

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

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ORDER NO. R-22026 FOR THE ANDRE
DAWSON SWD #001 OPERATED BY GOODNIGHT
MIDSTREAM PERMIAN, LLC, LEA COUNTY, NEW
MEXICO.**

CASE NO. 24018

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ORDER NO. R-22027 FOR THE ERNIE
BANKS SWD NO. 1 WELL OPERATED BY
GOODNIGHT MIDSTREAM PERMIAN, LLC,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24019

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ORDER NO. R-20855 FOR THE NOLAN
RYAN SWD #001 OPERATED BY GOODNIGHT
MIDSTREAM PERMIAN, LLC, LEA COUNTY, NEW
MEXICO.**

CASE NO. 24024

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

CASE NO. 24025

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ADMINISTRATIVE ORDER NO. SWD-2075
FOR THE TED 28 WELL NO. 1 OPERATED BY
GOODNIGHT MIDSTREAM PERMIAN, LLC, LEA
COUNTY, NEW MEXICO.**

CASE NO. 24026

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ORDER NO. R-20865 FOR THE YAZ 28 SWD
WELL NO. 1 OPERATED BY GOODNIGHT
MIDSTREAM PERMIAN, LLC, LEA COUNTY, NEW
MEXICO.**

CASE NO. 24027

**GOODNIGHT'S VERIFIED ACCOUNTING OF INJECTION IN THE EMSU
FOR THE PRECEDING 12 MONTHS**

Goodnight Midstream Permian, LLC (“Goodnight”), by and through undersigned counsel, respectfully submits this “accounting of all injections of produced water for the preceding 12 months into its salt water disposal wells in the Eunice Monument South Unit (EMSU) as further identified in [Empire’s] Motion and the corresponding available data relating to injection pressure[.]” *See* Order on Empire’s Expedited Motion to Stay or Suspend Injection, attached as **Exhibit A** (“Order”). In fulfillment of the Commission’s Order, Goodnight provides the following verified accounting:

I. INTRODUCTION

Empire’s Motion seeks to stay or suspend the injection authority for six existing saltwater disposal wells operated by Goodnight: (1) Andre Dawson SWD #1 (API No. 30-025-50634); (2) Ernie Banks SWD #1 (API No. 30-025-50633); (3) Sosa SA SWD #2 (API No. 30-025-47947); (4) Ted 28 SWD #1 (API No. 30-025-44386); (5) Yaz 28 SWD # 1 (API No. 30-025-46382); and (6) Nolan Ryan SWD #1 (API No. 30-025-45349). Of these wells, three are in the EMSU and subject to an accounting under the Commission’s Order: (1) Andre Dawson SWD #1; (2) Ernie Banks SWD #1; and (3) Sosa SA SWD #2.

The Andre Dawson SWD #1 is governed by Division Order No. R-22026 and UIC Permit SWD-2403 permit, attached as **Exhibit B**. UIC Permit SWD-2403 was issued in 2022 and provides for a maximum daily injection rate of 25,000 barrels of water and a maximum surface injection pressure of 857 psi. *See id.* at p. 4 of 16.

The Ernie Banks SWD #1 is governed by Division Order No. R-22027 and UIC Permit SWD-2404 permit, attached as **Exhibit C**. UIC Permit SWD-2404 was issued in 2022 and

provides for a maximum daily injection rate of 25,000 barrels of water and a maximum surface injection pressure of 862 psi. *See id.* at p. 4 of 16.

The Sosa SA SWD #2 is governed by Division Order No. R-21190 (2020), attached as **Exhibit D**. It was issued on March 2, 2020, and provides for a maximum surface injection pressure of 900 psi. *See id.* decretal ¶ 11. Order No. R-21190 does not impose a maximum daily injection rate limit. Unlike the orders governing the Andre Dawson SWD #1 and Ernie Banks SWD #1 wells, Order No. R-21190 is not associated with a related UIC SWD permit. It was issued before the Division instituted the practice, effective January 1, 2021, of attaching a UIC SWD permit for each approved SWD well, including a maximum daily injection rate and a maximum surface injection pressure for every SWD well. *See* Notice to Oil and Gas Operators, Standard Template for Underground Injection Control Permits (SWD Orders), Dec. 18, 2020, attached as **Exhibit E**.

II. ACCOUNTING

A. Andre Dawson SWD #1

Attached as **Exhibit F** is a spreadsheet that shows the recorded daily injected volume and surface injection pressures (average and maximum) for the Andre Dawson SWD #1 for the preceding 12 months through September 22, 2024.

The data shows that there were 39 days during that period when the daily injection rate exceeded 25,000 barrels. Of those, 37 days reflect injection rates that range between 25,001 barrels to 25,497 barrels. Two days reflect injection rates that exceeded 26,000 (26,001 barrels on November 3, 2023, and 26,310 barrels on August 10, 2023). For all days in the accounting period, the average daily injection volume is 17,667 barrels per day. Since issuance of the Order, there have been no injection rate exceedances.

As to surface injection pressures, the measured surface injection pressures averaged between -20 psi and a maximum of 171 psi per day. No instantaneous surface injection pressures have exceeded the permitted maximum of 857 psi since injection in the well commenced. The day with the highest injection rate during the accounting period, August 10, 2023, recorded an average surface injection pressure of -8 psi. The maximum instantaneous surface injection pressure recorded during the accounting period was 186 psi, more than 670 psi below the limit. Out of 419 days included in the accounting, 99 days reflect a negative average surface injection pressure, nine days reflect an average surface injection pressure of approximately zero, and 101 days had an average surface injection pressure of between 100 psi to 171 psi, more than 680 psi under the limit. For all days in the accounting period, the average injection pressure is approximately 56 psi, less than 7% of the permitted maximum pressure. After the well was subject to an acid job at the end of July 2024, the average surface injection pressure has been approximately 54 psi.

B. Ernie Banks SWD #1

Attached as Exhibit G is a spreadsheet that shows the recorded daily injected volume and surface injection pressures (average and maximum) for the Ernie Banks SWD #1 for the preceding 12 months through September 22, 2024.

The data shows that there were 17 days during that period when the daily injection rate exceeded 25,000 barrels. Of those, 8 days reflect injection rates that range between 25,093 barrels to 25,605 barrels. Six days reflect injection rates that range between 26,248 barrels to 26,887 barrels. Three days reflect injection rates that range between 27,008 barrels to 27,544 barrels. All injection rates that exceeded 25,000 barrels occurred between October 21, 2023, and November 10, 2023, except for one instance on August 1, 2024. For all days in the accounting

period, the average daily injection volume is 12,194 barrels per day. Since issuance of the Order, there have been no daily injection rate exceedances.

As to surface injection pressures, the measured surface injection pressures averaged between -20 psi and a maximum of 465 psi per day. No instantaneous surface injection pressures have exceeded the permitted maximum of 862 psi since injection in the well commenced. The maximum instantaneous surface injection pressure recorded during the accounting period was 741 psi on April 24, 2024, with a daily average surface injection pressure of 296 psi, which is more than 566 psi below the limit. The day with the highest injected volume during the accounting period, October 24, 2023, recorded an average surface injection pressure of 289 psi.

Out of 419 days included in the accounting, 89 days recorded a negative average surface injection pressure, 19 days had an average surface injection pressure of approximately zero, and 114 days show an average surface injection pressure of between 100 psi to 465 psi, which is nearly 400 psi under the limit. For all days in the accounting period, the average daily injection pressure is approximately 85 psi, less than 10% of the permitted maximum pressure. After the well was subject to an acid job at the end of July 2024, the average surface injection pressure has been approximately 6 psi.

C. Sosa SA SWD #2

Attached as Exhibit H is a spreadsheet that shows the recorded maximum daily injection rates and surface injection pressures for the Sosa SA SWD #2 for the preceding 12 months through September 22, 2024.

As discussed above, Order No. R-21190 does not impose a maximum daily injection rate limit on injection in the Sosa SA SWD #2. The maximum daily injected volume during the accounting period was 36,122 barrels on April 26, 2024, with an average surface injection

pressure of 153 psi for that day. The average daily injection volume during the accounting period was 20,310 barrels per day.

No instantaneous surface injection pressures have exceeded the permitted maximum of 900 psi since injection in the well commenced. The average surface injection pressure for the accounting period was 87 psi per day, which is about 813 psi below the limit. The highest recorded average surface injection pressure during the accounting period was 186 psi, which is about 714 psi below the limit. The highest instantaneous surface injection pressure recorded during the accounting period was 217 psi, which is about 683 psi below the limit.

III. CORRECTIVE ACTIONS

In preparation for the hearing on these cases, Goodnight conducted a close evaluation of its injection operations. The Andre Dawson SWD #1 and Ernie Banks SWD #1 have automated controls that were set to close flowline valves to each well once the volumes of delivered produced water reached 25,000 barrels in a 24-hour period (midnight to midnight). If the valves were closed instantaneously, there would be a pressure spike in the system that could damage surface equipment and facilities. Therefore, the flowlines had been set to close slowly to avoid a pressure spike that could damage equipment. However, this allowed additional volumes in excess of the 25,000-barrel limit to pass the flowline valves. To address this issue, the valves are now programmed to begin closing once volumes of produced water delivered to the wells reach 24,500 barrels in a 24-hour period. This operational modification has resolved the minor injection rate exceedances that are reflected in the data for the accounting period.

Goodnight is closely monitoring its daily injection rates and will make additional modifications to its operations to avoid injecting above the 25,000-barrel limit, as necessary.

IV. CONCLUSION

During the accounting period from August 1, 2023, through September 22, 2024, two of Goodnight's existing wells (Andre Dawson SWD #1 and Ernie Banks SWD #1) that are subject to the Commission's Order and inject produced water for disposal in the EMSU reflect a limited number of days during which the maximum injection rate exceeded the 25,000-barrel per day permitted limit. The third well subject to the Order (Sosa SA SWD #2) does not have an applicable daily injection rate limit. Since entry of the Commission's Order, no maximum daily injection rate limits have been exceeded in the subject wells. None of the wells subject to the Order have exceeded the applicable surface injection pressure limits at any time during their operation. In fact, all of these wells operate at an average pressure that is a fraction of the permitted maximum pressure.

