

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

**APPLICATION OF GOODNIGHT
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CASE NO. 24491

SELF-AFFIRMED STATEMENT OF MATTHEW OSBORN

1. My name is Matthew Osborn. I work for Goodnight Midstream Permian, LLC (“Goodnight Midstream”) as the President and Chief Operating Officer (COO).

2. I am familiar with the application filed by Goodnight Midstream in this case and have personal knowledge of the basis for the extension request.

3. I have not previously testified before the New Mexico Oil Conservation Division.

4. In summary, I have a bachelor’s degree in mechanical engineering from Texas A&M University and master’s degrees in Engineering Management and Business Administration from Old Dominion University and the University of Oklahoma. I have over 20 years of work experience in the energy and engineering. I began my career as a Nuclear Submarine Officer in the United States Navy. The majority of my professional career has been in oil and gas industry servicing oil and gas producers building midstream infrastructure to handle oil, gas, and water. As the President and COO at Goodnight Midstream, my responsibilities include overseeing all engineering and operations related to SWD operations to include, project management, hydraulic and facility design, permitting, drilling, construction of both pipelines and facilities, and a senior technical advisor for all SWD operations.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A**

**Submitted by: Goodnight Midstream Permian, LLC
Hearing Date: June 13, 2024
Case No. 24491**

5. In addition to my responsibilities outlined above, I also coordinate between commercial and engineering teams to examine existing system capacity and as necessary facilitate system expansions to meet commercial and system demand. Goodnight Midstream operates nearly 70 produced water wells across Texas, New Mexico, and North Dakota and handle on average over 500,000 barrels of produced water a day.

6. In this case, Goodnight Midstream Permian, LLC seeks to amend Order No. R-22506 (SWD-2392) to provide for a one-year extension to commence injection operations until March 2, 2025. **Goodnight Exhibit A-2** is a full and complete copy of the application filed in this case.

7. Under the provisions of the UIC Class II Permit SWD-2392, the authorization to inject is valid for one year after the date of issuance, or until March 2, 2024. Goodnight Midstream submitted a timely request for a one-year extension in accordance with the terms of SWD-2392. See Exhibit A attached to Goodnight Exhibit A-2.

8. The extension request was protested by Empire New Mexico LLC on the grounds that it filed an application to revoke the injection authority for the Rocket SWD #1 that is pending under Case No. 24021. See Empire Administrative Protest, attached as **Goodnight Exhibit A-3**.

9. Empire's Case No. 24021 was referred to the Commission under Order No. R-2304.

10. In its application under Case No. 24021, Empire alleges that the proposed injection in the Rocket SWD #1 would interfere with its operation of the Eunice Monument South Unit ("EMSU"), which is more than a mile away to the north.

11. The proposed **Rocket SWD #1** will be located approximately 565 feet from the south line and 245 feet from the west line (Unit M) in Section 28, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. The EMSU is more than a mile away from this location. See **Goodnight Exhibit A-4**.

12. Empire has not showed it has standing to file an application to revoke the injection authority for the Rocket SWD #1. Goodnight Midstream filed a motion to dismiss Empire's application in Case No. 24021 for lack of standing. *See **Goodnight Exhibit A-5***. That motion remains outstanding. The Commission is expected to hear argument on Goodnight Midstream's motion to dismiss Case No. 24021 on June 20, 2024.

13. Empire also has not showed that it has standing to protest the administrative application for Goodnight Midstream's one-year extension request. It has not filed an entry of appearance and has not objected to this case proceeding to hearing by self-affirmed statement. Accordingly, Goodnight Midstream intends to proceed to hearing in this matter.

14. The proposed injection disposal interval for the Rocket SWD #1 will be within the San Andres formation [SWD; San Andres (Pool Code 96121)] between approximately 4,380 feet and 5,750 feet below the ground through a perforated completion. Disposal fluid will be produced saltwater from oil and gas wells in the area producing from the Delaware Mountain Group, Wolfcamp, and Bone Spring formations. The estimated average surface injection pressure is expected to be approximately 438 psi. The maximum surface injection pressure will be 876 psi.

15. Approving this application will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

16. Good cause also exists for approving the extension request under the provisions of Order No. R-22506/SWD-2392 for the following reasons.

17. Division Order No. R-22506/SWD-2392 initially approving injection through the Rocket SWD #1 was issued by the Division on March 2, 2023. *See* Order No. R-22506/SWD-2392.

18. Following issuance of Order No. R-22506/SWD-2392, Goodnight Midstream's internal forecasts indicated that the demand for produced water disposal within its system was

expected to slightly decline compared to what had been projected. To avoid potentially unnecessarily expending capital to construct and integrate the Rocket SWD #1 into its Llano System when additional disposal capacity was not yet required, Goodnight Midstream deferred drilling the Rocket SWD #1 until later in the year pending an expected uptick in produced water disposal demand.

19. After issuance of Order No. R-22506/SWD-2392, Goodnight Midstream's internal forecast for produced water demand reflected an increase in demand with the addition of new wells expected to come online in 2024, requiring additional disposal capacity.

20. However, Empire filed an application in Case No. 24021 on November 7, 2023, to revoke the injection authority for the Rocket SWD #1.

21. At that point, Goodnight Midstream was forced to suspend preparations to drill and operate the Rocket SWD #1 pending resolution of Case No. 24021.

22. Since Empire filed its application in Case No. 24021, projected demand for disposal of produced water on Goodnight Midstream's Llano system has increased.

23. Because Case No. 24021 remained pending and unresolved, Goodnight Midstream filed an administrative application on January 23, 2024, pursuant to Order No. R-22506/SWD-2392, seeking a one-year extension to commence injection operations until March 2, 2025.

24. While Goodnight Midstream is confident that it will prevail on the legal and technical merits against Empire challenge, it would not be a prudent business decision to expend substantial capital to drill the Rocket SWD #1 until the dispute is finally resolved and regulatory uncertainties resolved.

25. Accordingly, Goodnight Midstream requests Order No. R-22506/SWD-2392 be amended to provide for a one-year extension until March 2, 2025, to commence injection operations.

26. **Goodnight Exhibits A-1 through A-5** were prepared by me or compiled under my direction from company business records or from the public records of the OCD.

27. 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.



Matthew Osborn

6/6/2024

Date

Matthew J. Osborn

3561 Leatherwood Drive
Frisco, TX 75033

979-324-3584
matthew.osborn@yahoo.com

SUMMARY

I have 20+ years in engineering and operations experience with 10+ in senior leadership roles with increasing levels of responsibility. During the last 7 years I have served in executive management deploying over \$300 MM in capital and returning over \$605 MM directed at the construction and acquisition of natural gas gathering and processing assets. Expertise includes M&A, contract negotiation, equipment sizing, hydraulic modeling, project scoping, budgeting, facility and pipeline construction, and all regulatory aspects of HSE.

EXPERIENCE

March 2023 – Current, Tailwater Innovation Partners, Dallas, TX

Entrepreneur-In-Residence

- Partner to Tailwater Capital evaluating new investment opportunities.
- Responsible for providing technical, operational, and budgeting expertise.
- Assist current portfolio companies with technical and operational issues.

2017 – January 2023, Align Midstream Partners II, LLC, Dallas, TX

President & Chief Operations Officer

- Successful equity deployment and subsequent exit with sale to Momentum Midstream.
- Partner to the CEO to advise and guide all engineering, operations, M&A, and commercial opportunities.
- Review, mark-up, advise, and negotiate commercial contracts with legal team and counterparties.
- Responsible for leading all engineering and operations teams including project costing, permitting, engineering, construction, commissioning, and subsequent operations.
- Executed successfully upon two large scale greenfield projects totaling over \$100 MM and one acquisition totaling \$110 MM.
- Oversaw all day to day operations of complex natural gas processing facilities and pipelines moving over 700 MMSCFD.

2014 – 2017, Align Midstream Partners I, LLC, Dallas, Texas

2016 Promoted to President and Chief Operations Officer (prior VP of Engineering)

- Successful equity deployment and subsequent exit with sale to Enable Midstream.
- Partner to the CEO providing key technical and commercial support during 4 acquisitions totaling \$75 MM
- Designed and integrated four acquisitions into a single operational system.
- Responsible for leading all engineering and operations teams including project costing, permitting, engineering, construction, commissioning, and subsequent operations.
- Oversaw all day to day operations of a complex natural gas cryogenic processing facility, compression, and pipelines moving over 120 MMSCFD.

2011-2014, PVR Partners, LLC, Dallas, Texas

2013-2014 Promoted to Director of Engineering (prior Engineering Manager)

- Part of team to develop, commercialize and construct hundreds of miles of natural gas pipelines, compressor stations, and cryogenic processing facilities.
- Designed, budgeted, procured, contracted, and facilitated the construction of natural gas pipelines, compressor stations, and cryogenic processing facilities totaling over \$500 MM in 3-year period.
- Sized equipment (compression, dehydration, amine, etc) and ran hydraulic models of pipeline systems.
- Managed team of 5 process and project engineers and 3 construction coordinators.

- Assisted operations in troubleshooting of cryogenic and amine process plants, dehydration, compression, etc.

2009-2011, Nuclear Regulatory Commission, Lusby, Maryland

- Resident Inspector – Calvert Cliffs Nuclear Power Plant
- Performed routine inspections, equipment walkdowns, incident evaluation, and emergency response.

2002-2009, United States Navy, Various

- Nuclear Submarine Officer Qualified – USS Memphis (SSN-691)
- Qualified Officer of Deck, Engineering Officer of Watch, Diving Officer of Watch, Navigation Supervisor, and Engineer Officer.
- Responsible to Commanding Officer for safe and efficient operations of a nuclear submarine both at sea and in-port. Including navigation, weapon's systems, and engineering.

EDUCATION

Texas A&M University – Dwight Look College of Engineering, College Station, Texas
Bachelor of Science, Mechanical Engineering December 2002

University of Oklahoma – Price School of Business, Norman, Oklahoma
Master of Business Administration, MBA August 2009

Old Dominion University – Batten College of Engineering & Technology, Norfolk, Virginia
Master of Engineering Management, MEM, May 2010

Naval Nuclear Power Program – Charleston, SC/Ballston Spa, NY
Nuclear Power School – Officer
Qualified Engineer Officer

Westinghouse Technology Series – Chattanooga, TN
Westinghouse Technology Course (R-304P)
Westinghouse Advanced Technology Course (R-504P)
Westinghouse Simulator Course (R-624P)

RECOGNITION

- Navy and Marine Corp Commendation Medal (2 Awards)
- Navy and Marine Corp Achievement Medal (3 Awards)
- Various Unit and Overseas awards

**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

APPLICATION

Goodnight Midstream Permian, LLC (“Goodnight Midstream”) (OGRID No. 372311), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-12(B)(15), to amend Order No. R-22506 (SWD-2392) for a one-year extension to commence injection operations until March 2, 2025. In support, Goodnight Midstream states the following:

1. Attached is a complete administrative application for an extension of time to commence injection operations through Goodnight Midstream’s proposed Rocket SWD #1. *See* Administrative Application, attached as **Exhibit A**, and incorporated herein.
2. Under the provisions of the UIC Class II Permit SWD-2392, the authorization to inject is valid for one year after the date of issuance, or until March 2, 2024. Goodnight Midstream submitted a timely request for a one-year extension in accordance with the terms of SWD-2392.
3. The extension request was protested. Accordingly, Goodnight Midstream hereby requests that its extension request be set for hearing pursuant to 19.15.26.8(E) NMAC.
4. The proposed **Rocket SWD #1** will be located approximately 565 feet from the south line and 245 feet from the west line (Unit M) in Section 28, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-2
Submitted by: Goodnight Midstream Permian, LLC
Hearing Date: June 13, 2024
Case No. 24491

5. The proposed injection disposal interval will be within the San Andres formation [SWD; San Andres (Pool Code 96121)] between approximately 4,380 feet and 5,750 feet below the ground through a perforated completion.

6. Disposal fluid will be produced saltwater from oil and gas wells in the area producing from the Delaware Mountain Group, Wolfcamp, and Bone Spring formations.

7. The estimated average surface injection pressure is expected to be approximately 438 psi. The maximum surface injection pressure will be 876 psi.

8. Approving this application will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

9. The application in this case relates to Goodnight Midstream Division Case Nos. 23614-23617, 23775; 24277 and 24278; and Commission Case No. 24123 (de novo); and Empire New Mexico, LLC's Division Case Nos. 24018-24020 and 24025, which all involve a dispute over produced water disposal in the San Andres formation within the EMSU. Applicant therefore requests that this application be referred to the Commission for consideration with the foregoing referenced cases under 19.15.4.20.B. NMAC.

10. WHEREFORE, Goodnight Midstream Permian, LLC requests that this application be set for hearing before the Oil Conservation Commission after an initial status conference on June 20, 2024, and, after notice and hearing as required by law, the Commission enter an order approving this application.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

**ATTORNEYS FOR GOODNIGHT MIDSTREAM
PERMIAN, LLC**

CASE _____: 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. Applicant in the above-styled cause seeks to amend Order No. R-22506 (SWD-2392) for a one-year extension to commence injection operations in its proposed **Rocket SWD #1** until March 2, 2025. The proposed Rocket SWD #1 will be located approximately 565 feet from the south line and 245 feet from the west line (Unit M) in Section 28, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. The proposed injection disposal interval will be within the San Andres formation [SWD; San Andres (Pool Code 96121)] between approximately 4,380 feet and 5,750 feet below the ground through a perforated completion. Disposal fluid will be produced saltwater from oil and gas wells in the area producing from the Delaware Mountain Group, Wolfcamp, and Bone Spring formations. The estimated average surface injection pressure is expected to be approximately 438 psi. The maximum surface injection pressure will be 876 psi. The maximum surface injection pressure will be 840 psi. The subject well will be located approximately 7 miles northwest of Eunice, N.M.



EXHIBIT A

January 23, 2024

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Subject: Goodnight Midstream Permian, LLC
Injection Permit Extension Request
Rocket SWD #1 (SWD-2392)

Mr. Fuge,

Goodnight Midstream Permian, LLC (Goodnight) is requesting a one-year extension of the Injection Authority for their Rocket SWD #1 in Lea County, NM. Per the approved Injection Order (SWD-2392), the current authorization to inject expires March 2, 2024. Due to a third-party's ongoing attempts to revoke the injection authority for 10 of Goodnight's SWDs, maintaining the replacement injection capacity offered by the Rocket SWD #1 is critical to Goodnight's ability to continue supporting oil and gas production operations in the region; therefore, Goodnight is requesting the one-year extension to maintain this capacity and does intend to drill this well within the extension period.

