

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

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

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

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-22024/SWD-2403 TO INCREASE THE APPROVED INJECTION RATE IN ITS ANDRE DAWSON SWD #1, LEA COUNTY, NEW MEXICO.

CASE NO. 23775

EMPIRE NEW MEXICO LLC'S SUPPLEMENTAL RESPONSES TO GOODNIGHT MIDSTREAM PERMIAN LLC'S THIRD SUBPOENA DATED JULY 2, 2024

Empire New Mexico, LLC ("Empire") submits the following supplemental responses to the Subpoena issued on July 2, 2024 at the request of Goodnight Midstream Permian LLC. A link to responsive documents is provided in the email transmitting this response.

3. Documents, communications, reports, analyses, and protocols reflecting treatment, including volumes and concentrations of chemicals used, and a description of filtering

media and size of filters used on injected fluids, and Safety Data Sheets (SDS) for treating chemicals used, conducted by Empire New Mexico LLC to address scaling, H₂S, and corrosion in Grayburg production wells, Grayburg injection wells, and San Andres water supply wells within the EMSU from Empire's acquisition of the EMSU to the present.

RESPONSE: *See* documents Bates# OCD 23614-17 03558-3562, produced herewith.

SUPPLEMENTAL RESPONSE: *See* documents Bates# OCD 23614-17 03648-3712, produced herewith.

6. All documents, communications, reports, analyses, and data provided by XTO to Empire relating to the residual oil zone ("ROZ") referenced in Empire's Exhibit A-5, including but not limited to documents and data provided by XTO in the data room as part of Empire's due diligence review of the EMSU, as well as complete, conforming and legible copies of the analyzed logs used to create the cross section titled "Eunice Area ROZ Cross-section" presented on page 7 of Empire's Exhibit A-5.

RESPONSE: *See* document(s) Bates# OCD 23614-17 03563-3622, produced herewith.

SUPPLEMENTAL RESPONSE: *See* document(s) Bates# OCD 23614-17 03713-3714, produced herewith.

8. Documents and data reflecting Grayburg Formation pressure in EMSU production wells and injection wells for the years 2021, 2022, and 2023.

RESPONSE: *See* documents Bates# OCD 23614-17 03623-3627, produced herewith.

SUPPLEMENTAL RESPONSE: *See* documents Bates# OCD 23614-17 03649-3711, produced herewith.

9. Documents and data reflecting shut-in well pressure measurements, including shut-in fluid levels, for Grayburg waterflood injection wells within the EMSU for the period beginning immediately after Empire acquired its operating interest(s) the EMSU to Present.

RESPONSE: *See* documents Bates# OCD 23614-17 03628, produced herewith.

SUPPLEMENTAL RESPONSE: *See* documents Bates# OCD 23614-17 03715-3723, produced herewith.

12. Documents, data, analyses, reports, and summaries, including internal and external correspondence, that address, reflect on, or concern assessments for capital costs and expenditures estimated to be necessary to institute a tertiary recovery operation in the San Andres formation within the EMSU using carbon dioxide.

RESPONSE: Empire objects to Request No. 12 because it is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. The Commission's jurisdiction does not include authority to consider "assessments for capital costs and expenditures estimated to be necessary to institute a tertiary recovery operation in the San Andres formation." *See* NMSA 1978, §§ 70-2-6; 70-2-11, 70-2-12. Further, the Commission has expressly narrowed the scope of this hearing. *See* Join Order on Goodnight's Motion to Limit Scope of Hearing ("At said hearing, the parties shall submit all evidence, testimony, and legal argument on the issue of the existence, extent of and possible interference with a residual oil zone [in the EMSU] by produced water injection activities undertaken by Goodnight.").

SUPPLEMENTAL RESPONSE: Subject to and without waiver of the foregoing objection, which Empire understands will be litigated prior to hearing, Empire provides

documents Bates# OCD 23614-17 03724, produced herewith.

13. Reservoir studies reflecting monthly carbon dioxide volumes (including total, purchased, and recycled carbon dioxide) Empire estimates will be required to conduct tertiary recovery in the San Andres formation within the EMSU.