Goodnight has evaluated its injection operations and determined the set point for its automated flowline valves needed to be adjusted to account for additional volumes that pass the valve while it is closing. Goodnight has adjusted the set point to 24,500 barrels within a 24-hour period. That adjustment has resolved the minor injection rate exceedances reflected in the data for the accounting period for the Andre Dawson SWD #1 and the Ernie Banks SWD #1.

It should be noted that extensive data from multiple Goodnight wells confirms the San Andres aquifer can easily accept injected produced water at rates substantially in excess of 25,000 barrels per day at low operating pressures. Preston McGuire's direct testimony, marked as Goodnight Exhibit B, which was filed with the Commission on August 26, 2024, explains in detail the data showing that Goodnight's injection operations are well below the pressure limits imposed by the Division's orders and the functional limits of the reservoir. Paragraphs 75-81 of his direct testimony and Goodnight Exhibits B-11 through B-13, shows through more than

150,000 data points¹ over several years of injection that Goodnight's wells can sustainably inject on vacuum (negative surface tubing pressure) at rates of up to about 40,000 barrels of water per day before showing any positive tubing pressure and that its wells will shut-in to negative tubing pressures within seconds of ceasing injection operations. This testimony and referenced exhibits are excerpted and attached as **Exhibit I**.

The Division is aware of this feature of the San Andres in this area. When Goodnight went to hearing in 2019 for approval of its Nolan Ryan SWD #1 (API No. 30-025-45349) in Case No. 20555, the Division technical examiner noted that Goodnight could request a higher surface injection pressure limit based on the results of the nearby Parker Energy disposal well. *See* Case No. 20555, Hrg. Tr. 6/14/19, 52:22-53:2, attached as **Exhibit J** (Examiner Goetze stating that the step-rate test was "open ended because of the fact that the capacity of the well exceeded their ability to pump it up" showing that "it is possible to get a higher approval" for surface injection pressures in this area). The operator of Parker Energy disposal well conducted a step-rate test in an effort to identify the parting fracture pressure of the San Andres formation. The OCD-approved step-rate test ended after the well achieved surface injection pressures in excess of 1,500 psi—more than 600 psi above the highest surface injection pressure limit governing Goodnight's wells subject to this accounting—and a bottom-hole pressure above 2,500 psi with no parting pressure indicated. *See* **Exhibit K**.

Finally, in Empire's motion for a stay of injection, Empire asks the Commission to "suspend" Goodnight's injection "until over-injection is balanced with the amount of water that was allowed under the SWD orders." *See* Empire Mot. at 9, filed July 1, 2024. However, because Goodnight injects only a fraction of its permitted volumes in a given month in both the Andre

¹ These data were collected during clean well conditions.

Dawson SWD #1 and the Ernie Banks SWD #1, those wells are already cumulatively more than several million barrels below the “the amount of water that was allowed under the orders.” See **Exhibit L**. Accordingly, the inadvertent and infrequent injection of volumes above the daily injection rates for both wells has had no impact on the aggregate volumes injected into the wells or on the net balance calculation. These wells could have injected millions of barrels more and still would have injected less water than they were authorized to inject.

This robust dataset presented to the Commission, including the data in this Accounting, demonstrates the San Andres is capable of accepting high-rate injection without stressing the formation or causing a material pressure build in the reservoir over time.

DATED: October 4, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on October 4, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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VERIFICATION PURSUANT TO RULE 1-011(B) NMRA

I, Preston McGuire, have read Goodnight's Verified Accounting of Injection in the EMSU for the Preceding 12 Months (the "Accounting"), and affirm under penalty of perjury under the laws of the State of New Mexico that the information set forth in the Accounting and the attached Exhibits F, G, H is true and correct. This verification is made on the date next to my signature below.



Preston McGuire

10-3-24

Date

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EXHIBIT A

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

APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ORDER NO. R-22026 FOR THE ANDRE DAWSON
SWD #001 OPERATED BY GOODNIGHT MIDSTREAM
PERMIAN, LLC, LEA COUNTY, NEW MEXICO

CASE NO. 24018

APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ORDER NO. R-22027 FOR THE ERNIE BANKS
SWD NO. 1 WELL OPERATED BY GOODNIGHT
MIDSTREAM PERMIAN, LLC,
LEA COUNTY, NEW MEXICO

CASE NO. 24019

APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ORDER NO. R-20855 FOR THE NOLAN RYAN
SWD #001 OPERATED BY GOODNIGHT MIDSTREAM
PERMIAN, LLC, LEA COUNTY, NEW MEXICO

CASE NO. 24024

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

CASE NO. 24025

APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ADMINISTRATIVE ORDER NO. SWD-2075
FOR THE TED 28 WELL NO. 1 OPERATED BY
GOODNIGHT MIDSTREAM PERMIAN, LLC,
LEA COUNTY, NEW MEXICO

CASE NO. 24026

APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ORDER NO. R-20865 FOR THE YAZ 28 SWD
WELL NO. 1 OPERATED BY GOODNIGHT MIDSTREAM
PERMIAN, LLC, LEA COUNTY, NEW MEXICO

CASE NO. 24027

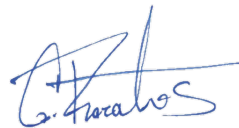
**ORDER ON EMPIRE NEW MEXICO LLC'S
EXPEDITED MOTION TO STAY OR SUSPEND GOODNIGHT MIDSTREAM
PERMIAN'S AUTHORIZATION TO INJECT AND FOR SANCTIONS**

This matter, having come before the Oil Conservation Commission ("Commission") on the motion by Empire

New Mexico L.L.C. to stay or suspend Goodnight Midstream Permian L.L.C.'s authorization to inject ("the Motion") and the Commission, being fully advised and having heard arguments of the parties' counsel at a public meeting on August 15, 2024, hereby finds as follows:

1. Goodnight Midstream Permian L.L.C. shall immediately cease all injections of produced water in its salt water disposal wells in the Eunice Monument South Unit (EMSU) as further identified in the Motion, that exceed the amounts allowable by its permits.
2. At or before the hearing scheduled in the above-captioned matters for September 23-27, 2024, and further subject to any deadlines ordered by the hearing officer, Goodnight Midstream Permian L.L.C. shall provide to the parties and to the hearing officer an accounting of all injections of produced water for the preceding 12 months into its salt water disposal wells in the Eunice Monument South Unit (EMSU) as further identified in the Motion, and the corresponding available data relating to injection pressure, that will allow the hearing officer to recommend to the Commission as to whether such injections violate the applicable permits.
3. The Commission shall otherwise hold in abeyance any determination as to the merits of the Motion until it receives a report from the hearing officer regarding the above.

SO ORDERED.



Gerasimos Razatos, Acting Chairman
New Mexico Oil Conservation Commission

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Order was served on August ~~16~~²⁰, 2024, via electronic mail, upon the following counsel of record:

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Gerasimos Razatos, Acting Chairman
New Mexico Oil Conservation Commission

EXHIBIT B

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 APPROVAL OF
A SALT WATER DISPOSAL WELL, LEA COUNTY, NEW MEXICO.

CASE NO. 21569
ORDER NO. R-22026

ORDER OF THE DIVISION

This case came in for hearing before the Oil Conservation Division (“OCD”) at 8:15 a.m. on January 21, 2021, in Santa Fe, New Mexico.

The OCD Director, having considered the testimony, the record, the recommendations of Hearing Examiners Kathleen Murphy and Dylan Rose-Coss, 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 Andre Dawson SWD No. 1 Well (API No. 30-025-Pending; “Well”), located 1105 feet from the South line and 244 feet from the East line (Unit P) of Section 17, 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 a perforated interval from 4287 feet to 5590 feet below surface.
3. Applicant submitted a Form C-108 application (Administrative Application No. pBL2032263200) on November 17, 2020, for authority to inject into the Well which was protested by the New Mexico State Land Office (“NMSLO”).
4. On December 8, 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 for this application on December 31, 2020.

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Order No. R-22026
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.
6. Applicant did not identify any wells that penetrate the proposed injection interval within the one-half mile Area of Review of the surface location of the Well.
7. Three shallow freshwater wells were located within one mile of the Well and a sample of the CP 01485 POD1 well with the results is included in the application.
8. The NMSLO did not appear at hearing and did not oppose the presentation of the case by affidavit nor oppose the granting of this application. The NMSLO provided a statement into record expressing their concern for the spacing of disposal wells and the potential impacts to adjacent state mineral interests.
9. No other party appeared at the hearing, or otherwise opposed the granting of this application.

The OCD concludes as follows:

10. 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.
11. Applicant complied with the notice requirements of 19.15.4 NMAC.
12. 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.
13. Applicant is in compliance with 19.15.5.9 NMAC.
14. Approval of disposal in the Well 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-2403** to utilize its Andre Dawson SWD No. 1 Well, located in Unit P of Section 17, 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

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Order No. R-22026
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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.

DONE at Santa Fe, New Mexico, on this 07 day of February, 2022.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

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

UIC CLASS II PERMIT SWD-2403

APPENDIX A – AUTHORIZED INJECTION

Permittee: Goodnight Midstream Permian, LLC

OGRID No.: 372311

Well name: Andre Dawson SWD No. 1

Surface location: Lat: N 32.4745582; Long: W 103.2797418; NAD83
1105 feet from the South line and 244 feet from the East line (Unit P) of
Section 17, 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 production wells completed in the Bone Spring, Delaware
Mountain Group, and Wolfcamp formations.

Injection interval: San Andres Formation

Injection interval thickness (feet): 4,287 feet to 5,590 feet (1,303 feet)

Confining layer(s): Upper confining: base of Grayburg Formation and upper San Andres
Formation
Lower confining: upper contact of Glorieta Formation

Prohibited injection interval(s): Paddock 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: 25,000 barrels of water.