New Mexico Oil Conservation Division (NMOCD) records were reviewed and indicated that there are no wells penetrating the injection interval within the 1/2-mile Area of Review (AOR); however, two new Affected Parties were identified within the 1/2-mile AOR and those parties have been notified of this extension request.

Attached are the approved Injection Order, 1/2-mile AOR Well Map, the 1/2-mile AOR Well Detail List, updated Statement of Notification List, and Affected Party Notice mailing confirmations (Green Sheets).

Questions regarding this application or the included materials can be directed to Nate Alleman (Goodnight Contract Regulatory Advisor) via telephone at 918-237-0559 or via email at nate.alleman@aceadvisors.com.

Sincerely,

A handwritten signature in black ink that reads "Nathan Alleman".

Nate Alleman
Chief Regulatory Advisor
Ace Energy Advisors

**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 GOODNIGHT MIDSTREAM
PERMIAN, LLC FOR SALT WATER DISPOSAL
WELL, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21527
ORDER NO. R- 22506**

ORDER OF THE DIVISION

This case came in for hearing before the Oil Conservation Division (“OCD”) at 8:15 a.m. on December 3, 2020, in Santa Fe, New Mexico.

The OCD Director, having considered the testimony, the record, the recommendations of the Hearing Examiner, these findings of fact, and conclusions of law issues this Order.

FINDINGS OF FACT

1. Due public notice has been given, and the Oil Conservation Division (“OCD”) has jurisdiction of this case and the subject matter.
2. Goodnight Midstream Permian, LLC (“Applicant”) seeks authority to utilize its Rocket SWD Well No. 1 (API No. 30-025-Pending; “Well”), located 565 feet from the South line and 245 feet from the West line (Unit M) of Section 28, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, as an Underground Injection Control (“UIC”) Class II well for disposal of produced water into the San Andres formation through an open-hole interval from 4,330 feet to 5,750 feet below surface.
3. Applicant submitted a Form C-108 application (Administrative Application No. pBL2024439207) on August 19, 2020, for authority to inject into the Well which was protested by the New Mexico State Land Office (“NMSLO”) and by OXY USA WTP Limited Partnership (“OXY”).
4. On September 13, 2020, Applicant submitted an application for hearing for approval of the Well for commercial disposal of produced water. Subsequently, the NMSLO filed an entry of appearance and pre-hearing statement for this application on November 26, 2020.

Case No. 21527
Order No. R-22506
Page 2 of 3

5. Applicant provided affidavits at hearing through counsel that presented geologic and engineering evidence in support of the approval of injection authority for the Well.

a. Applicant proposed commercial disposal Well for injection into the San Andres formation with an average capacity of 22,500 barrels of water per day at a maximum surface injection pressure of 876 pounds per square inch.

b. Applicant proposed a new well design using 13³/₈-inch diameter surface casing set at approximately 1,550 feet and 9⁵/₈-inch diameter casing set to a total depth of 5,850 feet with both casings cemented to surface. Applicant also proposed utilizing 5¹/₂-inch diameter, plastic-lined tubing set into a packer at an approximate setting depth of 4,330 feet.

c. Applicant identified 10 wells within the one-half mile Area of Review of the surface location of the Well, but none penetrated the proposed injection interval.

d. Applicant did not locate any shallow freshwater wells were located within one mile of the Well. Applicant also identified the Rustler formation as the deepest underground source of drinking water with an estimated lower contact of 1470 feet below surface.

e. Applicant provided evidence of proper notice as required by OCD rules to affected persons and publication of a legal notice in a newspaper of general circulation in the county in which the Well is located.

6. The NMSLO appeared through counsel at hearing and did not oppose the presentation of the case by affidavit nor oppose the granting of this application. The NMSLO provided in their pre-hearing statement a summary of their concern for the location of the Well and the potential negative impacts to adjacent state mineral interests but made no statement at hearing.

7. Though OXY protested the initial application, it did not file either an entry of appearance or a pre-hearing statement in this case. No other party appeared at the hearing, or otherwise opposed the granting of this application.

The OCD concludes as follows:

8. Applicant provided the information required by 19.15.26 NMAC and the Form C-108 for an application to inject produced water into a Class II UIC well.

9. Applicant complied with the notice requirements of 19.15.4 NMAC.

10. Applicant affirmed in a sworn statement by a qualified person that it examined the available geologic and engineering data and found no evidence of open faults or other hydrologic connections between the approved injection interval and any underground sources of drinking water.

11. Applicant is in compliance with 19.15.5.9 NMAC.

Case No. 21527
Order No. R-22506
Page 3 of 3

12. Applicant modified the well construction, as requested by OCD, by substituting the open-hole completion design of the original application to casing with cement design as provided in Applicant's Exhibit A, page 9 of the Form C-108.

13. Approval of disposal in the Well with conditions will enable Applicant to support existing production and future exploration in this area, thereby preventing waste while not impairing correlative rights and protecting fresh water or underground sources of drinking water.

IT IS THEREFORE ORDERED THAT:

1. Goodnight Midstream Permian, LLC is hereby authorized by **UIC Permit SWD-2392** to utilize its Rocket SWD Well No. 1, located in Unit M of Section 28, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, for the commercial disposal of UIC Class II fluids into the San Andres formation.

2. Jurisdiction is retained by the OCD for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order; whereupon the OCD may, after notice and hearing or prior to notice and hearing in event of an emergency, terminate the disposal authority granted herein.



DYLAN M. FUGUE
ACTING DIRECTOR

Date: 3/2/23_____

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

UIC CLASS II PERMIT SWD-2392

APPENDIX A – AUTHORIZED INJECTION

Permittee: Goodnight Midstream Permian, LLC

OGRID No.: 372311

Well name: Rocket SWD Well No. 1

Surface location: Lat: N 32.4441667°; Long: W 103.2781389°; NAD83
565 feet from the South line and 245 feet from the West line (Unit M) of
Section 28, Township 21 South, Range 36 East, NMPM, Lea County, New
Mexico.

Bottom hole location (if different): NA

Type of completion: Perforations

Type of injection: Commercial

Injection fluid: produced water from Bone Spring, Wolfcamp and Devonian formations and
Delaware Mountain Group

Injection interval: San Andres formation

Injection interval thickness (feet): 4,380 feet to 5,750 feet (1,370 feet total)

Confining layer(s): Upper confining: base of Grayburg formation
Lower confining: upper contact of Paddock formation

Prohibited injection interval(s): Glorieta or deeper formations

Liner, tubing, and packer set: No liner; 5.5-inch lined tubing with packer set within 100 feet of
uppermost perforation.

Maximum daily injection rate: 32,000 barrels of water

Maximum surface injection pressure: 876 pounds per square inch

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

UIC CLASS II PERMIT SWD-2392

Pursuant to the Oil and Gas Act, NMSA 1978, §§70-2-1 *et seq.*, (“Act”) and its implementing regulations, 19.15.1 *et seq.* NMAC, (“Rules”) and the federal Safe Drinking Water Act, 42 U.S.C. 300f *et seq.*, and its implementing regulations, 40 CFR 144 *et seq.*, the Oil Conservation Division (“OCD”) issues this Permit to Goodnight Midstream Permian, LLC (“Permittee”) to authorize the construction and operation of a well to inject produced water at the location and under the terms and conditions specified in this Permit and Appendix A.

I. GENERAL CONDITIONS

A. AUTHORIZATION

1. Scope of Permit. This Permit authorizes the injection of produced water into the well described on Appendix A (“Well”). Any injection not specifically authorized by this Permit is prohibited. Permittee shall be the “operator” of the Well as defined in 19.15.2.7(O)(5) NMAC.

a. Injection is limited to the approved injection interval described in Appendix A. Permittee shall not allow the movement of fluid containing any contaminant into an underground source of drinking water (“USDW”) if the presence of that contaminant may cause a violation of a Primary Drinking Water Regulation adopted pursuant to 40 CFR Part 142 or that may adversely affect the health of any person. [40 CFR 144.12(a)]

b. The wellhead injection pressure for the Well shall not exceed the value identified in Appendix A.

c. Permittee shall not commence to drill, convert, or recomplete the Well until receiving this approval and until OCD approves a Form C-101 Application for Permit to Drill (“APD”) pursuant to 19.15.14 NMAC or receives an approved federal Form 3160-3 APD for the Well. [40 CFR 144.11; 19.15.14.8 and 19.15.26.8 NMAC]

d. Permittee shall not commence injection into the Well until the Permittee complies with the conditions in Section I. C. of this Permit.

e. This Permit authorizes injection of any UIC Class II fluid or oil field waste defined in 19.15.2.7(E)(6) NMAC.

f. This Permit does not authorize injection for an enhanced oil recovery project as defined in 19.15.2.7(E)(2) NMAC.

2. Notice of Commencement. Permittee shall provide written notice on Form C-103 to OCD E-Permitting and notify OCD Engineering Bureau by email of the submittal no later than two (2) business days following the date on which injection commenced into the Well. [19.15.26.12(B) NMAC]

3. Termination. Unless terminated sooner, this Permit shall remain in effect for a term of twenty (20) years beginning on the date of issuance. Permittee may submit an application for a new permit prior to the expiration of this Permit. If Permittee submits an application for a new permit, then the terms and conditions of this Permit shall remain in effect until OCD denies the application or grants a new permit.

a. This Permit shall terminate one (1) year after the date of issuance if Permittee has not commenced injection into the Well, provided, however, that OCD may grant a single extension of no longer than one (1) year for good cause shown. Permittee shall submit a written request for an extension to OCD Engineering Bureau no later than thirty (30) days prior to the deadline for commencing injection.

b. One (1) year after the last date of reported injection into the Well, OCD shall consider the Well abandoned, the authority to inject pursuant to this Permit shall terminate automatically, and Permittee shall plug and abandon the Well as provided in Section I. E. of this Permit. Upon receipt of a written request by the Permittee no later than one year after the last date of reported injection into the Well, OCD may grant an extension for good cause. [19.15.26.12(C) NMAC]

B. DUTIES AND REQUIREMENTS

1. Duty to Comply with Permit. Permittee shall comply with the terms and conditions of this Permit. Any noncompliance with the terms and conditions of this Permit, or of any provision of the Act, Rules or an Order issued by OCD or the Oil Conservation Commission, shall constitute a violation of law and is grounds for an enforcement action, including revocation of this Permit and civil and criminal penalties. Compliance with this Permit does not relieve Permittee of the obligation to comply with any other applicable law, or to exercise due care for the protection of fresh water, public health and safety and the environment. The contents of the Application and Appendix A shall be enforceable terms and conditions of this Permit. [40 CFR 144.51(a); 19.15.5 NMAC]

2. Duty to Halt or Reduce Activity to Avoid Permit Violations. Permittee shall halt or reduce injection to avoid a violation of this Permit or other applicable law. It shall not be a defense in an enforcement action for Permittee to assert that it would have been necessary to halt or reduce injection in order to maintain compliance with this Permit. [40 CFR 144.51(c)]

3. Duty to Mitigate Adverse Effects. Permittee shall take all reasonable steps to minimize, mitigate and correct any waste or effect on correlative rights, public health, or the

environment resulting from noncompliance with the terms and conditions of this Permit. [40 CFR 144.51(d)]

4. Duty to Operate and Maintain Well and Facilities. Permittee shall operate and maintain the Well and associated facilities in compliance with the terms and conditions of this Permit. [40 CFR 144.51(e)]

5. Duty to Provide Information. In addition to any other applicable requirement, Permittee shall provide to OCD by the date and on the terms specified by OCD any information which OCD requests for the purpose of determining whether Permittee is complying with the terms and conditions of this Permit. [40 CFR 144.51(h)]

6. Private Property. This Permit does not convey a property right or authorize an injury to any person or property, an invasion of private rights, or an infringement of state or local law or regulations. [40 CFR 144.51(g)]

7. Inspection and Entry. Permittee shall allow OCD's authorized representative(s) to enter upon the Permittee's premises where the Well is located and where records are kept for the purposes of this Permit at reasonable times and upon the presentation of credentials to:

- a. Inspect the Well and associated facilities;
- b. Have access to and copy any record required by this Permit;
- c. Observe any action, test, practice, sampling, measurement or operation of the Well and associated facilities; and
- d. Obtain a sample, measure, and monitor any fluid, material or parameter as necessary to determine compliance with the terms and conditions of this Permit. [40 CFR 144.51(i)]

8. Certification Requirement. Permittee shall sign and certify the truth and accuracy of all reports, records, and documents required by this Permit or requested by OCD. [40 CFR 144.51(k)]

9. Financial Assurance. Permittee shall provide and maintain financial assurance for the Well in the amount specified by OCD until the Well has been plugged and abandoned and the financial assurance has been released by OCD. [40 CFR 144.52; 19.15.8.12 NMAC]

C. PRIOR TO COMMENCING INJECTION

1. Construction Requirements.

- a. Permittee shall construct the Well as described in the Application,

Appendix A and as required by the Special Conditions.

b. Permittee shall construct and operate the Well in a manner that ensures the injected fluid enters only the approved injection interval and is not permitted to escape to other formations or onto the surface.