RESPONSE: Empire objects to this request for the same reasons stated in response to Request No. 12.

SUPPLEMENTAL RESPONSE: *See* Supplemental Response to Request No. 12.

14. Communications with potential suppliers of carbon dioxide for tertiary recovery operations in the San Andres formation within the EMSU.

RESPONSE: Empire objects to this request for the same reasons stated in response to Request No. 12.

SUPPLEMENTAL RESPONSE: Subject to and without waiver of the foregoing objection, which Empire understands will be litigated prior to hearing, Empire will provide documents that are subject to a non-disclosure agreement, in accordance with the non-disclosure agreement, when a confidential stipulation has been entered into by Goodnight and Empire.

17. Documents, data, and/or communications, whether internal or external, addressing the use of the San Andres formation in the EMSU as a carbon capture project, whether in the alternative to or in association with Empire's proposed carbon flood tertiary recovery project.

RESPONSE: Empire has conducted a diligent and thorough search of the records within

its possession, custody, or control and discovered that no responsive documents.

SUPPLEMENTAL RESPONSE: *See* Supplemental Response to Request No. 14.

18. The reservoir simulation model of the EMSU “to evaluate performance and impact to SWD injection and long-term flooding into the San Andres” that is referenced in the May 16, 2024 Form 8-K and attached as Exhibit 99, Press Release of Empire Petroleum, dated May 15, 2024, along with data relied on to construct the model, parameters and inputs, and analyses, reports, and summaries, including internal and external correspondence, that address, reflect on, or concern the reservoir model.

RESPONSE: The reservoir simulation model of the EMSU, which is the work of Empire’s expert, is not complete. The model and data relied on to construct the model will be produced in accordance with the Commission’s Pre-Hearing Order in this matter. *See New Mexicans for Free Enterprise v. The City of Santa Fe*, 2006-NMCA-007, 138 N.M. 785.

SUPPLEMENTAL RESPONSE: *See* documents Bates# OCD 23614-17 03725-3741, produced herewith.

Respectfully submitted,

By: /s/ Sharon T. Shaheen

Sharon T. Shaheen

SPENCER FANE LLP

P.O. Box 2307

Santa Fe, NM 87504-2307

(505) 986-2678

sshaheen@spencerfane.com

Dana S. Hardy

Jaclyn M. McLean

Timothy Rode

HINKLE SHANOR LLP

P.O. Box 2068

Santa Fe, NM 87504-2068

(505) 982-4554

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

trode@hinklelawfirm.com

Ernest L. Padilla

PADILLA LAW FIRM, P.A.

P.O. Box 2523

Santa Fe, NM 87504

(505) 988-7577

padillalawnm@outlook.com

Attorneys for Empire New Mexico, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following by electronic mail on August 21, 2024.

/s/ Sharon T. Shaheen

Mathew M. Beck
Peifer, Hanson, Mullins & Baker, P.A.
P.O. Box 25245
Albuquerque, NM 87125-5245
(505) 247-4800
mbeck@peiferlaw.com

Ernest L. Padilla
Padilla Law Firm
P.O. Box 2523
Santa Fe, NM 87504
(505) 988-7577
padillalawnm@outlook.com

Attorneys for Rice Operating Company and Permian Line Company, LLC

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

Christopher Moander
Office of General Counsel
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505
(505) 476-3441
Chris.Moander@emnrd.nm.gov

Attorneys for Empire New Mexico LLC

Attorneys for Oil Conservation Division

Miguel A. Suazo
Sophia Graham
Kaitlyn Luck
Beatty & Wozniak, P.C.
500 Don Gaspar Ave.
Santa Fe, NM 87505
msuazo@bwenergylaw.com
sgraham@bwenergylaw.com
kluck@bwenergylaw.com

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Nathan Jurgensen
Holland & Hart LLP
P.O. Box 2208
Santa Fe, NM 87504
(505) 988-4421
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com
nrjurgensen@hollandhart.com

Attorneys for Pilot Water Solutions SWD, LLC

Attorneys for Intervenor Goodnight Midstream, LLC