Maximum surface injection pressure: 857 psi

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

UIC CLASS II PERMIT SWD- 2261

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.

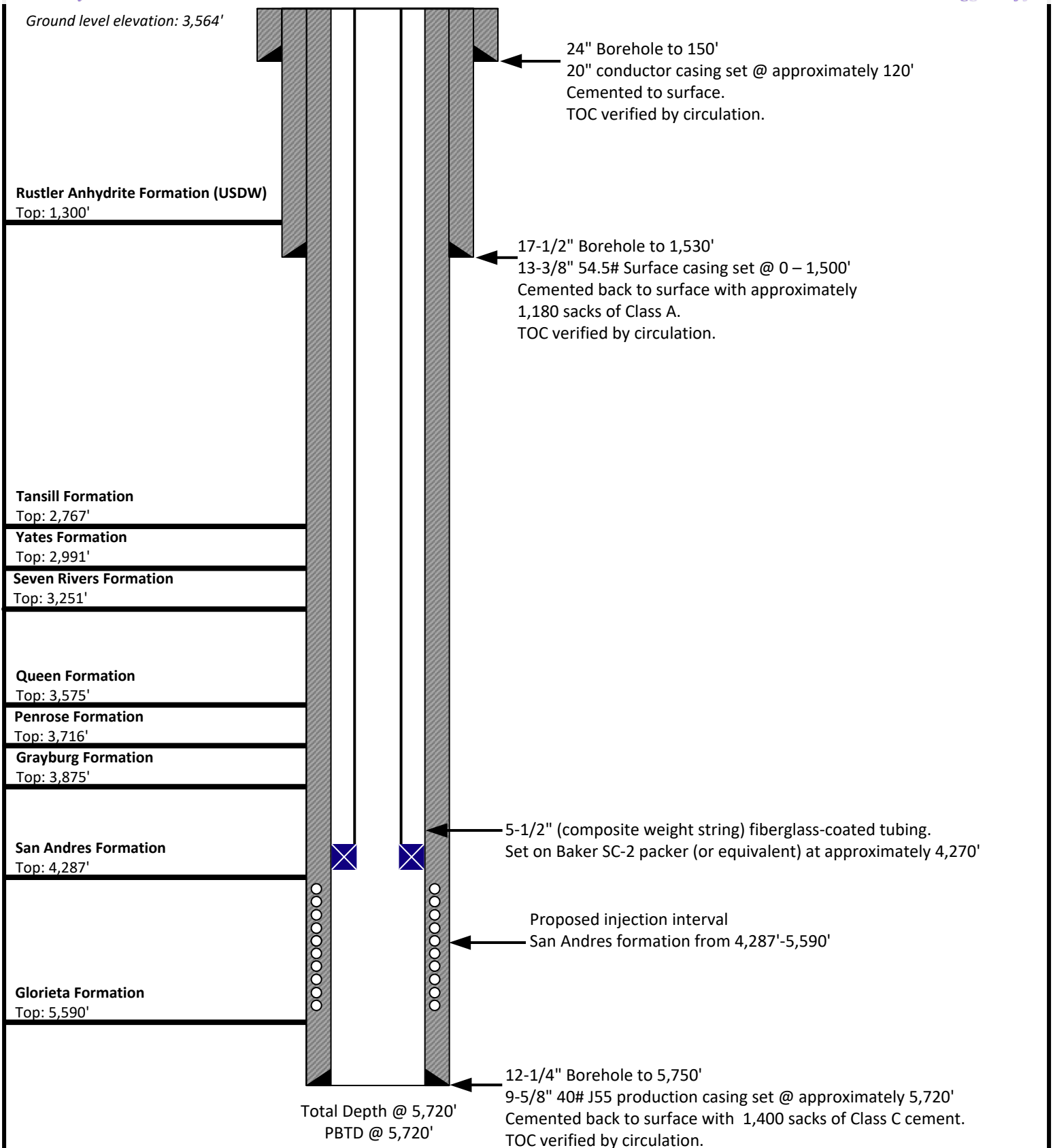
II. SPECIAL CONDITIONS

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 10000 mg/L or less, the injection authority under this Order shall be suspended ipso facto.*

III. ATTACHMENT

Well Completion Diagram as Provided in the C-108 Application for Case No. 21569.



NOT TO SCALE

Cement volumes include 25% excess.

Proposed Maximum Injection Rate: 25,000 BPD

Prepared by:
ALLCONSULTING
Prepared for:
GOODNIGHT
MIDSTREAM

Drawn by: Joshua Ticknor

Project Manager:
Dan Arthur

Date: 11/4/2020

Goodnight Midstream Permian, LLC
Andre Dawson SWD #1
API# TBD
1,105' FSL & 244' FEL, Unit P of Sec 17-T21S-R36E
Lea County, New Mexico

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS
 Action 249855

CONDITIONS

Operator: GOODNIGHT MIDSTREAM PERMIAN, LLC 5910 North Central Expressway Dallas, TX 75206	OGRID: 372311
	Action Number: 249855
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
pgoetze	None	8/8/2023

EXHIBIT C

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 APPROVAL OF
A SALT WATER DISPOSAL WELL, LEA COUNTY, NEW MEXICO.

CASE NO. 21570
ORDER NO. R-22027

ORDER OF THE DIVISION

This case came in for hearing before the Oil Conservation Division (“OCD”) at 8:15 a.m. on January 21, 2021, in Santa Fe, New Mexico.

The OCD Director, having considered the testimony, the record, the recommendations of Hearing Examiner Kathleen Murphy, 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 Ernie Banks SWD No. 1 Well (API No. 30-025-Pending; “Well”), located 395 feet from the North line and 1203 feet from the West line (Unit D) of Section 17, 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 a perforated interval from 4312 feet to 5615 feet below surface.
3. Applicant submitted a Form C-108 application (Administrative Application No. pBL2032264441) on November 17, 2020, for authority to inject into the Well which was protested by the New Mexico State Land Office (“NMSLO”).
4. On December 8, 2020, Applicant submitted an application for hearing for approval of the Well for commercial disposal of produced water. Subsequently, the NMSLO filed prehearing statement for this application on December 31, 2020.

Case No. 21570
Order No. R-22027
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.
6. Applicant did not identify any wells that penetrate the proposed injection interval within the one-half mile Area of Review of the surface location of the Well.
7. Four freshwater wells were located within one mile of the Well and a sample from the CP 01485 well was taken. Based on the records of the Office of the State Engineer, two of these four wells, CP 00693 and CP 00696 penetrate the proposed injection interval to a depth of 5000 feet and 4900 feet, respectively.
8. The NMSLO did not appear at hearing and did not oppose the presentation of the case by affidavit nor oppose the granting of this application. The NMSLO provided a statement into record expressing their concern for the spacing of disposal wells and the potential impacts to adjacent state mineral interests.
9. No other party appeared at the hearing, or otherwise opposed the granting of this application.

The OCD concludes as follows:

10. 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.
11. Applicant complied with the notice requirements of 19.15.4 NMAC.
12. 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.
13. Applicant is in compliance with 19.15.5.9 NMAC.
14. Approval of disposal in the Well 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-2404** to utilize its Ernie Banks SWD Well No. 1, located in Unit D of Section 17, 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

Case No. 21570
Order No. R-22027
Page 3 of 3

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.

DONE at Santa Fe, New Mexico, on this 07 day of February, 2022.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

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

UIC CLASS II PERMIT SWD-2404

APPENDIX A – AUTHORIZED INJECTION

Permittee: Goodnight Midstream Permian, LLC

OGRID No.: 372311

Well name: Ernie Banks SWD No. 1

Surface location: Lat: N 32.4850434; Long: W 103.2921555; NAD83
395 feet from the North line and 1203 feet from the West line (Unit D) of
Section 17, 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 production wells completed in the Delaware Mountain
Group, Bone Spring and Wolfcamp Formations.

Injection interval: San Andres Formation

Injection interval thickness (feet): 4,312 feet to 5,615 feet (1,303 feet)

Confining layer(s): Upper confining: base of Grayburg Formation and upper San Andres
Formation
Lower confining: upper contact of Glorieta Formation

Prohibited injection interval(s): Paddock 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: 25,000 barrels of water.

Maximum surface injection pressure: 862 psi

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

UIC CLASS II PERMIT SWD- 2404

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 10000 mg/L or less, the injection authority under this Order shall be suspended ipso facto.*

2. Prior to commencing injection, the Permittee shall provide a summary report for the following two wells approved by the New Mexico Office of the State Engineer:

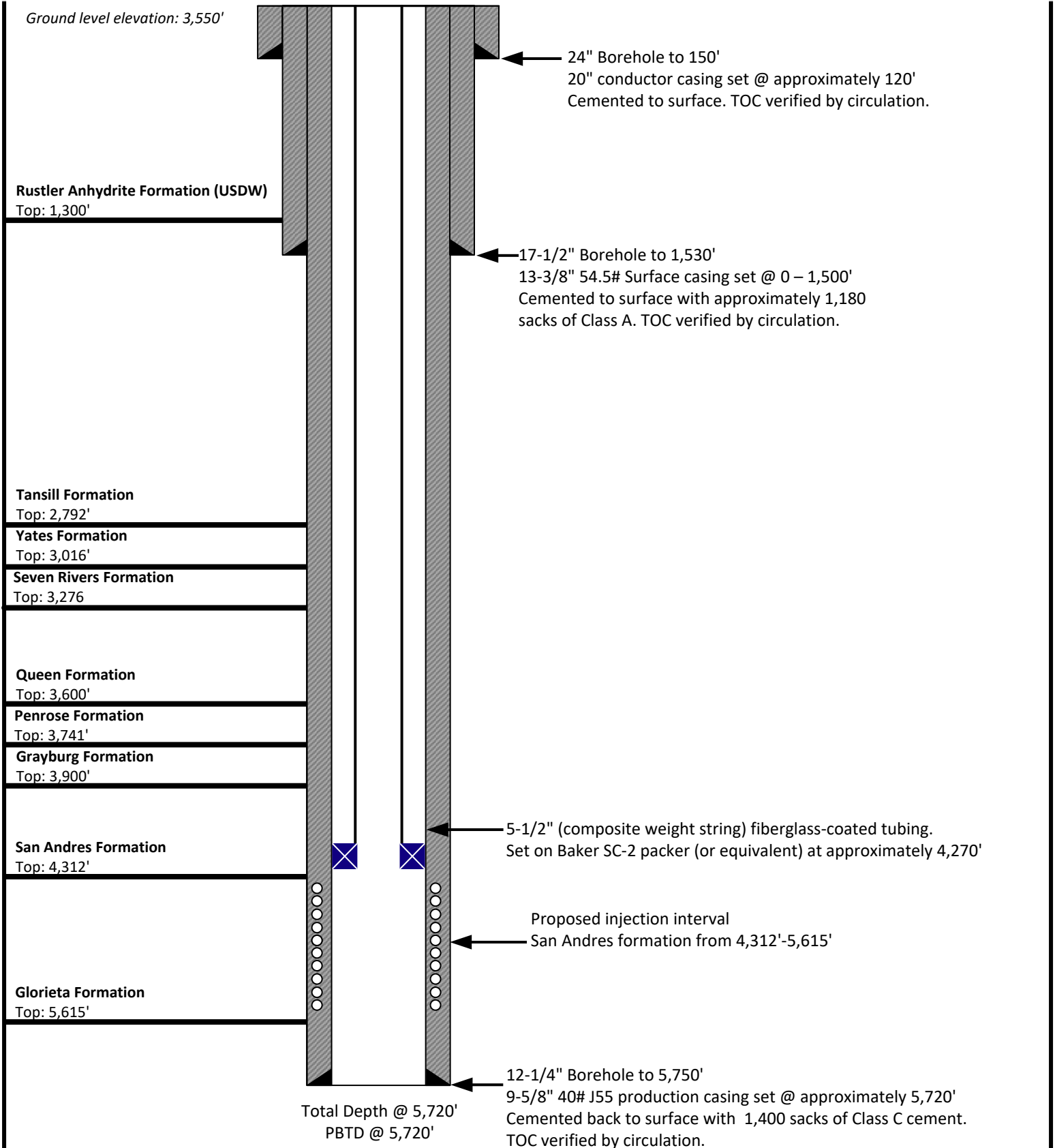
- a. CP 693 located 1220 feet (ft.) from the North line and 1520 ft. from the West line in Section 8, Township 21 South, Range 36 East, NMPM, and
- b. CP 696 located 2590 ft. from the South line and 50 ft. from the West line in

Section 9, Township 21 South, Range 36 East, NMPM.

The Permittee shall contact the owner of the wells, currently recorded as Chevron USA Inc., and obtain information that includes the well construction (wellbore diagram showing cementing and casing), copies of any prior water analytical results, any records of water depth measurements, and an assessment of the current operational status. The summary report shall be submitted as an e-mail to the OCD Engineering Bureau.

III. ATTACHMENT

Well Completion Diagram as Provided in the C-108 Application for Case No. 21570.



NOT TO SCALE

Cement volumes include 25% excess.

Proposed Maximum Injection Rate: 25,000 BPD

Prepared by:
ALLCONSULTING
Prepared for:
GOODNIGHT
MIDSTREAM

Drawn by: Joshua Ticknor

Project Manager:
Dan Arthur

Date: 11/4/2020

Goodnight Midstream Permian, LLC
Ernie Banks SWD #1
API# TBD
395' FNL & 1,203' FWL, Unit D of Sec 17-T21S-R36E
Lea County, New Mexico

EXHIBIT D

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 APPROVAL OF
A SALT WATER DISPOSAL WELL, LEA COUNTY, NEW MEXICO.

CASE NO. 20721
ORDER NO. R-21190

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on September 19, 2019, at Santa Fe, New Mexico, before Examiners Kathleen Murphy and Phillip R. Goetze.

NOW, on this 2nd day of March 2020, the Division Director, having considered the testimony, the record, and the recommendations of the Examiners,

FINDS THAT:

- (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” or “Goodnight Midstream”) seeks authority to utilize its Sosa SA 17 SWD Well No. 2 (API No. 30-025-Pending; the “Subject Well”), located 470 feet from the South line and 1815 feet from the West line (Unit N) of Section 17, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, for disposal of produced water into the San Andres formation through a perforated interval from 4500 feet to 5350 feet below surface.
- (3) Goodnight Midstream submitted a Form C-108 application (Administrative Application No. pMAM1918238141) on June 28, 2019, for authority to inject into the Subject Well which was protested by the New Mexico State Land Office (“SLO”).
- (4) On July 31, 2019, Goodnight Midstream submitted an application for hearing for approval of the Subject Well for commercial disposal of produced water.
- (5) Subsequently, the SLO filed an entry of appearance for this application on August 13, 2019.

Case No. 20721
Order No. R-21190
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(6) Applicant appeared at the hearing through counsel and presented geologic and engineering evidence to the effect that:

- (a) The Applicant seeks to drill the Subject Well to an approximate total depth of 5350 feet below surface. The injection will occur through perforations from approximately 4500 feet to approximately 5350 feet below surface.
- (b) The Subject Well will be constructed with the following two casing strings: a 9 $\frac{5}{8}$ -inch surface casing set at 1465 feet and a 7-inch production casing set from the surface to 5400 feet. Both casings will have cement circulated to the surface.
- (c) The Subject Well will inject fluids through 4 $\frac{1}{2}$ -inch, fiberglass-lined steel tubing attached to a packer set at depth within 100 feet of the shallowest perforation.
- (d) The primary sources of produced water will be production from wells completed in the Bone Spring formation, the Wolfcamp formation, and Delaware Mountain Group.
- (e) The analyses of produced water samples provided by Applicant showed the compatibility of the injection fluids with formation fluids in the proposed disposal interval.
- (f) The Applicant proposes the Subject Well as a commercial operation with a maximum average injection rate of 25000 barrels of water per day (BWPD) using a maximum surface injection pressure of 900 pounds per square inch (psi).
- (g) The depth of the deepest known source of fresh water in the vicinity of the Subject Well was approximately 1470 feet below surface and was identified as the Rustler formation.
- (h) One fresh-water well was identified within a one-mile radius of the Subject Well. The Applicant provided water quality analysis for the well that showed total dissolved solids (TDS) concentration of 644 milligrams per liter (mg/L) and a chloride concentration of 176 mg/L.
- (i) Applicant stated the Subject Well as being approximately 3.5 miles to the northeast of the lateral limits of the Capitan Aquifer reef.
- (j) Applicant's engineering witness testified that he has examined the available geological and engineering data and found no evidence of open faults or

Case No. 20721
Order No. R-21190
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any other hydrologic connection between the disposal zone and any underground sources of drinking water.

- (k) The results of the one half-mile Area of Review (AOR) around the Subject Well found no active or plugged wells that penetrated the proposed injection interval.
 - (l) Applicant identified the San Andres formation for the disposal interval due to the high porosity and the absence of historical hydrocarbon production in the formation within a two-mile radius of the Subject Well.
 - (m) Applicant further stated the top of the San Andres formation contains an anhydrite interval that provides an upper confining layer for the proposed disposal interval while a 300-foot interval of low-porosity limestone at the base of the San Andres provides a lower confining layer.
 - (n) Applicant has recent well completion experience in the upper San Andres formation as proposed for the Subject Well and found the formation to be pressure depleted owing to large-scale water extraction used to support prior enhanced recovery and drilling operations.
 - (o) The Applicant provided evidence of notification of this application to all "affected persons" within a one half-mile radius of the surface location of the Subject Well and with publication in a newspaper of general circulation in the county.
- (7) The SLO appeared through counsel at hearing and did not oppose the granting of this application. The SLO provided a statement into record expressing their concern for the spacing of disposal wells and the potential impacts to adjacent state mineral interests.
- (8) No other party appeared at the hearing, or otherwise opposed the granting of this application.

The OCD concludes as follows:

- (9) The application has been duly filed under provisions of Rule 19.15.26.8 NMAC.
- (10) Geologic and engineering interpretations submitted by the Applicant identified geologic seals at the top and at the base of the proposed disposal zone that would prevent the vertical migration of injection fluids.
- (11) OCD notes as part of the review of the application that the Subject Well is approximately 3.5 miles northeast of the projected limit of the Capitan Reef aquifer.

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(12) The disposal fluids are compatible with existing formation fluids based on analytical results provided by Applicant.

(13) The application has been duly filed under the provisions of Rule 19.15.26.8 NMAC.

(14) Applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met.

(15) OCD records indicate Goodnight Midstream (OGRID 372311) as of the date of this order is in compliance with Rule 19.15.5.9 NMAC.

(16) Approval of disposal in the Subject Well will enable Applicant to support existing production and future exploration in this area, thereby preventing waste, and will not impair correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Goodnight Midstream Permian, LLC (the “operator”) is hereby authorized to utilize its Sosa SA 17 SWD Well No. 2 (API No. 30-025-Pending; the “Subject Well”), located 470 feet from the South line and 1815 feet from the West line (Unit N) of Section 17, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, for disposal of Underground Injection Control Class II fluids into the San Andres formation.

(2) Disposal shall be through a perforated interval from 4500 feet to 5350 feet below surface comprising the San Andres formation only. This order does not authorize injection into formations deeper than the San Andres formation. Injection is to occur through 4½-inch, plastic-lined tubing with a packer set within 100 feet above the top perforation of the permitted interval.

(3) The operator shall take all steps necessary to ensure that the disposed water enters only the permitted disposal interval and is not permitted to escape to other formations or onto the surface.