2. Tests and Reports. Permittee shall complete the following actions prior to commencing injection in the Well.

a. Permittee shall obtain and comply with the terms and conditions of an approved APD prior to commencing drilling of the Well, or other OCD approval, as applicable, prior to converting or recompleting the Well. If the APD is approved by the OCD, the Well shall be subject to the construction, testing, and reporting requirements of 19.15.16 NMAC.

b. Permittee shall circulate to surface the cement for the surface and intermediate casings. If cement does not circulate on any casing string, Permittee shall run a cement bond log ("CBL") to determine the top of cement, then notify the OCD Engineering Bureau and the appropriate OCD Inspection Supervisor and submit the CBL prior to continuing with any further cementing on the Well. If the cement did not tie back into next higher casing shoe, Permittee shall perform remedial cement action to bring the cement to a minimum of two hundred (200) feet above the next higher casing shoe.

c. If a liner is approved for the construction of the Well, Permittee shall run and submit to OCD E-Permitting and notify the OCD Engineering Bureau by email, a CBL for the liner to demonstrate placement cement and the cement bond with the tie-in for the casing string.

d. Permittee shall submit to the appropriate OCD Engineering Bureau the mudlog, geophysical logs, and a summary of depths (picks) for the contacts of the formations demonstrating that only the permitted formation is open for injection. OCD may amend this Permit to specify the depth of the approved injection interval within the stratigraphic interval requested in the application. If Permittee detects a hydrocarbon show during the drilling of the Well, it shall notify OCD Engineering Bureau by email and obtain written approval prior to commencing injection into the Well.

e. Permittee shall obtain and submit to the OCD E-permitting on a Form C-103 a calculated or measured static bottom-hole pressure measurement representative of the completion in the approved injection interval.

f. Permittee shall conduct an initial mechanical integrity test ("MIT") on the Well in compliance with the terms and conditions of this Permit and 19.15.26 NMAC, and shall not commence injection into the Well until the results of the

initial MIT have been approved by the appropriate OCD Inspection Supervisor. [19.15.26.11(A) NMAC]

g. OCD retains authority to require a wireline verification of the completion and packer setting depths in this Well. [19.15.26.11(A) NMAC]

D. OPERATION

1. Operation and Maintenance.

a. Permittee shall equip, operate, monitor and maintain the Well to facilitate periodic testing, assure mechanical integrity, and prevent significant leaks in the tubular goods and packing materials used and significant fluid movements through vertical channels adjacent to the well bore. [19.15.26.10(A) NMAC]

b. Permittee shall operate and maintain the Well and associated facilities in a manner that confines the injected fluid to the approved injection interval and prevents surface damage and pollution by leaks, breaks and spills. [19.15.26.10(B) NMAC]

c. OCD may authorize an increase in the maximum surface injection pressure upon a showing by the Permittee that such higher pressure will not result in the migration of the disposed fluid from the approved injection interval or induced seismicity. Such proper showing shall be demonstrated by sufficient evidence, including an acceptable step-rate test.

d. If OCD has reason to believe that operation of the Well may have caused or determined to be contributing to seismic activity, Permittee shall, upon OCD's written request:

i. Take immediate corrective action, which could include testing and evaluating of the injection interval and confining layers; suspending or reducing of the rate of injection or maximum surface injection pressure, or both; and providing increased monitoring of the Well's operation; and

ii. Submit a remedial work plan or an application to modify the Permit to implement the corrective action, plug back the injection interval, or incorporate another modification required by OCD.

OCD may approve the remedial work plan, modify the Permit or issue an emergency order or temporary cessation order as it deems necessary.

2. Pressure Limiting Device.

a. The Well shall be equipped with a pressure limiting device, which is in workable condition and can be tested for proper calibration at the well site, that shall limit surface tubing pressure to the maximum surface injection pressure specified in Appendix A.

b. Permittee shall test the pressure limiting device and all gauges and other metering requirement to ensure their accuracy and proper function no less than every five (5) years.

3. Mechanical Integrity. Permittee shall conduct a MIT prior to commencing injection, at least every five (5) years after the date of the previous MIT, and whenever the tubing is removed or replaced, the packer is reset, mechanical integrity is lost, Permittee proposes to transfer the Well, or requested by OCD.

a. MITs shall be conducted in accordance with 19.15.26 NMAC.

b. Permittee shall submit a sundry notice on Form C-103 of intent to install or replace injection equipment or conduct a MIT no later than three (3) business days prior to the event.

c. Permittee shall report the result of a MIT no later than two (2) business days after the test.

d. Permittee shall cease injection and shut-in the Well no later than twenty-four (24) hours after discovery if:

i. The Well fails a MIT; or

ii. Permittee observes conditions at the Well that indicate the mechanical failure of tubing, casing, or packer.

e. Permittee shall take all necessary actions to address the effects resulting from the loss of mechanical integrity in accordance with 19.15.26.10 NMAC.

f. Permittee shall conduct a successful MIT pursuant to 19.15.26.11 NMAC, including written approval from OCD prior to recommencing injection and the requirements contained in Section I G.3.

4. Additional Tests. Permittee shall conduct any additional test requested by OCD, including but not limited to step-rate tests, tracer surveys, injection surveys, noise logs, temperature logs, and casing integrity logs [19.15.26.11(A)(3) NMAC]

5. Records.

a. Permittee shall retain a copy of each record required by this Permit for a period of at least five (5) years and shall furnish a copy to OCD upon request. [40 CFR 144.51(h)]

b. Permittee shall retain a record of each test, sample, measurement, and certification of accuracy and function collected for the Well, including:

- i. Date, location, and time of sample, measurement or calibration;
- ii. Person who conducted the sample event, measurement or calibration;
- iii. Calibration of gauge or other equipment in accordance with the manufacturer's specifications;
- iv. Description of method and procedures;
- v. Description of handling and custody procedures; and
- vi. Result of the analysis.

E. PLUGGING AND ABANDONMENT

1. Upon the termination of this Permit, Permittee shall plug and abandon the Well and restore and remediate the location in accordance with 19.15.25 NMAC.

2. If Permittee has received an extension pursuant to Section I. A. 2. b., Permittee shall apply for approved temporary abandonment pursuant to 19.15.25 NMAC.

3. If this Permit expires pursuant to 19.15.26.12 NMAC and OCD has not issued a new permit, then Permittee shall plug and abandon the Well and restore and remediate the location in accordance with 19.15.25 NMAC.

4. Permittee's temporary abandonment of the Well shall not toll the abandonment of injection in accordance with 19.15.26.12(C) NMAC.

F. REPORTING

1. **Monthly Reports.** Permittee shall submit a report using Form C-115 using the OCD's web-based online application on or before the 15th day of the second month following the month of injection, or if such day falls on a weekend or holiday, the first workday following the 15th, with the number of days of operation, injection volume, and injection pressure. [19.15.26.13 NMAC; 19.15.7.24 NMAC]

2. Corrections. Permittee shall promptly disclose to OCD any incorrect information in the Application or any record required by this Permit and submit corrected information. [40 CFR 144.51(h)(8)]

G. CORRECTIVE ACTION

1. Releases. Permittee shall report any unauthorized release of injection fluid at the Well or associated facilities in accordance with 19.15.29 and 19.15.30 NMAC.

2. Failures and Noncompliance. Permittee shall report the following incidents to appropriate OCD Inspection Supervisor and OCD Engineering Bureau verbally and by e-mail no later than 24 hours after such incident:

a. Any mechanical integrity failures identified in Section I. D. 3. d;

b. The migration of injection fluid from the injection interval [19.15.26.10 NMAC]; or

c. A malfunction of the Well or associated facilities that may cause waste or affect the public health or environment, including: (a) monitoring or other information which indicates that a contaminant may affect a USDW; or (b) noncompliance or malfunction which may cause the migration of injection fluid into or between USDWs. [40 CFR 144.51(l)(6)]

3. Corrective Action. Permittee shall submit a written report describing the incident in Sections I.G.1 or I.G.2, including a corrective active plan, no later than five (5) calendar days after discovery of the incident. [40 CFR 144.51(l)(6)] For an unauthorized release, Permittee also shall comply with the site assessment, characterization and remediation requirements of 19.15.29 and 19.15.30 NMAC.

4. Restriction or Shut-In. OCD may restrict the injected volume and pressure or shut-in the Well if OCD determines that the Well has failed or may fail to confine the injected fluid to the approved injection interval or has caused induced seismicity until OCD determines that Permittee has identified and corrected the failure. [19.15.26.10(E) NMAC]

H. PERMIT CHANGES

1. Transfer. This Permit shall not be transferred without the prior written approval of OCD. Permittee shall file Form C-145 for a proposed transfer of the Well. OCD may require, as a condition of approving the transfer, that this Permit be amended to ensure compliance and consistency with applicable law. If the Well has not been spud prior to the transfer, the OCD may require that the new operator reapply and submit to the OCD a new Form C-108 prior to constructing and injecting into the well. [19.15.26.15 NMAC; 19.15.9.9 NMAC]

2. Insolvency. Permittee shall notify OCD Engineering Bureau of the commencement of a voluntary or involuntary proceeding in bankruptcy which names Permittee or an entity which operates the Well on behalf of Permittee as a debtor no later than ten (10) business days after the commencement of the proceeding.

3. OCD Authority to Modify Permit and Issue Orders

a. The OCD may amend, suspend, or revoke this Permit after notice and an opportunity for hearing if it determines that:

i. The Permit contains a material mistake;

ii. Permittee made an incorrect statement on which OCD relied to establish a term or condition of the Permit or grant this Permit;

iii. this Permit must be amended to ensure compliance and consistency with applicable law, including a change to the financial assurance requirements;

iv. The Well's operation may affect the water quality of fresh water;

v. Injected fluid is escaping from the approved injection interval;

vi. Injection may be caused or contributed to seismic activity:
or

vii. Injection may cause or contribute to the waste of oil, gas or potash resources or affect correlative rights, public health, or the environment.

b. OCD retains jurisdiction to enter such orders as it deems necessary to prevent waste and to protect correlative rights, protect public health, and the environment.

c. OCD retains jurisdiction to review this Permit as necessary and no less than once every five (5) years, and may determine whether this Permit should be modified, revoked and reissued, or terminated. [40 CFR 144.36(a)]

4. Permittee Request to Modify Permit. Permittee may apply to modify the terms of this Permit.

a. **Minor Modifications.** OCD may make a minor modification to this Permit without notice and an opportunity for hearing for:

- i. Non-substantive changes such as correction of typographical errors;
- ii. Requirements for more frequent monitoring or reporting;
- iii. Changes to the Well construction requirements provided that any alteration shall comply with the conditions of the Permit and does not change the Area of Review considered in the application for the Permit;
- iv. Amendments to the plugging and abandonment plan;
- v. Changes in the types of fluids injected which are consistent with sources listed in the application for the Permit and do not change the classification of the Well;
- vi. Corrections of the actual injection interval if within the approved formation; or
- vii. Transfer of a Permit for a Well that has been spud. [40 CFR 144.41]

b. **Major Modifications.** OCD shall require notice and an opportunity for hearing for any modification that is not minor. For such modifications, Permittee shall submit Form C-108 and comply with the notice requirements of 19.15.26 NMAC.

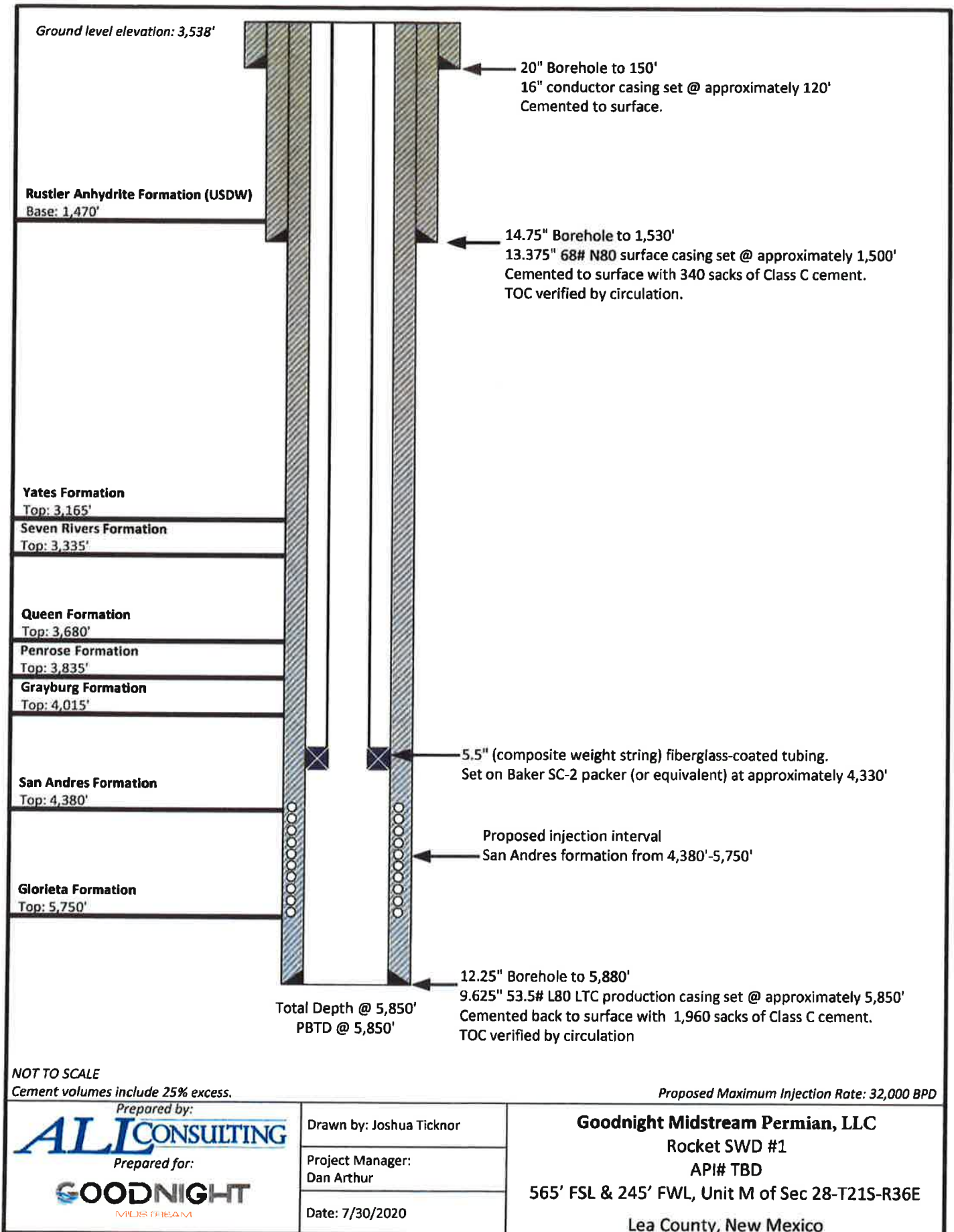
II. SPECIAL CONDITIONS

Permittee shall comply with the following special conditions:

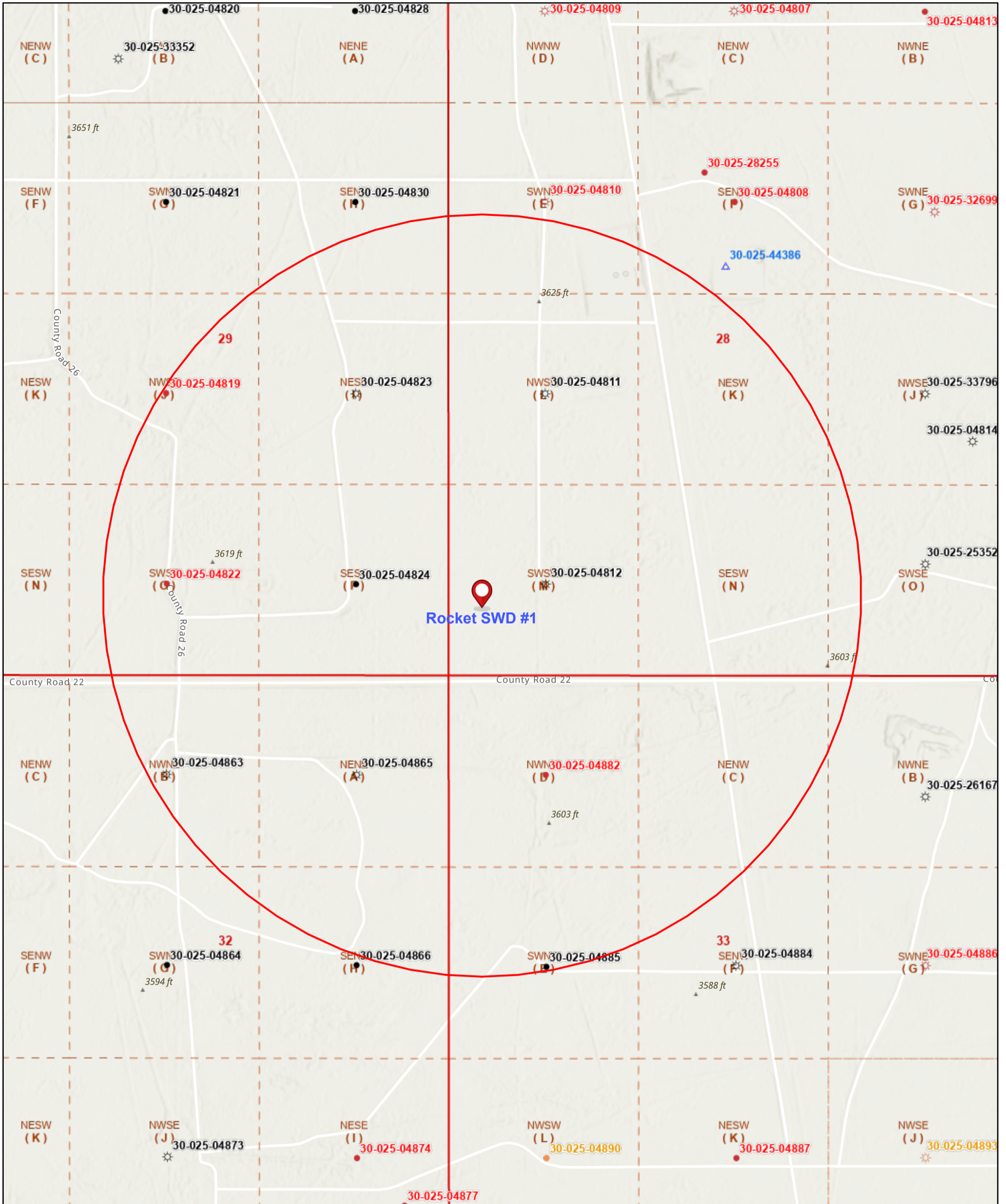
1. The Permittee shall obtain a water sample for analysis of hydrocarbon content as well as general water chemistry (including major cations, major anions, and Total Dissolved Solids (TDS)). Prior to commencing injection, the Permittee shall supply the results of the water sample in an e-mail submittal to the OCD Engineering Bureau. *If the analysis of the sample is found to contain a TDS concentration of 10,000 mg/L or less, the injection authority under this Permit shall be suspended ipso facto.*

III. ATTACHMENT

Well Completion Diagram as provided in the C-108 Application for Case No. 21527.



0.5 mile Well Map

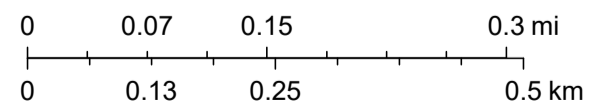


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Wells - Large Scale

- ☼ Gas, Active
- ☼ Gas, Plugged
- ☼ Gas, Temporarily Abandoned
- Oil, Active
- Oil, Plugged
- Oil, Temporarily Abandoned
- ▲ Salt Water Injection, New
- PLSS Second Division
- ▭ PLSS First Division

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1/2-mile AOR Tabulation for Rocket SWD #1 (Injection Interval: 4,380' - 5,570")

Well Name	API#	Well Type	Operator	Status	Spud Date	Location (Sec., Tn., Rng.)	Total Vertical Depth (feet)	Penetrate Inj. Zone?
NEW MEXICO B STATE #006	30-025-04822	Oil	EXXON MOBIL CORPORATION	Plugged (site released)	11/21/1935	O-29-21S-36E	3,900	No
STATE D #001	30-025-04863	Gas	FAE II Operating LLC	Active	8/22/1935	B-32-21S-36E	3,890	No
PRE-ONGARD WELL #003	30-025-04819	Oil	PRE-ONGARD WELL OPERATOR (Humble Oil & Gas Corp)	Plugged (site released)	3/28/1935	J-29-21S-36E	3,919	No
STATE D #003	30-025-04865	Gas	FAE II Operating LLC	Active	12/23/1935	A-32-21S-36E	3,900	No
EUMONT GAS COM 2 #001	30-025-04823	Gas	Empire New Mexico LLC	Active	12/30/1935	I-29-21S-36E	3,900	No
EUMONT GAS COM 2 #004	30-025-04824	Oil	Empire New Mexico LLC	Active	2/6/1936	P-29-21S-36E	3,909	No
LOCKHART B 28 #003	30-025-04811	Gas	PENROC OIL CORP	Active	2/19/1936	L-28-21S-36E	3,900	No
PRE-ONGARD WELL #001	30-025-04882	Oil	PRE-ONGARD WELL OPERATOR (Gulf Oil Corp)	Plugged (site released)	2/17/1936	D-33-21S-36E	3,885	No
ARNOTT RAMSAY NCT D #004	30-025-04885	Oil	Empire New Mexico LLC	Active	6/14/1956	E-33-21S-36E	3,909	No
LOCKHART B 28 #004	30-025-04812	Gas	PENROC OIL CORP	Active	2/19/1936	M-28-21S-36E	3,900	No
Notes: No wells within the 1/2-mile AOR penetrates the injection interval								

Statement of Affected Person Notification

A copy of the C-108 application has been provided to the following Affected Persons as notification of the subject Application for Authorization to Inject (C-108).

Entity Name	Entity Address	Mailing Date
Site Surface Owner		
Dasco Cattle Company, LLC	P.O. Box 727 Hobbs, NM 88241	8/14/2020
OCD District		
OCD - District 1	1625 N. French Drive Hobbs, NM 88240	8/14/2020
Mineral Owner		
New Mexico BLM	620 East Greene St. Carlsbad, NM 88220	8/14/2020
Leaseholders		
Apache Corporation	303 Vet Airpark Lane, Suite 3000 Midland, TX 79705	8/14/2020
Burleson Petroleum, Inc	P.O. Box 2479 Midland, TX 79702	8/14/2020
Chevron USA Inc	6301 Deauville Midland, TX 79706	8/14/2020
Commission of Public Lands - SLO	310 Oil Santa Fe Trail Santa Fe, NM 87501	8/14/2020
ConocoPhillips Company	P.O. Box 7500 Bartlesville, OK 74005	8/14/2020
OXY USA Inc.	P.O. Box 27570 Houston, TX 77227	8/14/2020
OXY USA Limited Partnership	5 Greenway Plaza, Suite 110 Houston, TX 77046	8/14/2020
Southwest Royalties	6 Desta Drive, Suite 2100 Midland, TX 79705	8/14/2020
XTO Energy Incorporated	500 West Illinois Ave, Suite 100 Midland, TX 79701	8/14/2020
XTO Holdings, LLC	810 Houston Street, Suite 100 Fort Worth, TX 76102	8/14/2020
ZPZ Delaware I LLC	2000 Post Oak Blvd, Suite 100 Houston, TX 77056	8/14/2020
Well Operators		
Penroc Oil Corporation	P.O. Box 2769 Hobbs, NM 88241	8/14/2020
FAE II Operating LLC	11757 Katy Freeway, Suite 725 Houston, TX 77079	1/22/2024
Empire New Mexico LLC	2200 S. Utica Place, Suite 150 Tulsa, OK 74114	1/22/2024

Place label at top of the center of the envelope and fold at dotted line.

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Nathan Alleman
Ace Energy Advisors
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BARTLESVILLE OK 74003-3931

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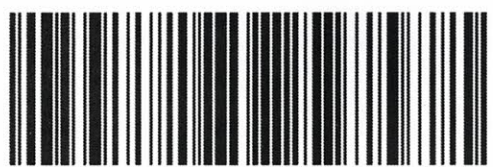
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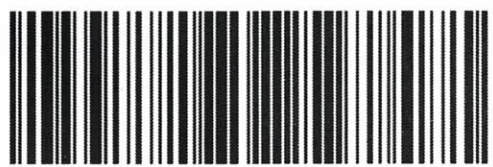
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9407 1118 9956 4820 5708 80

FAE II Operating LLC
11757 Katy Fwy Ste 725
Houston TX 77079-1743

Empire New Mexico LLC
2200 S Utica PI Ste 150
Tulsa OK 74114-7015

PADILLA LAW FIRM, P.A.

STREET ADDRESS
1512 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505

MAILING ADDRESS
P.O. BOX 2523
SANTA FE, NEW MEXICO 87504-2523

EMAIL ADDRESS
padillalawnm@outlook.com

TELEPHONE
505-988-7577

FACSIMILE
505-988-7592

via email: OCD.Engineer@emnrd.nm.gov

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Attn: Engineering Bureau

**Re: *Goodnight Midstream Permian, LLC,
Notice of Injection Permit Extension Request
Rocket SWD # 1, 565 FSL & 245 FWL, Section 28, T21S, R36E, Lea County,
NM***

Ladies & Gentlemen:

Please be advised that Empire New Mexico LLC objects to the referenced extension request of Goodnight Midstream Permian, LLC dated January 22, 2024. Empire New Mexico currently has an application before the Oil Conservation Division in Case No. 24021 to revoke disposal authority granted under OCD Order No. R-22506 to Goodnight Midstream for the Rocket SWD # 1.

Very truly yours,

Ernest L. Padilla

ERNEST L. PADILLA

ELP/jbg

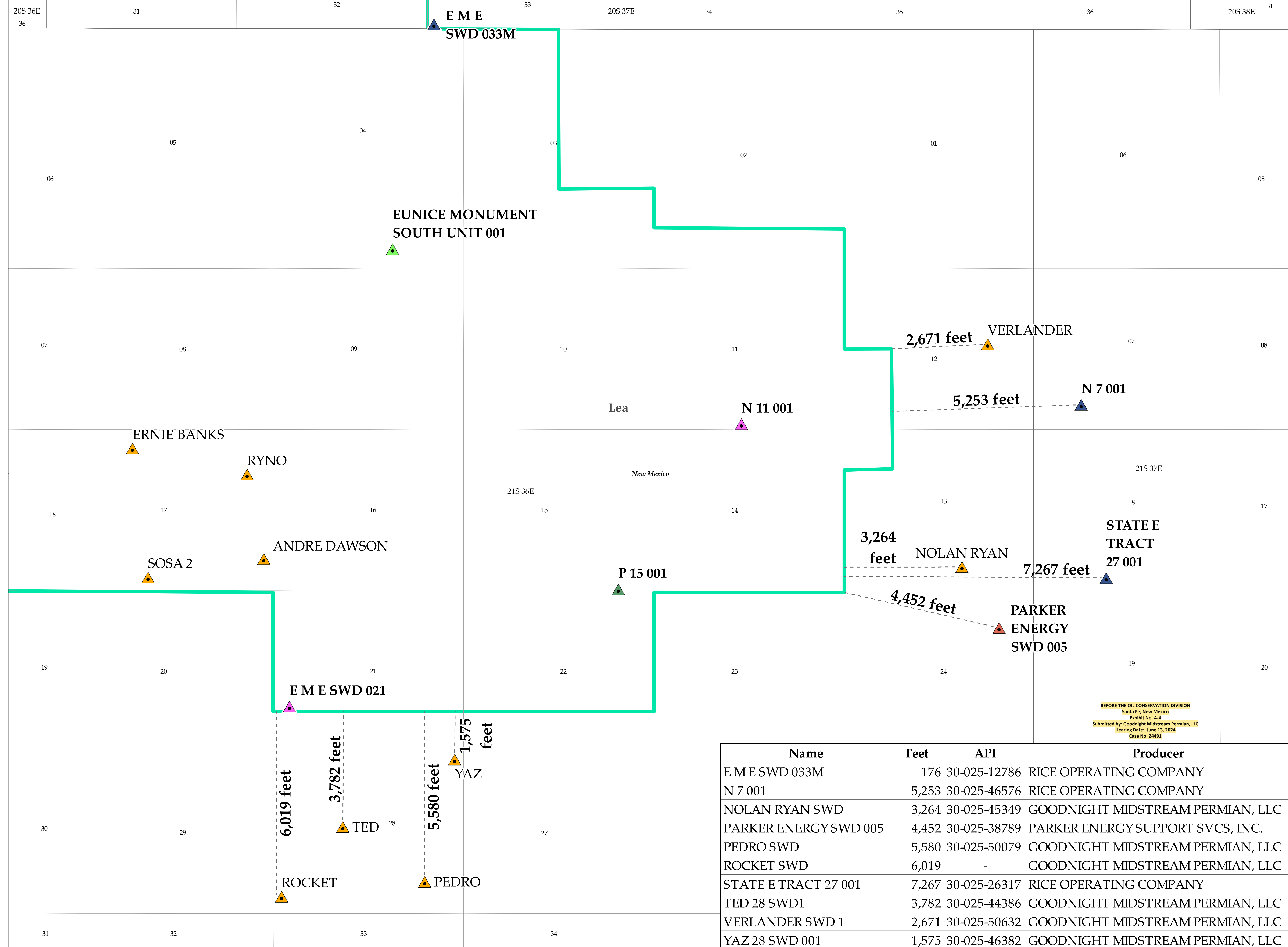
c: Nate Alleman--nate.alleman@aceadvisors.com

Jack Wheeler—jwheeler@empirepetrocorp.com

Kerby Hunt@empirepetrocorp.com

Mike Morrisett—mike@empirepetrocorp.com

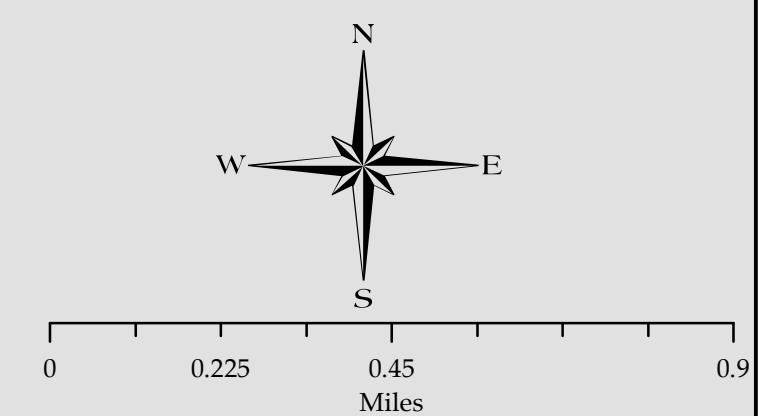
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-3
Submitted by: Goodnight Midstream Permian, LLC
Hearing Date: June 13, 2024
Case No. 24491



EMSU + GNM Wells

- Goodnight Midstream**
- SWD's
- Producer**
- EMPIRE PETROLEUM CORP
 - MERIT ENERGY
 - PARKER ENERGY SUPPORT
 - PERMIAN LINE SERVICE, LLC
 - PILOT WATER SOLUTIONS
 - RICE OPERATING COMPANY
 - EMSU Outline

Printed Date: May 22, 2024



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. A-4
 Submitted by: Goodnight Midstream Permian, LLC
 Hearing Date: June 13, 2024
 Case No. 24491

Name	Feet	API	Producer
E M E SWD 033M	176	30-025-12786	RICE OPERATING COMPANY
N 7 001	5,253	30-025-46576	RICE OPERATING COMPANY
NOLAN RYAN SWD	3,264	30-025-45349	GOODNIGHT MIDSTREAM PERMIAN, LLC
PARKER ENERGY SWD 005	4,452	30-025-38789	PARKER ENERGY SUPPORT SVCS, INC.
PEDRO SWD	5,580	30-025-50079	GOODNIGHT MIDSTREAM PERMIAN, LLC
ROCKET SWD	6,019	-	GOODNIGHT MIDSTREAM PERMIAN, LLC
STATE E TRACT 27 001	7,267	30-025-26317	RICE OPERATING COMPANY
TED 28 SWD1	3,782	30-025-44386	GOODNIGHT MIDSTREAM PERMIAN, LLC
VERLANDER SWD 1	2,671	30-025-50632	GOODNIGHT MIDSTREAM PERMIAN, LLC
YAZ 28 SWD 001	1,575	30-025-46382	GOODNIGHT MIDSTREAM PERMIAN, LLC

Coordinate System: GCS WGS 1984
 Datum: WGS 1984
 Units: Degree

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

**APPLICATION OF GOODNIGHT
MIDSTREAM PERMIAN, LLC TO AMEND
ORDER NO. R-7767 TO EXCLUDE THE SAN
ANDRES FORMATION FROM THE EUNICE
MONUMENT OIL POOL WITHIN THE
EUNICE MONUMENT SOUTH UNIT AREA,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24277

**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. 24018-24027

**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

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-5**

**Submitted by: Goodnight Midstream Permian, LLC
Hearing Date: June 13, 2024
Case No. 24491**

MOTION TO DISMISS EMPIRE CASE NOS. 24021-24024, 24026, 24027

Empire New Mexico, LLC has submitted six applications urging the Commission to revoke the injection authority provided to Goodnight Midstream Permian, LLC to operate six saltwater-disposal (“SWD”) wells outside the Eunice Monument South Unit (“EMSU”) (Case Nos. 24021–24024 and 24026–24027). The Commission should dismiss these applications because Empire has failed to show that it has standing to challenge those six wells.

Empire does not allege concrete, particularized facts showing that it has suffered injury, or will suffer imminent injury, from Goodnight’s injection of produced water into these six wells. Instead, Empire puts forward nothing more than a one-sentence speculative hunch—based solely on cryptic “information and belief”—that produced water from these wells might somehow be migrating into the San Andres formation of the EMSU, thereby impairing Empire’s ability to recover hydrocarbons within the EMSU. But a speculative, conclusory one-liner is insufficient to meet Empire’s burden to show injury in fact.

Nor has Empire alleged facts showing that the produced water allegedly interfering with its recovery operations comes from Goodnight’s six wells outside the EMSU. And it is hard to see how it could. Empire itself, along with Goodnight and other operators, also operate saltwater-disposal wells that inject produced water into the San Andres formation both within and near the EMSU. How Empire knows that any of the produced water within the San Andres formation of the EMSU comes from Goodnight’s six wells outside the EMSU is anyone’s guess. That Empire’s factual allegations shed zero light on this subject means that Empire has also failed to establish the causation and redressability elements necessary to create standing.

Simply put, because Empire’s applications in Case Nos. 24021–24024, 24026, and 24027 fail on all three standing elements—injury, causation, and redressability—the Commission should dismiss those applications.

BACKGROUND

Goodnight is a midstream company whose business includes receiving produced water from oil-and-gas producers and disposing of it in various ways, including injection into SWD wells. Between 2019 and 2022, and consistent with New Mexico law, the Division approved Goodnight's applications to inject produced water into several SWD wells in Lea County, New Mexico.

Empire New Mexico, LLC is an oil-and-gas production company. It owns the mineral rights associated with the Eunice Monument South Unit ("EMSU"). The EMSU is an oil-and-gas production area subject to a unitization order issued under the Statutory Unitization Act, NMSA 1978 §§ 70-7-1 through -21. Two geological formations underlie the EMSU: the Grayburg formation and the San Andres formation. The Grayburg formation sits directly atop the San Andres formation, and these two formations make up the Unitized Interval within the EMSU. Empire is currently producing oil and gas from the Grayburg formation within the Unitized Interval. According to Empire—and contrary to historical practice, common wisdom, and prior Division findings—the San Andres formation within the Unitized Interval also contains residual hydrocarbons that Empire hopes to recover at some point in the future.

In November 2023, Empire submitted applications urging the Division to revoke Goodnight's injection authority for ten SWD wells. Four applications seek to revoke Goodnight's permits for four SWD wells within the EMSU that inject produced water into the San Andres formation.¹ Empire contends that these four wells are impairing Empire's ability to recover hydrocarbons from the Unitized Interval.

¹ These applications are Case Nos. 24018, 24019, 24020, and 24025.

The remaining six applications—the focus of this motion to dismiss—challenge Goodnight’s injection authority for six wells that fall outside the EMSU and that are injecting or will inject produced water into the San Andres formation:

1. Case No. 24021: This application challenges Order No. R-22506 in Case No. 21527, which granted injection authority to Goodnight to operate the Rocket SWD Well No. 1 (API# 30-025-pending). Goodnight has not yet drilled this well. When drilled, Empire alleges that the well will be about 4,715 feet from the EMSU.^{2,3} Empire alleges that water injected into this well might at some point migrate over to the EMSU. Were that to happen, Empire says, Empire’s ability to recover hydrocarbons within the Unitized Interval would be impaired.

2. Case No. 24022: This application challenges Administrative Order No. SWD-2391, which granted injection authority to Goodnight to operate the Pedro SWD #001 Well (API# 30-025-50079). Goodnight is currently injecting produced water into this well. Empire alleges that the well is about 4,235 feet from the EMSU.⁴ Empire alleges—based solely “[u]pon information and belief”—that water injected into this well is migrating over to the EMSU, impairing Empire’s ability to recover hydrocarbons within the Unitized Interval.

3. Case No. 24023: This application challenges Order No. R-22030 in Case No. 20825, which granted injection authority to Goodnight to operate the Verlander SWD Well No. 1 (API#

² Empire appears to misapprehend the location and boundary of its own unit. Under the Unit Agreement, Tracts 14 and 71 exclude the S/2 S/2 of Sections 21 and 22, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. Ex. 3 (Ex. A and B to EMSU Agreement). This misapprehension causes Empire to substantially miscalculate the distances of Goodnight Midstream’s Rocket SWD #1, Ted 28 SWDW #001, Yaz 28 SWD #001, and Pedro SWD #001 from EMSU’s southern boundary.

³ The actual distance is 6,019 feet based on Division records establishing the EMSU boundary and approved location of the Rocket SWD Well No. 1. Ex. 1.

⁴ The actual distance is 5,580 feet based on Division records establishing the EMSU boundary and approved location of the Pedro SWD #001 Well. Ex. 1.

30-025-50632). Goodnight has not yet drilled this well. Empire alleges that the well is about 2,482 feet from the EMSU.⁵ Empire mistakenly alleges that Goodnight is currently injecting produced water into this well and alleges—based solely “[u]pon information and belief”—that water injected into this well is migrating over to the EMSU, impairing Empire’s ability to recover hydrocarbons from the Unitized Interval.

4. Case No. 24024: This application challenges Order No. R-20855 in Case No. 20555, which granted injection authority to Goodnight to operate the Nolan Ryan SWD Well No. 1 (API# 30-025-45349). Goodnight is currently injecting produced water into this well. Empire alleges that the well is about 3,285 feet from the EMSU.⁶ Empire alleges—based solely “[u]pon information and belief”—that water injected into this well is migrating over to the EMSU, impairing Empire’s ability to recover hydrocarbons from the Unitized Interval.

5. Case No. 24026: This application challenges Administrative Order No. SWD-2075, which granted injection authority to Goodnight to operate the Ted 28 SWD Well No. 1 (API# 30-025-44386). Goodnight is currently injecting produced water into this well. Empire alleges that the well is about 2,402 feet from the EMSU.⁷ Empire alleges—based solely “[u]pon information and belief”—that water injected into this well is migrating over to the EMSU, impairing Empire’s ability to recover hydrocarbons from the Unitized Interval.

6. Case No. 24027: This application challenges Order No. R-20865 in Case No. 20558, which granted injection authority to Goodnight to operate the Yaz 28 SWD Well No. 1 (API# 30-

⁵ The actual distance is 2,671 feet based on Division records establishing the EMSU boundary and approved location of the Verlander SWD Well No. 1. Ex. 1.

⁶ The actual distance is 3,264 feet based on Division records establishing the EMSU boundary and approved location of the Nolan Ryan SWD Well No. 1. Ex. 1.

⁷ The actual distance is 3,782 feet based on Division records establishing the EMSU boundary and approved location of the Ted 28 SWD Well No. 1. Ex. 1.

025-46382). Goodnight is currently injecting produced water into this well. Empire alleges that the well is about 230 feet from the EMSU.⁸ Empire alleges—based solely “[u]pon information and belief”—that water injected into this well is migrating over to the EMSU, impairing Empire’s ability to recover hydrocarbons from the Unitized Interval.

Goodnight, however, is not the only entity with active SWD wells in or near the EMSU. Empire itself operates a SWD well within the EMSU. **Ex. 1.** Permian Line Service, LLC operates two SWD wells within the EMSU (EME SWD 021 and N 11 001). So does Pilot Water Solutions (P 15 001). Rice Operating Company operates three SWD wells near the EMSU (EME SWD 033M, N 7 001, and State E Tract 27 #001). And another company, Parker Energy Support, operates a SWD well near the EMSU (Parker Energy SWD 005).

ARGUMENT

An applicant such as Empire may pursue an application with the Division or Commission only if the applicant has standing. 19.15.4.8(A) NMAC. An application is subject to dismissal if “the applicant does not have standing.” *Id.* To have standing, the applicant must establish that there is (1) an injury in fact, (2) a causal relationship between the injury and the challenged conduct, and (3) a likelihood that the injury will be redressed by a favorable decision. *ACLU of N.M. v. City of Albuquerque*, 2008-NMSC-45, ¶ 1, 188 P.3d 1222. The burden falls on the applicant to show that the applicant has standing. *See* 19.15.4.8(A) NMAC; *accord id.* 19.15.4.11(C) (stating that the Division or Commission may strike a notice of intervention “if the intervenor fails to show that the intervenor has standing, unless the intervenor’s participation will contribute substantially to the prevention of waste, protection of correlative rights or protection of public health or the

⁸ The actual distance is 1,575 feet based on Division records establishing the EMSU boundary and approved location of the Yaz 28 SWD Well No. 1. Ex. 1.

environment”). For Goodnight’s six wells outside the EMSU, Empire’s applications fail on all three standing elements.

1. Empire has failed to allege facts showing that it has suffered, or imminently will suffer, injury from Goodnight’s injection activities from the six wells outside the EMSU.

For these six wells, Empire has not carried its burden to allege facts showing that Goodnight’s injection activities have caused or will imminently cause Empire to suffer injury. The most it can muster is a single conclusory sentence that, based on nothing more than unspecified “information and belief,” water has migrated or will migrate from these wells over to the EMSU. But this bare-bones allegation does not satisfy Empire’s burden under the rules to *show* that it has standing. Instead, to satisfy its burden, Empire must allege the facts and “information” it is relying on to form its belief that produced water from these wells is migrating or will migrate to the EMSU. Because Empire has not provided any of those facts or information in its applications, it has failed to establish that it has standing to bring these six applications.

For the five wells that are more than a half mile away from the EMSU (Case Nos. 24021, 24022, 24023, 24024, and 24026), Empire has another, independent problem: the Division’s precedent set down in Order No. R-12811, *In re Application of Gandy Corp.*, Case No. 13962 (N.M. Oil Conservation Div. Sept. 24, 2007) (**Ex. 2**). In that case, a competitor of the applicant sought to intervene to oppose the applicant’s request for injection authority for a SWD well. Ex. 2, ¶ 9. Similar to Empire here, the competitor raised concerns that water from the applicants well might migrate and adversely affect the competitor’s own SWD well. *Id.* ¶ 11. But the Division determined that the competitor lacked standing. *Id.* ¶ 12. One reason for that determination was that the competitor’s well was beyond the “1/2 mile cutoff required for consideration of ‘affected’ parties as per Division Rule 701(B)(2).” *Id.* ¶ 12(b). That reasoning applies with equal force to these five wells. The Rocket, Pedro, Verlander, Nolan Ryan, and Ted wells are all more than a half mile from

the EMSU. Ex. 1. That fact provides another, independent ground to dismiss Empire's challenges to those five wells for lack of standing under *Gandy*.

Empire's applications in Case Nos. 24021 and 24023 suffer from a third, independent deficiency: Goodnight has not yet drilled the challenged Rocket 1 or the Verlander wells. Because of that, Empire's asserted injury is "simply too speculative" at this point. *ACLU of N.M.*, 2008-NM-045, ¶ 24. This future injury depends on a string of contingencies: (1) Goodnight will inject a sufficiently large volume of produced water into the wells; (2) some of that water will somehow migrate 6,019 feet (Rocket) and 2,671 feet (Verlander) over to the EMSU; and (3) enough of this water will migrate to the EMSU to materially impair Empire's ability to produce hydrocarbons from the Unitized Interval. Because Empire has not alleged facts shedding any light on if or when these contingencies will come to pass, it has failed to carry its burden to establish a "high likelihood" that it will suffer imminent future injury from Goodnight's Rocket SWD Well No. 1 and Verlander SWD Well No. 1. *Id.* ¶ 29.