(4) Well construction and testing shall be in accordance with Rule 19.15.16 NMAC and all casing strings shall have cement circulated to surface. If cement does not circulate on any casing string, the operator shall run a cement bond log (CBL) or other log to determine top of cement and shall notify the OCD’s District I office with the top of cement on the emergency phone number prior to continuing with any further cement activity with the Subject Well. If cement did not tie back into the next higher casing shoe, the operator shall perform remedial cement job to bring cement, at a minimum, 200 feet above the next higher casing shoe.

(5) After installation of tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the

Case No. 20721
Order No. R-21190
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surface to the packer setting depth to assure casing integrity.

(6) The operator shall run a mudlog over the approved disposal interval for assessment of the hydrocarbon potential and 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 operator shall supply the results of the water sample and the mudlog to OCD's District I office and provide a copy of the same submittal to Engineering bureau in the Santa Fe office. *If the analysis of the sample is found to contain a TDS concentration of 10000 mg/L or less, the injection authority under this Order shall be suspended ipso facto.*

(7) The Subject Well shall pass an initial mechanical integrity test ("MIT") prior to commencing disposal and prior to resuming disposal each time the well has significant equipment changes including, but not limited to, the packer being unseated, tubing being pulled, or when casing repairs have occurred. The operator shall notify the OCD's District I office a minimum of 48 hours in advance of the proposed date and time of the modification of disposal equipment and of any MIT test so that the same may be inspected and witnessed. All MIT procedures and schedules shall follow the requirements in Rule 19.15.26.11(A) NMAC.

(8) The operator shall file a Notice of Intent on OCD Form C-103 with the OCD's District I office prior to any testing of the well or for any activities that shall modify the well construction or operation. The operator shall provide written notice of the date of commencement of disposal to the OCD's District I office. The operator shall submit monthly reports of the disposal operations on Form C-115, in accordance with Rules 19.15.26.13 NMAC and 19.15.7.24 NMAC.

(9) If the Subject Well fails a MIT or if there is evidence that the mechanical integrity of said well is impacting correlative rights, the public health, any underground sources of fresh water, or the environment, the Director shall require the Subject Well to be shut-in within 24 hours of discovery and the operator shall redirect all disposal waters to another facility. The operator shall take the necessary actions to address the impacts resulting from the mechanical integrity issues in accordance with Rule 19.15.26.10 NMAC, and the Subject Well shall be tested pursuant to Rule 19.15.26.11 NMAC prior to returning to injection.

(10) Without limitation on the duties of the operator as provided in Rules 19.15.29 NMAC and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the OCD's District I office of any failure of the tubing, casing or packer in the Subject Well, or of any leakage or release of water, oil or gas from 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.

(11) **The wellhead injection pressure on the Subject Well shall be limited to no more than 900 psi.** The disposal well shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well. The Subject Well shall be included in a Supervisory Control and Data Acquisition (SCADA) system for operation as an injection well.

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(12) The Director may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the approved injection interval. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

(13) The injection authority granted under this order is not transferable except upon OCD approval. The OCD may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

(14) The OCD may revoke this injection permit after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

(15) The disposal authority granted herein shall terminate one (1) year after the effective date of this order if the operator has not commenced injection operations into the Subject Well. The OCD, upon written request by the operator prior to the termination date, may grant an extension thereof for good cause.

(16) One (1) year after disposal into the Subject Well has ceased, the well will be considered abandoned and the authority to dispose will terminate *ipso facto* as provided in Rule 19.15.26.12(C) NMAC.

(17) 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 safety and the environment.

(18) 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.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL
Director

EXHIBIT EState of New Mexico
Energy, Minerals and Natural Resources Department**Michelle Lujan Grisham**
Governor**Sarah Cottrell Propst**
Cabinet Secretary**Todd E. Leahy, JD, PhD**
Deputy Secretary**Adrienne Sandoval**, Director
Oil Conservation Division**OIL CONSERVATION DIVISION**
NOTICE TO OIL AND GAS OPERATORS**STANDARD TEMPLATE FOR UNDERGROUND INJECTION**
CONTROL PERMITS (SWD ORDERS)

The Oil Conservation Division (OCD) is announcing the implementation of a new standard order that approves the injection authority for Underground Injection Control (UIC) Class II disposal wells. This order will replace the current SWD order format. This template is to be applied only to produced water disposal wells and is not being considered for use in enhanced recovery projects (approved through hearing and associated administrative expansion orders) or acid-gas injection wells.

A draft of the permit template was provided to the public for comments in June of 2020. After review, OCD incorporated many comments into the order including corrections that aligned reporting requirements to be consistent with current C-115 reporting criteria and to amend content for better clarity of both permittee and OCD responsibilities.

The major changes in content to the new order provides:

1. Improved efficiency of the permit review and approval process.
2. Compliance with federal requirements for the UIC program.
3. Standard terms and conditions that prevent waste and protect correlative rights, public health, and the environment.
4. Enforceable permit requirements, including provisions to address emergencies, such as induced seismicity and the contamination of drinking water supplies.
5. Clarity to OCD inspectors and permittees regarding enforceable requirements.
6. Reduced errors and inconsistencies between permits.
7. Better tracking of compliance issues.
8. Simplified identification of compliance issues that must be reported to EPA.
9. A single template that can be used for applications reviewed in the administrative and hearing processes.

The new order will go into effect beginning on January 1, 2021 and will be utilized for the approval of administrative applications after that date. Please contact Mr. Phillip Goetze, UIC Program Manager, with any questions regarding this notice at phillip.goetze@state.nm.us or 505-660-8274.

ADRIENNE SANDOVAL, Director**December 18, 2020**

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

ORDER

GRANTING UIC PERMIT SWD-_____

_____ (“Applicant”) filed an Application for Authorization to Inject (Form C-108) (“Application”) with the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division (“OCD”) to inject produced water at the Applicant’s _____ (“Well”), as more fully described in Appendix A.

THE OCD FINDS THAT:

1. 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 Underground Injection Control (“UIC”) well.
2. Applicant complied with the notice requirements of 19.15.26.8 NMAC.
3. No person filed a protest on the Application.
4. The Well will inject produced water into the _____ formation(s).
5. The produced water injected into the Well will be confined by layers above and below the approved injection interval.
6. No other UIC wells which inject or that are authorized to inject produced water into the same approved injection interval are permitted within _____ mile(s) of the Well.
7. 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.
8. Applicant affirmed in a sworn statement by a qualified person that the injection of produced water over the predicted service life of the Well will not increase the potential for an induced seismic event.
9. Applicant is in compliance with 19.15.5.9 NMAC.
10. Applicant agrees to the Terms and Conditions in the attached Permit.

THE DIVISION CONCLUDES THAT:

1. OCD has authority under the Oil and Gas Act, NMSA 1978, §§70-2-1 *et seq.*, and its implementing regulations, 19.15.1 *et seq.* NMAC, and under the federal Safe Drinking Water Act, 42 U.S.C. 300f *et seq.*, and its implementing regulations, 40 CFR 144 *et seq.*, to issue this permit for an UIC Class II injection well. *See* 40 CFR 147.1600.
2. Based on the information and representations provided in the Application, the proposed injection, if conducted in accordance with the Application and the terms and conditions of the attached Permit, (a) will not result in waste of oil and gas; (b) will not adversely affect correlative rights; (c) will protect underground sources of drinking water; and (d) will protect the public health and environment.
3. Applicant is authorized to inject subject to the terms and conditions of the Permit.

IT IS THEREFORE ORDERED THAT:

The Applicant be granted UIC Permit SWD-_____ for Well _____.

Date: _____

ADRIENNE SANDOVAL
OCD DIRECTOR

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

UIC CLASS II PERMIT SWD- _____

APPENDIX A – AUTHORIZED INJECTION

Permittee:

OGRID No.:

Well name:

Surface location:

Bottom hole location (if different):

Type of completion:

Type of injection:

Injection fluid:

Injection interval:

Injection interval thickness (feet):

Confining layer(s):

Prohibited injection interval(s):

Liner, tubing, and packer set:

Maximum daily injection rate:

Maximum surface injection pressure:

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

UIC CLASS II PERMIT SWD- _____

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 _____ (“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 Engineering Bureau 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 appropriate OCD district office 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 the appropriate OCD district office 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 district office 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 and obtain written approval prior to commencing injection into the Well.

e. Permittee shall obtain and submit to the appropriate OCD district office 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 district office. [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 district office 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(1)(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(1)(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:

III. ATTACHMENT

Well Completion Diagram as Provided in the Application

EXHIBIT F

Day	Injected [BBLs]	Average PSI	Max PSI	
8/1/2023	0			
8/2/2023	0			Andre Dawson SWD #1
8/3/2023	0			GOODNIGHT MIDSTRE
8/4/2023	0			30-025-50634
8/5/2023	0			Sec. 17 21S 36E
8/6/2023	0			
8/7/2023	0			
8/8/2023	14,412	-11	48	
8/9/2023	19,821	-3	27	
8/10/2023	26,310	-8	12	
8/11/2023	25,002	-13	107	
8/12/2023	21,728	-15	-4	
8/13/2023	23,884	-15	-11	
8/14/2023	24,090	-14	-11	
8/15/2023	24,992	-14	-12	
8/16/2023	24,531	-14	-12	
8/17/2023	22,889	-15	-11	
8/18/2023	22,074	-15	-12	
8/19/2023	18,125	-15	-11	
8/20/2023	21,234	-15	-12	
8/21/2023	21,616	-15	-11	
8/22/2023	22,356	-15	-12	
8/23/2023	22,621	-14	-11	
8/24/2023	24,014	-14	-10	
8/25/2023	20,885	-15	-11	
8/26/2023	18,983	-16	-12	
8/27/2023	18,490	-15	-11	
8/28/2023	20,350	-14	-12	
8/29/2023	22,001	-14	-12	
8/30/2023	24,394	-14	72	
8/31/2023	22,948	-14	-11	
9/1/2023	23,847	-14	-12	
9/2/2023	20,340	-14	-12	
9/3/2023	22,738	-14	-12	
9/4/2023	23,016	-14	-12	
9/5/2023	19,712	-15	-12	
9/6/2023	19,331	-15	-12	
9/7/2023	18,020	-15	-12	
9/8/2023	19,096	-15	-4	
9/9/2023	20,278	-4	55	
9/10/2023	20,162	18	90	
9/11/2023	18,030	20	73	
9/12/2023	12,652	-4	29	
9/13/2023	20,280	1	44	
9/14/2023	12,816	-6	47	
9/15/2023	17,531	-15	-7	