2. Empire has failed to allege facts showing that water from Goodnight's six wells outside the EMSU has caused or will cause injury, and that revoking the permits for those wells will redress that injury.

Empire has failed to allege facts showing that the produced water from Goodnight's six wells outside the EMSU is materially contributing to the produced water within the San Andres formation of the Unitized Interval that is allegedly interfering with Empire's recovery operations. As noted above, Empire itself operates a SWD well that injects produced water into the San Andres formation within the EMSU. Ex. 1. Goodnight similarly operates four SWD wells that inject produced water into the San Andres formation within the EMSU. *Id.* Two other companies, Permian Line Service, LLC and Pilot Water Solutions, operate three more SWD wells that do the same thing. *Id.* Beyond these existing sources of produced water, there are other potential sources of

produced water, too: Rice Operating Company operates three SWD wells near the EMSU, and Parker Energy also operates a SWD well near the EMSU. *Id.*

Given these other existing sources, and potential sources, of produced water within the San Andres formation of the EMSU, how does Empire know that any of the produced water within that formation of the EMSU comes from Goodnight's six wells outside the EMSU? Empire's applications do not say. That is a fatal shortcoming. Because Empire's applications include no factual allegations on this point, it is "purely speculative" whether the produced water from these six wells is in fact causing any alleged impairment in Empire's recovery operations. *Simon v. E. Ky. Welfare Rights Org.*, 426 U.S. 26, 45–46 (1976). In standing parlance, Empire has failed to allege facts showing that the produced water within the San Andres formation of the EMSU is "fairly traceable" to Goodnight's six SWD wells outside the EMSU. For that reason, Empire has failed to establish the causation element of standing for its applications challenging those six permits.

Much the same can be said on the redressability element. Nothing in Empire's applications establishes a "substantial likelihood" that revoking the permits for these six wells would solve the problem Empire is complaining about, given the multiple other existing and potential sources of produced water within the San Andres formation of the EMSU. *Id.*; *cf. Duke Power Co. v. Carolina Env't Study Grp.*, 438 U.S. 59, 74–78 (1978) (concluding that the causation element was met because the plaintiffs had shown that, but for the challenged statute, the plaintiffs would not have suffered their alleged harms). After all, even if the Commission were to shut off the water allegedly coming from Goodnight's six SWD wells outside the EMSU, that would hardly solve Empire's alleged problems, because there would still be produced water coming from SWD wells within the EMSU—including Empire's own SWD well—and potentially produced water coming from other SWD wells near the EMSU operated by Rice and Parker Energy. In short, even if the Commission were to revoke Goodnight's permits for the six SWD wells outside the EMSU, Empire has failed

to allege facts showing that doing so would eliminate produced water injected into the San Andres and remove this impediment to Empire's producing hydrocarbons from the Unitized Interval. Cf. *Linda R.S. v. Richard D.*, 410 U.S. 614, 618 (1973) (concluding that the plaintiff lacked standing based on redressability because, even providing the plaintiff with the injunction she requested, it was "speculative" that the injunction would redress her injury). Empire has thus failed to establish the redressability element of standing for its applications challenging Goodnight's six wells outside the EMSU.

CONCLUSION

Because Empire has failed to allege facts showing that it has standing to challenge Goodnight's six SWD wells outside the EMSU, the Commission should dismiss Case Nos. 24021–24024 and 24026–24027.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-998-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

**ATTORNEYS FOR GOODNIGHT MIDSTREAM
PERMIAN, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on May 23, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Ernest L. Padilla
Padilla Law Firm, P.A.
Post Office Box 2523
Santa Fe, New Mexico 87504
(505) 988-7577
padillalawnm@outlook.com

Dana S. Hardy
Jaclyn M. McLean
HINKLE SHANOR LLP
P.O. Box 2068
Santa Fe, NM 87504-2068
(505) 982-4554
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com

Sharon T. Shaheen
Daniel B. Goldberg
Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, NM 87504-2307
(505) 986-2678
sshhaheen@montand.com
dgoldberg@montand.com
cc: *wmcginnis@montand.com*

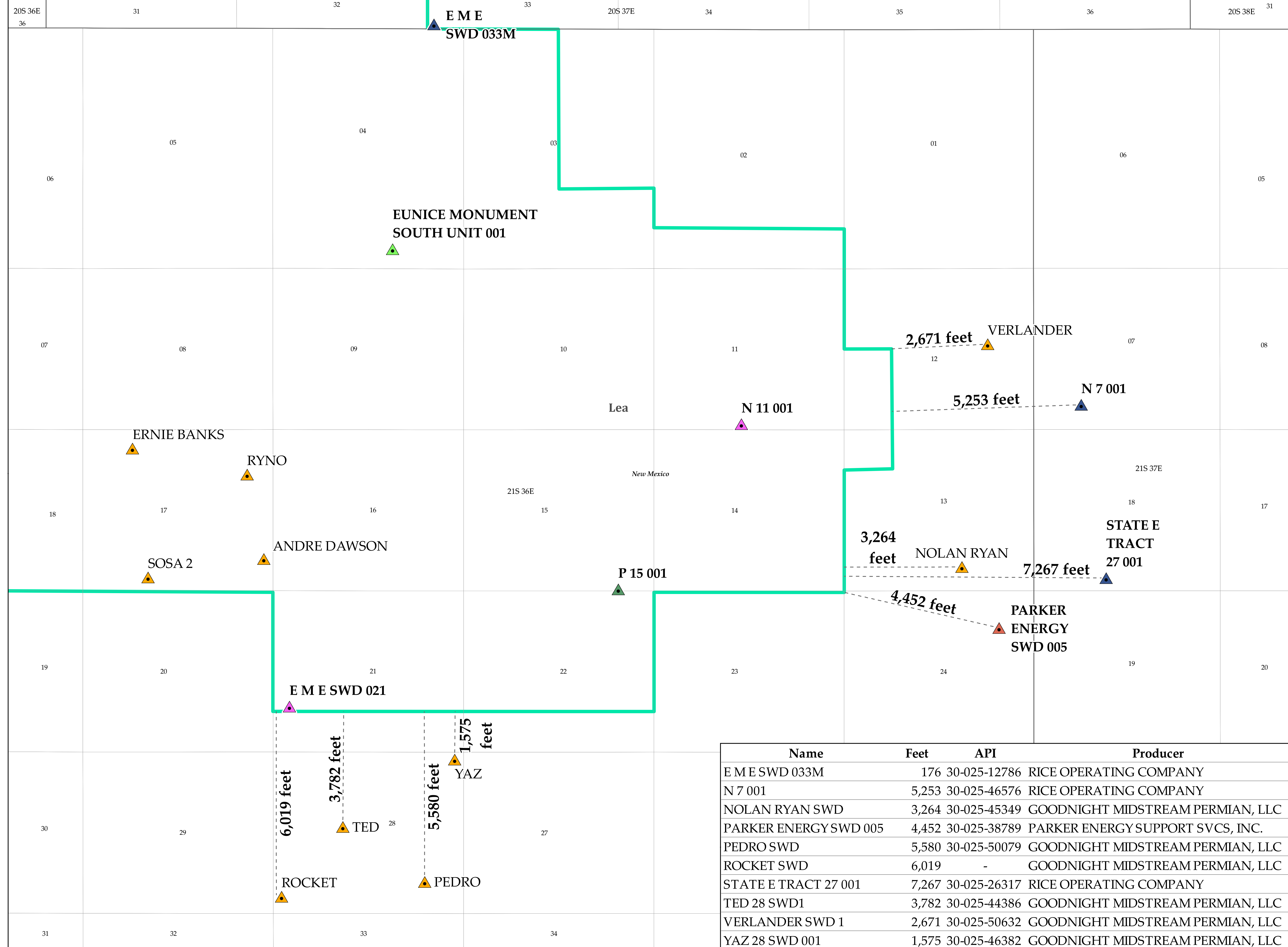
Attorneys for Empire New Mexico, LLC

Jesse Tremaine
Chris Moander
Assistant General Counsels
New Mexico Energy, Minerals, and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
(505) 741-1231
(505) 231-9312
jessek.tremaine@emnrd.nm.gov
chris.moander@emnrd.nm.gov

***Attorneys for New Mexico Oil Conservation
Division***

Adam G. Rankin

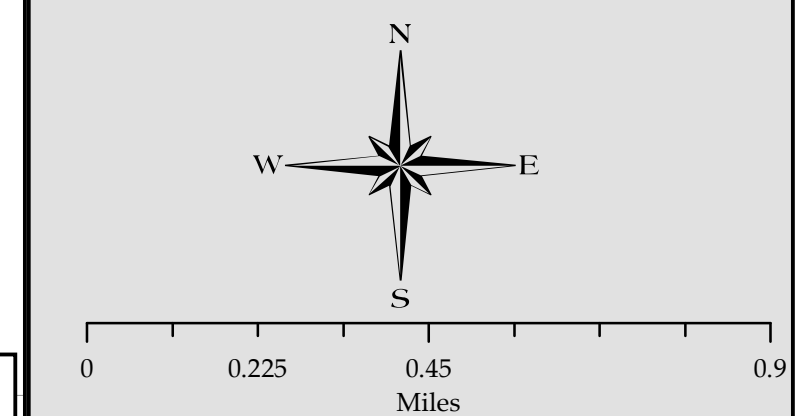
EXHIBIT 1



EMSU + GNM Wells

- Goodnight Midstream**
- SWD's
- Producer**
- EMPIRE PETROLEUM CORP
 - MERIT ENERGY
 - PARKER ENERGY SUPPORT
 - PERMIAN LINE SERVICE, LLC
 - PILOT WATER SOLUTIONS
 - RICE OPERATING COMPANY
 - EMSU Outline

Printed Date: May 22, 2024



1 in = 0 miles
1 inch = 1,335 feet

Coordinate System: GCS WGS 1984
Datum: WGS 1984
Units: Degree

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Name	Feet	API	Producer
E M E SWD 033M	176	30-025-12786	RICE OPERATING COMPANY
N 7 001	5,253	30-025-46576	RICE OPERATING COMPANY
NOLAN RYAN SWD	3,264	30-025-45349	GOODNIGHT MIDSTREAM PERMIAN, LLC
PARKER ENERGY SWD 005	4,452	30-025-38789	PARKER ENERGY SUPPORT SVCS, INC.
PEDRO SWD	5,580	30-025-50079	GOODNIGHT MIDSTREAM PERMIAN, LLC
ROCKET SWD	6,019	-	GOODNIGHT MIDSTREAM PERMIAN, LLC
STATE E TRACT 27 001	7,267	30-025-26317	RICE OPERATING COMPANY
TED 28 SWD1	3,782	30-025-44386	GOODNIGHT MIDSTREAM PERMIAN, LLC
VERLANDER SWD 1	2,671	30-025-50632	GOODNIGHT MIDSTREAM PERMIAN, LLC
YAZ 28 SWD 001	1,575	30-025-46382	GOODNIGHT MIDSTREAM PERMIAN, LLC

EXHIBIT 2

**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:**

**CASE NO. 13962
ORDER NO. R-12811**

**APPLICATION OF GANDY CORPORATION FOR AUTHORIZATION TO
INJECT INTO THE JULIA CULP WELL NO 2, LEA COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came before the Oil Conservation Division at 8:15 a.m. on July 26, 2007, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 24th day of September, 2007, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Gandy Corporation ("Gandy"), seeks authority to re-enter the plugged and abandoned Julia Culp Well No. 2 (API No. 30-025-30879) located 2310 feet from the North line and 660 feet from the East line (Unit H) of Section 34, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico, and to utilize this well for commercial disposal of oil field waste waters into the Devonian formation at perforated and open hole depths of 13,865 to 14,500 feet.

(3) Gandy filed on February 1, 2007 an administrative application to re-enter and inject into this well. On February 12, after reviewing the application, the Division sent an email requesting clarification of certain items in Gandy's submittal. Gandy's consultant, Mr. Terry Duffey, replied to the data request on February 14. As part of the Division's requirements, notice was sent to approximately 93 affected parties. Prior to the 15-day suspense period, the Division received protest letters and deferred the application until such time as settlement could be reached between Gandy and the protesting parties. Protests or letters of concern were received from P. Kay Stokes and D.B. Wharton of Arkansas, Jerry and Jan Carlisle of Lovington ("J&J Service, Inc"),

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Edgar J. Huffman ("VISA Industries of Arizona") and Energen Resources Corporation ("Energen").

(4) On June 13, 2007, after reaching a tentative agreement with Energen, Gandy submitted a letter to the Division requesting this matter be heard before an Examiner and on July 19 submitted its pre-hearing statement.

(5) Energen entered an appearance in this case and submitted a pre-hearing statement. At the July 26 hearing, Energen stated through counsel it no longer protested the application.

(6) At the hearing, Mr. Jerry Carlisle of J&J Service, Inc. appeared to make a statement in opposition to the proposed injection well. J&J Service, Inc. did not file an entry of appearance or pre-hearing statement for this hearing. Mr. Carlisle presented a letter from Visa Industries of Arizona ("VISA") protesting Gandy's proposed injection well. Mr. Carlisle further stated that P. Kay Stokes and her uncle, Mr. Wharton, had called him prior to the hearing and stated they had already objected to Gandy's application.

(7) VISA also did not file an official entry of appearance or pre-hearing statement for this hearing and did not appear at the hearing. The letter dated July 24th from VISA authorized Jerry Carlisle to represent VISA's interests at the hearing. The letter expressed concerns of VISA's that (i) its remaining interest in the lease would be lost if this injection is approved, (ii) Gandy's injection in this area may have caused or could cause corrosion to wellbores in, or damage to production from, its Strawn wells in the West Lovington Strawn Unit.

(8) Mr. Carlisle made a statement that his company, J&J Service, Inc., helped pay for the drilling of the subject well, and now owns an interest in the Wolfcamp formation within this well, and wished to retain the well for possible production from the Wolfcamp formation. Further, Mr. Carlisle does not understand how Gandy could assume ownership of the well without dealing with all existing owners of record.

(9) DKD, LLC entered an appearance in this case by fax to the Division on July 22nd and entered a pre-hearing statement by fax on July 23rd as an "interested party who may present testimony based on the applicants presentation". By fax on July 23rd, DKD, LLC filed a "notice of intervention" as a competitor of the applicant who has concerns about the application. The reason given for late filing was (i) intervenor's usual attorney was conflicted out and (ii) DKD, LLC called its new attorney on time, but attorney was moving his office and did not get filings done until Sunday.

(10) On July 25th, applicant's attorney filed a motion with the Division to determine DKD as a non-party and to prohibit DKD's participation in the upcoming hearing. Reasons given, included; (i) DKD was not a person to whom Division rules require notice of the original administrative application or of the Division hearing; (ii) DKD is simply a competitor to Gandy in this area; and (iii) DKD did not timely file entry

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of appearance or pre-hearing statement. Gandy asked therefore that DKD be limited at the discretion of the Examiner in the hearing to “making a relevant statement, and being subject to cross-examination.”

(11) At the hearing, DKD presented argument and reasoning for status as a party with “standing.” DKD’s owner, Mr. Danny Watson, stated that:

(a) DKD operates a commercial disposal in this area, the Watson “6” Well No. 1, and therefore is a competitor to Gandy’s proposed commercial operations;

(b) DKD is also concerned about possible corroded casing and poor cement in Gandy’s proposed injection well over the equivalent interval that DKD is using for injection; and

(c) Injection or casing leaks in this area have been shown in previous Division cases to affect wells located more than ½ mile away.

(12) After listening to arguments, the Examiner decided to not allow DKD to have standing in this case for the following reasons:

(a) This matter was first considered by the Division in February at which time newspaper notice within Lea County was provided. Gandy finally made application for a hearing in June, and the hearing date was in late July. Despite this extended time period, DKD did not timely file an objection to the application.

(b) DKD’s nearest injection well is located over a mile from Gandy’s proposed well and therefore much further than the ½ mile cutoff required for consideration of “affected” parties as per Division Rule 701B(2).

(c) Gandy’s proposed injection well would inject into the Devonian while DKD’s nearest injection well uses a shallower interval for injection.

(d) Within Gandy’s well or any other proposed injection wells, the Division would not allow injection without adequate casing and cement and would require periodic internal Mechanical Integrity Testing (“MIT”) to ensure injection is confined to the permitted injection interval.

(e) Enforcement cases related to any future alleged rule or permit violations by the operator of the proposed injection well can be proposed by offset operators [such as DKD] and the merits would be considered at a Division hearing.

(13) Gandy produced two witnesses at this hearing who testified as follows:

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(a) Gandy has a need for additional disposal in this area and chose the Devonian as an injection horizon because it may take water on a vacuum and would not pressure up as other injection formations have done, restricting injection or causing problems with offset wells. Also, it is below the deepest producing horizon in this general area which is the Strawn.

(b) The proposed well was drilled in 1990 and therefore is a relatively new wellbore compared to other Devonian wells. The well is not near any Devonian production and is in fact located in a structural trough. The well is wet in the Devonian and likely has adequate permeability as shown by the drill stem test done by the driller from 13,865 to 13,900 feet. Due to interest in the Mississippian at 13,391 to 13,522 feet, casing was run on this well to 13,950 feet.

(c) Gandy proposes to re-enter this plugged well, tie in new 5-1/2 inch casing, squeeze off perforations in the depleted gas interval in the Mississippian and in the unproductive Atoka formation, squeeze cement to cover the corrosion prone interval in the upper Glorieta and lower San Andres formations, test the wellbore for mechanical integrity, test the Devonian injection capability and, if necessary, drill out of the casing to a maximum open hole depth of 14,500 feet to add additional injection capacity.

(d) There is only one well within 1/2 mile of this well that penetrated the Devonian. The Daisy Chambers Well No. 1 is located approximately 1/2 mile from the proposed injection well. It was drilled in 1955, produced from the Permo Penn formations at approximately 10,500 feet, and was plugged and abandoned in 1992.

(e) Gandy will run a water pipeline to this well from its existing injection facility and will obtain a permit for this pipeline separately from this application.

(f) Gandy provided notice and received no protest from the surface owner of the wellsite, Mr. Dan Fields. Gandy also worked out agreement with Energen Resources and provided notice to approximately 90 other affected parties within the 1/2 mile Area of Review. The parties who lodged a protest were primarily concerned about use of the wellbore – especially in the Permo Penn formations.

(g) Gandy did a study of possible productivity of the Permo Penn (Wolfcamp) formation in the vicinity of the proposed injection well and concluded that attempting to perforate and produce this interval would be risky. Wolfcamp production would be poor at best and probably already drained by previous nearby production.

(h) Many types of oil field waste waters will be injected into this well. The Devonian waters are relatively compatible with those waste waters. The

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Devonian water quality is very saline and is not protectable under the federal Safe Drinking Water Act or the New Mexico Water Quality Act.

(i) All fresh water intervals will be protected with casing and cement in the proposed injection well.

(14) Gandy did not provide testimony from a Landman, but did state in the hearing through counsel that its position is that the landowner now owns this wellbore, and Gandy has reached agreement with the landowner. In addition, and in case the landowner does not own this wellbore, Gandy has also reached an agreement with Energen as the operator of a lease which has production holding this wellbore. Thus Gandy demonstrated a good faith claim of ownership. In any case, ownership disputes are not within the jurisdiction of the Oil Conservation Division.

(15) The Division concludes that Gandy's proposed injection well should be approved and the proposed injection operation can be conducted in a safe and responsible manner, without causing waste, impairing correlative rights or endangering fresh water, public health or the environment.

IT IS THEREFORE ORDERED THAT:

(1) Gandy Corporation ("Gandy" or "operator") OGRID 8426, is hereby authorized to inject for disposal purposes into its Julia Culp Well No. 2 (API No. 30-025-30879) which will be re-entered at a location 2310 feet from the North line and 660 feet from the East line (Unit H) of Section 34, Township 15 South, Range 35 East, NMPM, in Lea County, New Mexico. Within this well, oil field waste waters are permitted for disposal into the Devonian formation through perforations from approximately 13,865 feet to 13,885 feet and through an open-hole interval from 13,950 feet to 14,500 feet, through plastic coated tubing set in a packer located within 100 feet of the top injection perforation or interval being used for injection.

(2) Prior to injecting into this well, the plugged wellbore shall be re-entered, new casing installed as deep as is practical, the existing cement top at 9280 feet raised with squeeze cementing operations to tie-in to the intermediate casing so as to cover all potential corrosive intervals, existing perforations in the Mississippian and the Atoka squeezed off, and the wellbore tested for mechanical integrity. If additional injection capacity is needed after perforating and testing the upper Devonian, the well shall be deepened to a maximum of 14,500 feet.

(3) After perforating the Devonian or while deepening the well, Gandy shall monitor the well for hydrocarbon shows and shall report any shows or swab test results to the Hobbs district office on sundry forms.

(4) After equipping the well with plastic coated tubing and packer, the casing-tubing annulus shall be loaded with an inert, corrosion resistant fluid as specified by the

Case No. 13962
Order No. R-12811
Page 6 of 7

Hobbs district office and equipped with a leak detection device capable of determining any leakage in the casing, tubing, or packer.

(5) Mechanical integrity testing is required after installation of the injection tubing and prior to commencing injection operations and thereafter as required by Division rules.

(6) The operator shall notify the Hobbs district office of the time of the setting of the tubing and packer and of any mechanical integrity test ("MIT") so that such operations can be witnessed.

(7) The tubing shall have a gauge and pressure limiting device installed in order to control and to record injection pressures. The surface injection pressure shall be continuously regulated such that it never exceeds 2,773-psi. The Director may administratively authorize an increase in this injection pressure if the operator shows that a higher pressure will not result in formation fracturing or migration of injected fluids from the permitted injection formation. As justification, the operator must submit results of an injection test such as a Step-Rate-Test.

(8) The operator of the well (Gandy or any successor operator) shall take all steps necessary to insure that injected fluids enter the proposed injection interval and do not escape to other formations or onto the surface.

(9) Without limitation on the duties of the operator as provided in Division Rules 19 and 116, or otherwise, the operator shall immediately notify the Hobbs district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from or around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

(10) The operator shall submit monthly reports of injection volumes of waste water on Form C-115, in accordance with Division Rules 706 and 1115.

(11) The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations pursuant hereto; provided however, the Division Director, upon written request of the operator received by the Division prior to the end of one year, may extend this time for good cause.

(12) Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health, and the environment.

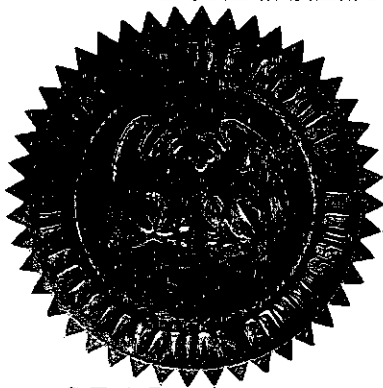
(13) At the discretion of the Division Director and after proper notice is provided, any proposed amendments or changes to this order may be done administratively; provided however, proposed amendments to raise the depth of the

Case No. 13962
Order No. R-12811
Page 7 of 7

injection interval or change the target injection formation shall be done only after notice and hearing.

(14) Jurisdiction is retained by the Division for the entry of further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (i) to protect fresh water or (ii) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Mark E. Fesmire
for MARK E. FESMIRE, P.E.
DIRECTOR

EXHIBIT 3

R 36 E

R 37 E

R 36 E

T 20 S

T 20 S

T 21 S

T 21 S

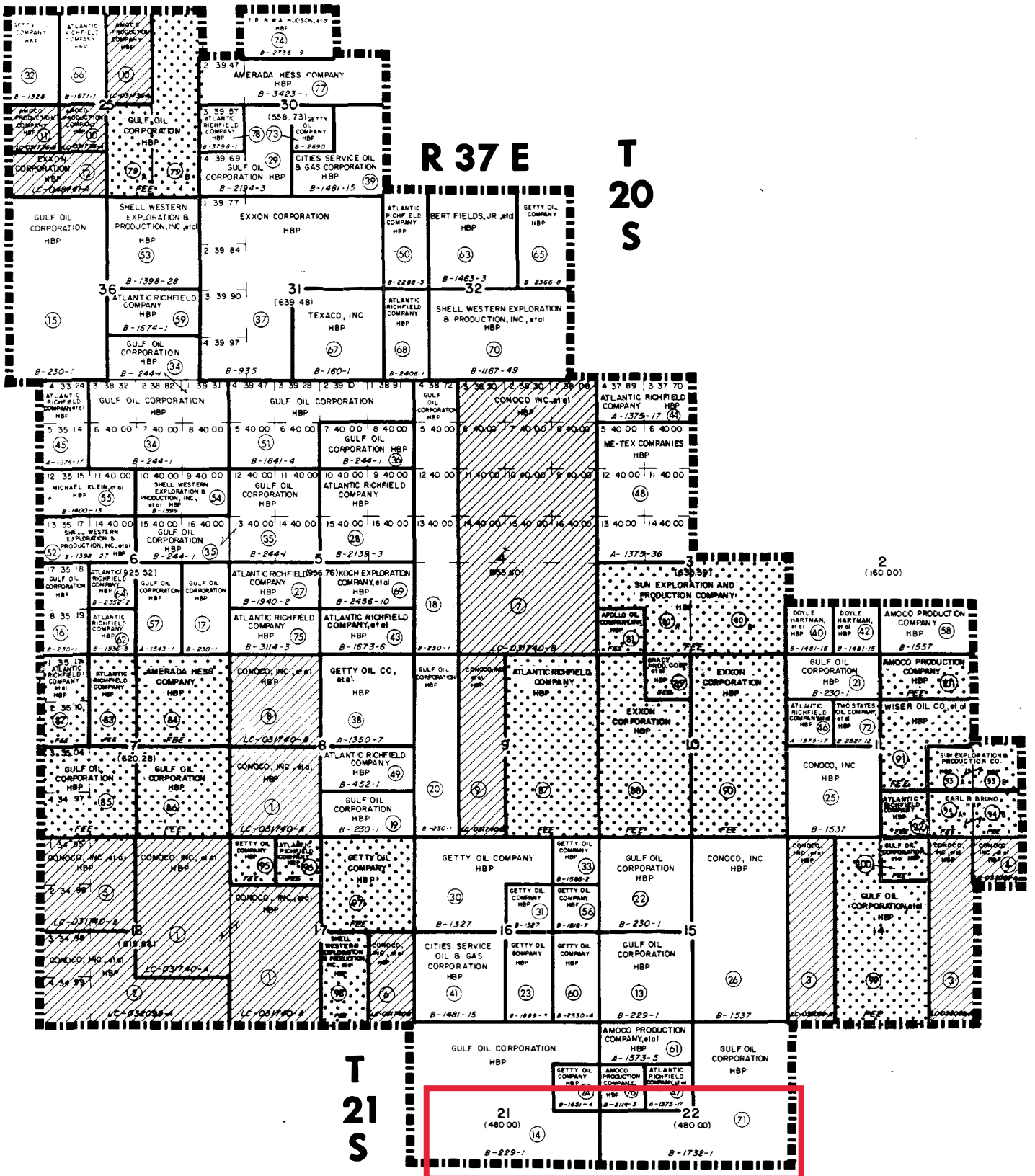


EXHIBIT "A"
**EUNICE MONUMENT SOUTH
 UNIT AREA**
 LEA COUNTY, NEW MEXICO

	ACREAGE	PERCENTAGE
	FEDERAL LANDS	2,734.76 19.27 %
	STATE LANDS	8,274.80 58.32 %
	PATENTED LANDS	3,180.28 22.41 %
	TOTAL	14,189.84 100.00 %

UNIT OUTLINE TRACT NUMBER



SCALE IN MILES

NOTE UNLESS OTHERWISE INDICATED, THE VARIOUS SECTIONS ON THIS PLAT CONTAIN 640.00 ACRES

GULF OIL CORPORATION
 MIDLAND, TEXAS

EXHIBIT "B"

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
IN ACCORDANCE WITH THE PARTICIPATION FORMULA FOR THE UNITIZED FORMATION FOR THE
EUNICE MONUMENT SOUTH UNIT AREA
LEA COUNTY, NEW MEXICO

September 27, 1984

<u>TRACT NO. AND TRACT NAME</u>	<u>DESCRIPTION OF LAND</u>	<u>ACRES</u>	<u>SERIAL NO. AND EFFECTIVE DATE</u>	<u>BASIC ROYALTY OWNER AND PERCENTAGE</u>	<u>LESSEE OF RECORD</u>	<u>OVERRIDING ROYALTY OWNER AND PERCENTAGE</u>	<u>WORKING INTEREST OWNER AND PERCENTAGE</u>
<u>Federal Lands:</u>							
1. Meyer "A-1" (was Tract 81)	R21S-R36E, N.M.P.M. Sec. 8: SW $\frac{1}{4}$ Sec. 17: SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 18: NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$	640.00	LC-031740-A HBP 2-19-31 Exchanged 2-1-51	U.S.A. Schedule "C"	A. E. Meyer	Atlantic Richfield Co. .92105 Helen L. Bedford .01842 Henry De Graffenreid Bedford .01842 Rachel Bedford Bowen .01842 Triton Oil & Gas Corp. .11513 Charles H. Coll .13239 Jon F. Coll .13239 James N. Coll .13241 Max W. Coll, II .13241 Etz Oil Properties, Inc. .17269 George H. Etz, Jr., Trustee of George H. Etz, Sr. Trust .17269 Ima Hays .30703 Kirby Exploration Co. .57422 Munro L. Lyeth and Patricia D. Lyeth, First of Denver A/C 11033-00-8 .41447 Onez Norman Rooney .41447 Ellis Rudy .00143 Alann P. Bedford, Trustee Alann P. Bedford Trust .01842 Southland Royalty Co. 1.38158	Conoco Inc. Amoco Producti Company Atlantic Richf Company Chevron U.S.A. Inc.