9/16/2023	17,513	-14	-9
9/17/2023	20,353	-14	-3
9/18/2023	15,505	-13	18
9/19/2023	9,608	-16	0
9/20/2023	10,621	-17	-13
9/21/2023	9,299	-17	-15
9/22/2023	9,217	-17	-9
9/23/2023	19,135	-16	-1
9/24/2023	19,633	-7	68
9/25/2023	17,373	-8	35
9/26/2023	13,647	-11	34
9/27/2023	20,929	4	133
9/28/2023	8,282	-11	28
9/29/2023	974	-17	-9
9/30/2023	0		
10/1/2023	2,504	-18	-17
10/2/2023	5,564	-14	41
10/3/2023	3,276	-13	41
10/4/2023	511	-17	-15
10/5/2023	8,544	-11	17
10/6/2023	23,369	-13	2
10/7/2023	16,727	-14	-7
10/8/2023	9,368	-16	-12
10/9/2023	6,492	-16	-13
10/10/2023	13,076	-16	-14
10/11/2023	10,230	-16	-10
10/12/2023	14,068	-16	-8
10/13/2023	12,540	-15	-8
10/14/2023	11,874	-14	-10
10/15/2023	9,827	-15	-10
10/16/2023	6,065	-16	-13
10/17/2023	3,446	-17	-12
10/18/2023	1,614	-16	-11
10/19/2023	7,207	-13	155
10/20/2023	16,612	-14	-4
10/21/2023	24,189	-13	-6
10/22/2023	23,703	-11	1
10/23/2023	24,615	-8	9
10/24/2023	24,995	21	82
10/25/2023	24,998	54	81
10/26/2023	23,286	1	33
10/27/2023	24,201	5	76
10/28/2023	25,001	64	91
10/29/2023	25,001	55	75
10/30/2023	23,444	18	64
10/31/2023	25,222	61	115
11/1/2023	23,391	29	118

11/2/2023	23,603	20	60
11/3/2023	26,001	36	48
11/4/2023	24,663	105	140
11/5/2023	25,497	53	76
11/6/2023	25,002	76	85
11/7/2023	25,002	74	104
11/8/2023	25,002	65	130
11/9/2023	25,003	84	134
11/10/2023	25,003	87	104
11/11/2023	25,002	81	100
11/12/2023	25,003	74	86
11/13/2023	25,003	58	90
11/14/2023	25,003	63	93
11/15/2023	25,003	99	114
11/16/2023	25,002	82	109
11/17/2023	25,002	60	121
11/18/2023	25,003	61	79
11/19/2023	25,003	61	97
11/20/2023	25,003	63	88
11/21/2023	25,003	57	73
11/22/2023	25,002	66	83
11/23/2023	25,002	61	74
11/24/2023	25,003	60	82
11/25/2023	25,002	57	100
11/26/2023	21,456	30	80
11/27/2023	21,023	22	93
11/28/2023	23,689	51	92
11/29/2023	22,640	30	88
11/30/2023	21,840	27	93
12/1/2023	18,713	33	176
12/2/2023	19,221	7	94
12/3/2023	19,091	11	103
12/4/2023	23,331	53	99
12/5/2023	22,644	38	105
12/6/2023	19,265	18	133
12/7/2023	10,879	-8	124
12/8/2023	16,746	14	113
12/9/2023	20,677	13	147
12/10/2023	21,836	34	146
12/11/2023	24,502	88	134
12/12/2023	25,078	107	140
12/13/2023	22,451	68	150
12/14/2023	23,920	87	143
12/15/2023	24,554	93	143
12/16/2023	25,084	112	140
12/17/2023	25,003	110	138
12/18/2023	25,003	110	150

12/19/2023	25,008	121	158
12/20/2023	25,008	148	159
12/21/2023	25,003	130	156
12/22/2023	24,743	106	145
12/23/2023	25,082	111	146
12/24/2023	23,742	90	147
12/25/2023	24,113	98	148
12/26/2023	21,255	54	152
12/27/2023	16,942	16	140
12/28/2023	23,002	83	152
12/29/2023	22,182	59	143
12/30/2023	21,286	47	152
12/31/2023	23,704	95	154
1/1/2024	23,576	95	156
1/2/2024	24,294	114	155
1/3/2024	22,661	72	155
1/4/2024	23,236	89	155
1/5/2024	25,086	149	151
1/6/2024	25,008	148	157
1/7/2024	24,105	152	158
1/8/2024	21,198	89	155
1/9/2024	21,651	92	147
1/10/2024	22,301	108	156
1/11/2024	20,329	53	157
1/12/2024	20,215	66	148
1/13/2024	18,599	11	150
1/14/2024	18,017	4	150
1/15/2024	18,159	2	165
1/16/2024	16,152	6	163
1/17/2024	11,565	5	97
1/18/2024	15,341	23	115
1/19/2024	12,507	15	105
1/20/2024	14,727	16	108
1/21/2024	19,155	41	94
1/22/2024	21,760	54	141
1/23/2024	20,665	74	129
1/24/2024	20,115	52	144
1/25/2024	19,708	45	146
1/26/2024	20,161	75	170
1/27/2024	19,966	50	161
1/28/2024	20,923	77	169
1/29/2024	22,248	113	172
1/30/2024	11,217	48	169
1/31/2024	4,032	-15	28
2/1/2024	20,038	87	179
2/2/2024	18,659	96	169
2/3/2024	16,273	33	166

2/4/2024	15,385	17	161
2/5/2024	14,812	17	176
2/6/2024	17,225	48	164
2/7/2024	17,209	56	162
2/8/2024	17,386	35	162
2/9/2024	18,450	35	162
2/10/2024	16,674	34	163
2/11/2024	16,011	28	178
2/12/2024	17,470	46	169
2/13/2024	17,096	38	168
2/14/2024	18,962	54	165
2/15/2024	3,708	-6	162
2/16/2024	1,762	-16	-14
2/17/2024	1,612	-14	-13
2/18/2024	1,087	-16	-12
2/19/2024	902	-17	-14
2/20/2024	2,760	-17	-14
2/21/2024	9,489	-17	-5
2/22/2024	13,447	-16	-14
2/23/2024	15,871	-12	129
2/24/2024	18,752	10	131
2/25/2024	15,584	-5	128
2/26/2024	18,129	1	130
2/27/2024	20,720	61	169
2/28/2024	20,523	75	168
2/29/2024	16,924	37	160
3/1/2024	20,112	78	170
3/2/2024	22,634	111	160
3/3/2024	22,606	115	158
3/4/2024	19,447	60	158
3/5/2024	16,549	16	157
3/6/2024	15,312	23	169
3/7/2024	19,947	88	172
3/8/2024	23,105	128	174
3/9/2024	22,259	115	176
3/10/2024	21,002	112	173
3/11/2024	21,957	99	173
3/12/2024	20,589	87	171
3/13/2024	19,281	77	171
3/14/2024	22,376	95	166
3/15/2024	23,160	118	162
3/16/2024	23,991	124	162
3/17/2024	24,053	130	162
3/18/2024	20,927	98	164
3/19/2024	20,570	75	165
3/20/2024	10,643	15	166
3/21/2024	9,528	0	165

3/22/2024	15,254	29	164
3/23/2024	19,629	52	163
3/24/2024	15,553	71	161
3/25/2024	18,460	39	139
3/26/2024	13,549	22	166
3/27/2024	12,005	10	160
3/28/2024	11,211	71	156
3/29/2024	18,272	82	159
3/30/2024	15,819	57	121
3/31/2024	18,543	90	157
4/1/2024	8,534	68	156
4/2/2024	3,595	-13	1
4/3/2024	2,214	-9	115
4/4/2024	13,324	35	157
4/5/2024	11,271	12	156
4/6/2024	15,869	43	158
4/7/2024	21,304	89	160
4/8/2024	23,847	113	160
4/9/2024	21,914	106	160
4/10/2024	22,257	128	163
4/11/2024	22,945	137	163
4/12/2024	23,420	136	162
4/13/2024	23,321	142	158
4/14/2024	23,168	142	156
4/15/2024	22,069	137	156
4/16/2024	23,078	145	161
4/17/2024	22,730	143	147
4/18/2024	21,435	96	147
4/19/2024	19,424	25	30
4/20/2024	20,355	73	150
4/21/2024	21,766	127	142
4/22/2024	22,191	141	154
4/23/2024	22,240	140	156
4/24/2024	22,358	146	167
4/25/2024	21,661	118	163
4/26/2024	22,262	146	166
4/27/2024	22,275	148	166
4/28/2024	21,718	132	168
4/29/2024	22,111	148	181
4/30/2024	22,059	154	182
5/1/2024	21,177	134	171
5/2/2024	16,623	81	171
5/3/2024	18,304	54	159
5/4/2024	17,102	37	159
5/5/2024	19,618	88	160
5/6/2024	19,345	93	158
5/7/2024	20,180	104	159