TRACT NO. AND TRACT NAME	DESCRIPTION OF LAND	ACRES	SERIAL NO. AND EFFECTIVE DATE	BASIC ROYALTY OWNER AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY OWNER AND PERCENTAGE	WORKING INTEREST OWNER AND PERCENTAGE	PARTICIPANT OF TRACT IN UNIT
<u>STATE LANDS:</u>								
13. J.F. Janda (NCT-C) (was Tract 95)	T21S-R36E, N.M.P.M. Sec. 15: SW $\frac{1}{4}$	160.00	B-229-1 HBP 2/28/28	State of New Mexico 12 $\frac{1}{2}$	Gulf Oil Corporation	None	Gulf Oil Corporation 100%	1.055350
14. Arnott-Ramsay (NCT-C) (was Tract 102)	T21S-R36E, N.M.P.M. Sec. 21: NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$	440.00	B-229-1 HBP 2/28/28	State of New Mexico 12 $\frac{1}{2}$	Gulf Oil Corporation	None	Gulf Oil Corporation 100%	2.739613
15. R.R. Bell (NCT-F) (was Tract 17)	T20S-R36E, N.M.P.M. Sec. 36: W $\frac{1}{2}$	320.00	B-230-1 HBP 2/28/28	State of New Mexico 12 $\frac{1}{2}$	Gulf Oil Corporation	None	Gulf Oil Corporation 100%	3.195507
16. R.R. Bell (NCT-D) (was Tract 35)	T21S-R36E, N.M.P.M. Sec. 6: Lots 17,18	70.37	B-230-1 HBP 2/28/28	State of New Mexico 12 $\frac{1}{2}$	Gulf Oil Corporation	None	Gulf Oil Corporation 100%	.682139
17. R.R. Bell (NCT-B) (was Tract 38)	T21S-R36E, N.M.P.M. Sec. 6: E $\frac{1}{2}$ SE $\frac{1}{4}$	80.00	B-230-1 HBP 2/28/28	State of New Mexico 12 $\frac{1}{2}$	Gulf Oil Corporation	None	Gulf Oil Corporation 100%	3.726787
18. Bell-Ramsey (NCT-A) (was Tract 47)	T21S-R36E, N.M.P.M. Sec. 4: Lots 4,5, 12,13 W $\frac{1}{2}$ SW $\frac{1}{4}$	238.72	B-230-1 HBP 2/28/28	State of New Mexico 12 $\frac{1}{2}$	Gulf Oil Corporation	None	Gulf Oil Corporation 100%	1.459570
19. R.R. Bell (NCT-A) (was Tract 63)	T21S-R36E, N.M.P.M. Sec. 8: S $\frac{1}{2}$ SE $\frac{1}{4}$	80.00	B-230-1 HBP 2/28/28	State of New Mexico 12 $\frac{1}{2}$	Gulf Oil Corporation	None	Gulf Oil Corporation 100%	.426101
20. Bell-Ramsey (NCT-A) (was Tract 64)	T21S-R36E, N.M.P.M. Sec. 9: W $\frac{1}{2}$ W $\frac{1}{2}$	160.00	B-230-1 HBP 2/28/28	State of New Mexico 12 $\frac{1}{2}$	Gulf Oil Corporation	None	Gulf Oil Corporation 100%	.796347
21. R.R. Bell (NCT-E) (was Tract 71)	T21S-R36E, N.M.P.M. Sec. 11: N $\frac{1}{2}$ NW $\frac{1}{4}$	80.00	B-230-1 HBP 2/28/28	State of New Mexico 12 $\frac{1}{2}$	Gulf Oil Corporation	None	Gulf Oil Corporation 100%	.355963
22. R.R. Bell (NCT-C) (was Tract 94)	T21S-R36E, N.M.P.M. Sec. 15: NW $\frac{1}{4}$	160.00	B-230-1 HBP 2/28/28	State of New Mexico 12 $\frac{1}{2}$	Gulf Oil Corporation	None	Gulf Oil Corporation 100%	2.683321
23. State "D" (was Tract 92)	T21S-R36E, N.M.P.M. Sec. 16: W $\frac{1}{2}$ SE $\frac{1}{4}$	80.00	B-1889-3 HBP 6/8/28	State of New Mexico 12 $\frac{1}{2}$	Getty Oil Company	None	Getty Oil Company 100%	.918559

TRACT NO. AND TRACT NAME	DESCRIPTION OF LAND	ACRES	SERIAL NO. AND EFFECTIVE DATE	BASIC ROYALTY OWNER AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY OWNER AND PERCENTAGE	WORKING INTEREST OWNER AND PERCENTAGE	PARTIC OF TR IN U
						9.375%		
70. State "J" (was Tract 27)	T20S-R37E, N.M.P.M. Sec. 32: SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$	240.00	B-1167-49 HBP 9/15/32	State of New Mexico 12%	El Paso Natural Gas Company and Shell Western Exploration and Production, Inc.	None	Shell Western Exploration and Production, Inc. 100%	.287522
71. Harry Leonard (NCT-A) (was Tract 107)	T21S-R36E, N.M.P.M. Sec. 22: NE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ N $\frac{1}{2}$ SE $\frac{1}{4}$	320.00	B-1732-1 HBP 2/28/33	State of New Mexico 12 $\frac{1}{2}$	Gulf Oil Corporation	None	Gulf Oil Corporation 100%	.825987
72. State "B" (was Tract 73)	T21S-R36E, N.M.P.M. Sec. 11: SE $\frac{1}{4}$ NW $\frac{1}{4}$	40.00	B-2527-12 HBP 2/10/34	State of New Mexico 12 $\frac{1}{2}$	Two States Oil Company	None	Two States Oil Company 81.25% The Herman R. Crile Sr. Revocable Trust dated 9-28-76 18.75%	.073299
73. Skelly "G" (was Tract 12)	T20S-R37E, N.M.P.M. Sec. 30: NW $\frac{1}{4}$ SE $\frac{1}{4}$	40.00	B-2690 HBP 4/2/34	State of New Mexico 12 $\frac{1}{2}$	Getty Oil Company	None	Getty Oil Co. 100%	.081241
74. Phillips (was Tract 7)	T20S-R37E, N.M.P.M. Sec. 30: NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$	80.00	B-2736-9 HBP 4/10/34	State of New Mexico 12 $\frac{1}{2}$	Wm. A. and Edward R. Hudson	William A. Hudson .072917 B.D. and Edward R. Hudson .145833	W.A. and E.R. Hudson 85% E.R. Hudson, Agent 15%	.029017
75. State "G" (was Tract 45)	T21S-R36E, N.M.P.M. Sec. 5: S $\frac{1}{2}$ SW $\frac{1}{4}$	80.00	B-3114-3 HBP 9/24/34	State of New Mexico 12 $\frac{1}{2}$	Atlantic Richfield Co.	Bradley Resources Corp. 5.46870	Atlantic Richfield Company 100%	.693134
76. State "J" (was Tract 105)	T21S-R36E, N.M.P.M. Sec. 22: SW $\frac{1}{4}$ NW $\frac{1}{4}$	40.00	B-3114-4 HBP 9/24/34	State of New Mexico 12 $\frac{1}{2}$	Amoco Production Co.	None	Atlantic Richfield Company 37.5% Amoco Production Co. 31.794% Landreth Production Corporation (carried working interest) 30.706%	.233315
77. State "W" (was Tract 8)	T20S-R37E, N.M.P.M. Sec. 30: Lot 2, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$	159.47	B-3423-1 HBP 10/29/34	State of New Mexico 12 $\frac{1}{2}$	Amarada Hess Corporation	None	Amerada Hess Corporation 100%	.148770
78. State "193" (was Tract 9)	T20S-R37E, N.M.P.M. Sec. 30: Lot 3	39.57	B-3798-1 HBP 4/22/35	State of New Mexico 12 $\frac{1}{2}$	Atlantic Richfield Co.	None	Atlantic Richfield Company 100%	.055491
66 STATE TRACTS	TOTALING	8,274.80	ACRES	OR 58.32% OF	UNIT AREA			

**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

**SELF-AFFIRMED STATEMENT OF
ADAM G. RANKIN**

1. I am attorney in fact and authorized representative of Goodnight Midstream Permian, LLC (“Goodnight”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to Empire New Mexico LLC on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of June 10, 2024.

4. The above-referenced application and notice of a requested hearing on this application was also sent by electronic mail to counsel for Empire New Mexico LLC on April 24, 2024.

5. A copy of the email providing notice to counsel for Empire and the Oil Conservation Division is attached hereto.

6. 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.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B**

**Submitted by: Goodnight Midstream Permian,
LLC Hearing Date: June 13, 2024
Case No. 24491**



Adam G. Rankin

06/10/24

Date

Adam Rankin

From: Adam Rankin
Sent: Wednesday, April 24, 2024 5:16 PM
To: Ernest Padilla; dhardy@hinklelawfirm.com; jmclean@hinklelawfirm.com; Sharon T. Shaheen; William McGinnis; jessek.tremaine@emnrd.nm.gov; Moander, Chris, EMNRD (Chris.Moander@emnrd.nm.gov)
Cc: Michael Feldewert; Paula M. Vance; Kari D. Perez
Subject: RE: Notice Packet by Goodnight Midstream Permian, LLC re: Rocket SWD #1 Case no. 24491
Attachments: Goodnight_Rocket SWD _1 Extension Request_Case no. 24491_Notice Packet.pdf

To include counsel for the Division, as well.

This proposed well is the subject of an Empire application to revoke injection authority (Case No. 24021), which has already been referred to the Commission and is among the mass of cases now pending. I will circulate a draft motion and proposed order referring this case to the Commission for consideration and approval by counsel.

Best,
Adam

Adam Rankin
Partner, Holland & Hart LLP

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

CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this email.

From: Kari D. Perez <KDPerez@hollandhart.com>
Sent: Wednesday, April 24, 2024 5:07 PM
To: Ernest Padilla <padillalawnm@outlook.com>; dhardy@hinklelawfirm.com; jmclean@hinklelawfirm.com; Samantha Catalano <scatalano@montand.com>; Sharon T. Shaheen <sshahen@montand.com>; William McGinnis <wmcginnis@montand.com>
Cc: Michael Feldewert <MFeldewert@hollandhart.com>; Adam Rankin <AGRarkin@hollandhart.com>; Paula M. Vance <PMVance@hollandhart.com>
Subject: Notice Packet by Goodnight Midstream Permian, LLC re: Rocket SWD #1 Case no. 24491

Counsel,

Please find the attached *Notice Packet* on behalf of Goodnight Midstream Permian, LLC in the above referenced matter. Notice is being provided separately to Empire New Mexico, LLC by certified mail, as well.

Regards,



Kari Perez
Legal Assistant
HOLLAND & HART LLP
110 North Guadalupe Street, Suite 1, Santa Fe, NM 87501
kdperetz@hollandhart.com | T: (505) 954-3672 F: (505) 944-9790

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-1
Submitted by: Goodnight Midstream Permian, LLC
Hearing Date: June 13, 2024
Case No. 24491



Adam G. Rankin
Phone (505) 988-4421
Fax (505) 983-6043
agrarkin@hollandhart.com

April 24, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: Empire New Mexico LLC

**Re: 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.
Rocket SWD #1 Well**

Ladies & Gentlemen:

This letter is to advise you that Goodnight Midstream Permian, LLC has filed the enclosed application with the New Mexico Oil Conservation Commission. A hearing has been requested before the Commission on June 20, 2024, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/occ-info/>.

The State of New Mexico Oil Conservation Commission meeting will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico, starting at 9 a.m. To participate in the electronic hearing, see the instructions posted on the OCC Hearings website: <https://www.emnrd.nm.gov/ocd/occ-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to be 'A. Rankin', written over a horizontal line.

Adam G. Rankin
**ATTORNEY FOR GOODNIGHT MIDSTREAM
PERMIAN, LLC**

Adam Rankin

From: Adam Rankin
Sent: Wednesday, April 24, 2024 5:16 PM
To: Ernest Padilla; dhardy@hinklelawfirm.com; jmclean@hinklelawfirm.com; Sharon T. Shaheen; William McGinnis; jessek.tremaine@emnrd.nm.gov; Moander, Chris, EMNRD (Chris.Moander@emnrd.nm.gov)
Cc: Michael Feldewert; Paula M. Vance; Kari D. Perez
Subject: RE: Notice Packet by Goodnight Midstream Permian, LLC re: Rocket SWD #1 Case no. 24491
Attachments: Goodnight_Rocket SWD _1 Extension Request_Case no. 24491_Notice Packet.pdf

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Best,
Adam

Adam Rankin
Partner, Holland & Hart LLP

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

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To: Ernest Padilla <padillalawnm@outlook.com>; dhardy@hinklelawfirm.com; jmclean@hinklelawfirm.com; Samantha Catalano <scatalano@montand.com>; Sharon T. Shaheen <sshahen@montand.com>; William McGinnis <wmcginnis@montand.com>
Cc: Michael Feldewert <MFeldewert@hollandhart.com>; Adam Rankin <AGRankin@hollandhart.com>; Paula M. Vance <PMVance@hollandhart.com>
Subject: Notice Packet by Goodnight Midstream Permian, LLC re: Rocket SWD #1 Case no. 24491

Counsel,

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Regards,



Kari Perez
Legal Assistant
HOLLAND & HART LLP
110 North Guadalupe Street, Suite 1, Santa Fe, NM 87501
kdperetz@hollandhart.com | T: (505) 954-3672 F: (505) 944-9790

Goodnight - Rocket SWD #1 - Case no. 24491
Postal Delivery Report

9214 8901 9403 8358 9637 45	EMPIRE NEW MEXICO LLC 2200 S UTICA PL SUITE 150 TULSA OK 74114	Delivered Signature Received
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