5/8/2024	20,287	113	158
5/9/2024	21,541	141	181
5/10/2024	22,295	157	167
5/11/2024	19,852	107	141
5/12/2024	20,205	104	139
5/13/2024	20,840	133	143
5/14/2024	21,561	139	149
5/15/2024	20,980	140	164
5/16/2024	20,342	144	166
5/17/2024	16,591	65	164
5/18/2024	18,286	126	164
5/19/2024	19,551	134	163
5/20/2024	20,562	144	173
5/21/2024	18,249	100	148
5/22/2024	18,735	79	117
5/23/2024	18,840	101	164
5/24/2024	20,316	133	166
5/25/2024	19,918	145	167
5/26/2024	19,932	152	157
5/27/2024	18,842	151	159
5/28/2024	18,331	138	157
5/29/2024	18,351	133	169
5/30/2024	12,139	43	170
5/31/2024	8,492	3	179
6/1/2024	9,486	-14	-8
6/2/2024	10,155	9	176
6/3/2024	17,999	114	181
6/4/2024	15,247	82	181
6/5/2024	7,592	80	180
6/6/2024	15,470	68	179
6/7/2024	9,795	55	179
6/8/2024	9,615	73	178
6/9/2024	16,111	74	140
6/10/2024	16,008	56	110
6/11/2024	16,488	73	141
6/12/2024	16,984	109	181
6/13/2024	17,668	118	179
6/14/2024	18,836	160	179
6/15/2024	18,356	131	179
6/16/2024	18,118	121	138
6/17/2024	15,027	86	149
6/18/2024	16,652	62	149
6/19/2024	12,663	59	156
6/20/2024	8,666	72	171
6/21/2024	1,763	-3	169
6/22/2024	2,305	-16	-11
6/23/2024	7,237	-2	172

6/24/2024	7,339	9	174
6/25/2024	5,364	-13	166
6/26/2024	7,903	13	170
6/27/2024	7,615	9	168
6/28/2024	4,978	43	176
6/29/2024	4,374	87	178
6/30/2024	8,744	40	181
7/1/2024	10,154	91	181
7/2/2024	10,478	16	175
7/3/2024	8,588	23	170
7/4/2024	1,016	-20	-14
7/5/2024	1,336	56	176
7/6/2024	11,379	71	173
7/7/2024	7,739	78	182
7/8/2024	11,983	57	174
7/9/2024	12,594	81	186
7/10/2024	5,622	-11	185
7/11/2024	10,611	78	174
7/12/2024	12,284	62	179
7/13/2024	10,974	88	176
7/14/2024	5,240	71	178
7/15/2024	7,931	64	177
7/16/2024	8,370	77	180
7/17/2024	8,197	71	181
7/18/2024	7,275	82	161
7/19/2024	8,886	37	162
7/20/2024	10,119	35	164
7/21/2024	12,137	103	169
7/22/2024	17,479	171	183
7/23/2024	16,803	160	176
7/24/2024	14,138	143	176
7/25/2024	13,215	130	167
7/26/2024	15,317	145	169
7/27/2024	15,822	137	167
7/28/2024	16,849	154	169
7/29/2024	19,141	130	159
7/30/2024	25,178	41	114
7/31/2024	24,924	-11	169
8/1/2024	22,753	-16	-14
8/2/2024	22,970	-16	-14
8/3/2024	22,652	-16	-13
8/4/2024	22,246	-9	158
8/5/2024	22,340	3	138
8/6/2024	25,022	-15	-13
8/7/2024	22,930	-14	129
8/8/2024	23,867	70	165
8/9/2024	24,115	152	166

8/10/2024	24,213	80	110
8/11/2024	22,671	50	164
8/12/2024	23,311	152	166
8/13/2024	23,561	151	165
8/14/2024	21,714	128	154
8/15/2024	22,344	88	156
8/16/2024	19,980	56	163
8/17/2024	22,132	43	138
8/18/2024	20,017	16	141
8/19/2024	19,033	9	137
8/20/2024	15,124	12	137
8/21/2024	18,782	26	149
8/22/2024	19,505	23	144
8/23/2024	21,028	29	139
8/24/2024	20,214	39	142
8/25/2024	21,590	64	146
8/26/2024	20,074	123	166
8/27/2024	22,497	144	165
8/28/2024	22,105	142	165
8/29/2024	21,909	150	172
8/30/2024	17,446	89	165
8/31/2024	20,069	138	170
9/1/2024	20,166	132	170
9/2/2024	22,665	153	171
9/3/2024	19,581	101	171
9/4/2024	18,648	83	157
9/5/2024	17,226	104	172
9/6/2024	17,395	93	173
9/7/2024	16,942	44	170
9/8/2024	16,809	54	175
9/9/2024	14,308	55	178
9/10/2024	13,539	86	178
9/11/2024	14,796	42	178
9/12/2024	17,881	49	177
9/13/2024	18,233	107	176
9/14/2024	22,311	163	171
9/15/2024	20,375	156	170
9/16/2024	22,420	162	172
9/17/2024	20,303	151	177
9/18/2024	19,013	154	172
9/19/2024	16,077	131	173
9/20/2024	14,428	50	172
9/21/2024	11,935	57	172
9/22/2024	16,471	72	175

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EXHIBIT G

Day	Injected [BBLs]	Average PSI	Max PSI	
8/1/2023	15,208	-12	26	
8/2/2023	14,131	-9	38	Ernie Banks SWD #1
8/3/2023	17,720	13	51	GOODNIGHT MIDSTRE.
8/4/2023	10,865	14	50	30-025-50633
8/5/2023	16,937	27	49	Sec. 17 21S 36E
8/6/2023	8,200	5	54	
8/7/2023	17,734	33	55	
8/8/2023	13,056	23	56	
8/9/2023	21,884	34	52	
8/10/2023	20,875	34	58	
8/11/2023	19,265	31	57	
8/12/2023	14,592	22	48	
8/13/2023	16,772	14	44	
8/14/2023	19,250	15	42	
8/15/2023	19,948	21	38	
8/16/2023	18,600	31	50	
8/17/2023	14,439	28	231	
8/18/2023	13,196	51	186	
8/19/2023	3,695	-5	38	
8/20/2023	9,114	-3	46	
8/21/2023	10,973	8	42	
8/22/2023	12,789	11	42	
8/23/2023	14,904	15	46	
8/24/2023	18,982	54	186	
8/25/2023	18,971	92	189	
8/26/2023	15,210	56	176	
8/27/2023	14,744	57	186	
8/28/2023	15,410	100	188	
8/29/2023	20,130	92	289	
8/30/2023	21,086	141	327	
8/31/2023	16,286	57	258	
9/1/2023	20,107	91	174	
9/2/2023	15,504	55	146	
9/3/2023	18,037	61	140	
9/4/2023	17,400	52	156	
9/5/2023	11,559	15	151	
9/6/2023	11,333	14	164	
9/7/2023	11,860	6	159	
9/8/2023	14,342	39	194	
9/9/2023	10,017	104	276	
9/10/2023	19,314	75	268	
9/11/2023	12,059	51	249	
9/12/2023	7,885	13	209	
9/13/2023	13,123	28	199	
9/14/2023	7,511	6	189	
9/15/2023	8,334	0	188	

9/16/2023	10,106	-4	190
9/17/2023	14,723	45	186
9/18/2023	8,161	-4	188
9/19/2023	3,257	-17	-14
9/20/2023	1,618	-17	-13
9/21/2023	1,037	-17	-14
9/22/2023	788	-14	-6
9/23/2023	6,402	-17	-13
9/24/2023	11,074	12	281
9/25/2023	12,519	35	277
9/26/2023	7,716	3	252
9/27/2023	19,327	154	301
9/28/2023	11,005	37	238
9/29/2023	1,271	-17	-12
9/30/2023	0		-10
10/1/2023	2,327	-17	-15
10/2/2023	3,517	12	254
10/3/2023	2,882	31	273
10/4/2023	482	-17	-16
10/5/2023	6,803	51	270
10/6/2023	23,164	153	284
10/7/2023	12,080	71	271
10/8/2023	2,032	-17	-15
10/9/2023	994	-17	-15
10/10/2023	1,783	-17	-14
10/11/2023	5,014	8	272
10/12/2023	7,648	32	278
10/13/2023	4,025	-8	248
10/14/2023	4,432	-13	67
10/15/2023	4,622	-6	69
10/16/2023	1,422	-17	-15
10/17/2023	1,659	-14	63
10/18/2023	847	-14	41
10/19/2023	4,387	-2	78
10/20/2023	18,397	191	286
10/21/2023	27,008	255	282
10/22/2023	26,272	244	278
10/23/2023	27,272	261	281
10/24/2023	27,544	289	323
10/25/2023	26,514	306	338
10/26/2023	24,763	248	289
10/27/2023	25,368	278	325
10/28/2023	26,506	321	326
10/29/2023	25,093	324	329
10/30/2023	23,054	246	335
10/31/2023	25,239	330	358
11/1/2023	19,123	213	349

11/2/2023	19,321	196	324
11/3/2023	26,248	317	331
11/4/2023	25,132	353	392
11/5/2023	26,887	328	356
11/6/2023	25,354	352	363
11/7/2023	24,200	320	362
11/8/2023	25,605	341	351
11/9/2023	25,346	348	362
11/10/2023	25,209	352	362
11/11/2023	24,741	338	359
11/12/2023	24,581	318	342
11/13/2023	22,476	274	330
11/14/2023	20,940	161	349
11/15/2023	24,999	345	359
11/16/2023	24,672	315	357
11/17/2023	20,941	173	339
11/18/2023	21,257	187	335
11/19/2023	21,754	189	339
11/20/2023	22,865	229	335
11/21/2023	20,535	159	339
11/22/2023	23,561	270	335
11/23/2023	19,249	81	325
11/24/2023	21,508	190	333
11/25/2023	19,380	114	337
11/26/2023	13,258	69	337
11/27/2023	10,170	19	77
11/28/2023	19,266	191	340
11/29/2023	13,938	62	336
11/30/2023	11,855	43	344
12/1/2023	11,311	134	658
12/2/2023	8,393	15	94
12/3/2023	7,959	30	355
12/4/2023	15,248	75	356
12/5/2023	13,174	64	362
12/6/2023	10,146	20	107
12/7/2023	4,213	-10	106
12/8/2023	7,158	23	111
12/9/2023	8,716	14	116
12/10/2023	9,891	30	117
12/11/2023	18,414	187	382
12/12/2023	20,030	201	390
12/13/2023	13,454	78	390
12/14/2023	14,907	76	109
12/15/2023	16,406	97	392
12/16/2023	18,468	137	393
12/17/2023	20,147	208	396
12/18/2023	19,941	206	409

12/19/2023	22,069	317	424
12/20/2023	24,328	409	425
12/21/2023	21,970	332	419
12/22/2023	17,028	129	416
12/23/2023	18,984	197	418
12/24/2023	15,887	135	419
12/25/2023	16,100	157	412
12/26/2023	10,843	83	413
12/27/2023	5,242	19	100
12/28/2023	15,085	194	411
12/29/2023	11,317	46	104
12/30/2023	10,816	45	413
12/31/2023	15,920	154	419
1/1/2024	15,131	126	423
1/2/2024	17,402	195	425
1/3/2024	12,733	78	427
1/4/2024	14,921	114	431
1/5/2024	23,954	428	440
1/6/2024	23,100	394	450
1/7/2024	23,164	447	464
1/8/2024	14,510	157	448
1/9/2024	13,140	80	119
1/10/2024	15,405	169	451
1/11/2024	10,706	64	444
1/12/2024	11,205	92	443
1/13/2024	6,395	8	126
1/14/2024	6,176	-1	126
1/15/2024	4,659	20	471
1/16/2024	5,287	2	138
1/17/2024	4,157	3	75
1/18/2024	7,947	40	422
1/19/2024	7,614	73	412
1/20/2024	8,128	40	402
1/21/2024	15,172	190	403
1/22/2024	15,360	34	389
1/23/2024	16,346	185	425
1/24/2024	13,625	56	425
1/25/2024	12,558	45	422
1/26/2024	14,375	150	442
1/27/2024	11,668	33	428
1/28/2024	14,375	156	438
1/29/2024	17,905	239	434
1/30/2024	7,615	107	428
1/31/2024	947	-16	-12
2/1/2024	14,071	156	430
2/2/2024	14,439	124	425
2/3/2024	8,306	86	428

2/4/2024	6,126	18	121
2/5/2024	5,976	40	423
2/6/2024	9,730	76	427
2/7/2024	10,194	74	420
2/8/2024	8,943	51	418
2/9/2024	9,226	35	415
2/10/2024	8,167	50	415
2/11/2024	7,196	39	433
2/12/2024	9,247	66	421
2/13/2024	8,613	66	421
2/14/2024	10,778	93	415
2/15/2024	1,536	-12	121
2/16/2024	435	-16	-15
2/17/2024	835	-15	-14
2/18/2024	1,337	-16	-10
2/19/2024	798	-17	-14
2/20/2024	1,289	-17	8
2/21/2024	1,984	-17	-13
2/22/2024	2,309	-17	-15
2/23/2024	2,685	-14	87
2/24/2024	6,757	3	92
2/25/2024	4,181	-5	91
2/26/2024	6,784	0	398
2/27/2024	11,029	49	128
2/28/2024	12,326	101	435
2/29/2024	7,356	40	121
3/1/2024	12,922	117	441
3/2/2024	17,041	175	430
3/3/2024	14,563	90	121
3/4/2024	9,932	57	121
3/5/2024	5,206	32	118
3/6/2024	2,678	-5	96
3/7/2024	1,669	6	379
3/8/2024	411	-4	71
3/9/2024	1,998	36	123
3/10/2024	1,144	-11	6
3/11/2024	1,547	-13	6
3/12/2024	1,144	7	117
3/13/2024	868	-12	71
3/14/2024	5,147	21	83
3/15/2024	2,629	48	85
3/16/2024	11,099	61	87
3/17/2024	10,471	75	434
3/18/2024	1,979	46	89
3/19/2024	478	14	112
3/20/2024	0		
3/21/2024	0		

3/22/2024	253	14	86
3/23/2024	2,359	111	438
3/24/2024	966	53	427
3/25/2024	0		
3/26/2024	274	9	102
3/27/2024	0		
3/28/2024	0		
3/29/2024	977	105	438
3/30/2024	0		
3/31/2024	0		
4/1/2024	0		
4/2/2024	0		
4/3/2024	0		
4/4/2024	0		
4/5/2024	0		
4/6/2024	319	19	88
4/7/2024	4,358	206	449
4/8/2024	12,688	277	426
4/9/2024	18,665	347	430
4/10/2024	14,200	318	457
4/11/2024	16,402	257	456
4/12/2024	16,358	229	465
4/13/2024	20,875	319	454
4/14/2024	18,562	189	455
4/15/2024	15,984	172	459
4/16/2024	20,392	319	466
4/17/2024	22,830	465	469
4/18/2024	21,875	409	469
4/19/2024	21,539	396	399
4/20/2024	18,112	203	480
4/21/2024	20,570	414	474
4/22/2024	18,731	271	479
4/23/2024	15,630	114	133
4/24/2024	19,259	296	741
4/25/2024	12,504	60	158
4/26/2024	9,647	63	118
4/27/2024	7,450	42	106
4/28/2024	10,841	65	108
4/29/2024	12,058	77	121
4/30/2024	11,494	89	134
5/1/2024	1,113	3	88
5/2/2024	8,201	73	381
5/3/2024	13,433	80	378
5/4/2024	11,521	33	383
5/5/2024	13,311	96	381
5/6/2024	12,543	76	382
5/7/2024	13,134	71	118

5/8/2024	13,488	77	118
5/9/2024	13,793	98	121
5/10/2024	15,030	119	128
5/11/2024	13,552	73	111
5/12/2024	13,690	73	109
5/13/2024	14,013	101	113
5/14/2024	14,402	109	119
5/15/2024	14,050	108	134
5/16/2024	13,527	111	135
5/17/2024	10,260	41	134
5/18/2024	12,288	90	134
5/19/2024	12,998	97	133
5/20/2024	13,371	113	514
5/21/2024	12,108	70	119
5/22/2024	13,258	111	467
5/23/2024	15,370	196	506
5/24/2024	15,056	138	510
5/25/2024	14,250	111	506
5/26/2024	15,200	142	507
5/27/2024	14,070	116	125
5/28/2024	14,142	139	527
5/29/2024	14,951	185	535
5/30/2024	7,760	25	137
5/31/2024	3,420	-2	541
6/1/2024	2,374	-18	-16
6/2/2024	4,333	-1	136
6/3/2024	2,685	68	137
6/4/2024	893	66	92
6/5/2024	0		
6/6/2024	845	51	520
6/7/2024	0		
6/8/2024	0		
6/9/2024	205	-12	13
6/10/2024	0		
6/11/2024	1,876	15	95
6/12/2024	1,773	60	117
6/13/2024	4,737	76	111
6/14/2024	5,832	50	110
6/15/2024	10,264	83	110
6/16/2024	10,718	91	105
6/17/2024	7,730	66	113
6/18/2024	8,808	68	507
6/19/2024	7,778	30	137
6/20/2024	7,122	52	141
6/21/2024	1,038	-9	134
6/22/2024	1,201	-19	-17
6/23/2024	3,177	-9	139

6/24/2024	4,439	-1	139
6/25/2024	2,756	-14	541
6/26/2024	4,448	5	518
6/27/2024	4,474	-3	131
6/28/2024	3,530	28	146
6/29/2024	3,657	63	146
6/30/2024	6,214	25	552
7/1/2024	7,899	59	145
7/2/2024	6,837	3	143
7/3/2024	5,574	8	135
7/4/2024	552	-20	-19
7/5/2024	702	46	145
7/6/2024	6,941	90	558
7/7/2024	10,037	30	145
7/8/2024	10,007	45	551
7/9/2024	8,031	53	551
7/10/2024	2,407	-13	163
7/11/2024	8,403	89	546
7/12/2024	9,515	54	534
7/13/2024	8,884	67	453
7/14/2024	4,809	87	446
7/15/2024	5,997	39	467
7/16/2024	6,174	38	130
7/17/2024	6,253	43	377
7/18/2024	6,042	65	370
7/19/2024	5,979	15	116
7/20/2024	7,720	55	390
7/21/2024	9,717	94	386
7/22/2024	17,105	324	486
7/23/2024	19,105	451	486
7/24/2024	15,267	308	484
7/25/2024	12,752	97	481
7/26/2024	15,831	29	474
7/27/2024	17,999	33	480
7/28/2024	19,001	36	483
7/29/2024	20,191	58	495
7/30/2024	17,111	350	489
7/31/2024	16,648	157	498
8/1/2024	26,257	-12	-9
8/2/2024	21,555	-13	-10
8/3/2024	12,692	-13	19
8/4/2024	22,691	-13	-10
8/5/2024	21,678	-10	21
8/6/2024	23,768	-12	13
8/7/2024	23,028	-13	24
8/8/2024	24,043	31	81
8/9/2024	24,208	50	84

8/10/2024	23,890	-11	3
8/11/2024	22,932	12	162
8/12/2024	24,114	81	191
8/13/2024	23,710	33	259
8/14/2024	20,936	-2	209
8/15/2024	22,705	-12	104
8/16/2024	19,665	-13	44
8/17/2024	21,902	-12	105
8/18/2024	15,884	-13	34
8/19/2024	14,494	-12	99
8/20/2024	12,904	-11	105
8/21/2024	15,737	-11	157
8/22/2024	14,591	-11	131
8/23/2024	19,376	-11	106
8/24/2024	19,460	-11	120
8/25/2024	20,160	-10	183
8/26/2024	19,133	-3	211
8/27/2024	22,340	-11	205
8/28/2024	22,114	10	190
8/29/2024	22,273	7	237
8/30/2024	15,375	-11	77
8/31/2024	19,547	-9	67
9/1/2024	18,671	-4	182
9/2/2024	8,059	-12	170
9/3/2024	7,369	-12	40
9/4/2024	15,877	-12	45
9/5/2024	15,848	-9	207
9/6/2024	15,274	-2	224
9/7/2024	11,551	-9	71
9/8/2024	12,953	-8	72
9/9/2024	10,992	-12	73
9/10/2024	11,983	-8	269
9/11/2024	11,252	-10	290
9/12/2024	12,573	-12	211
9/13/2024	16,197	10	270
9/14/2024	23,062	74	132
9/15/2024	21,102	63	84
9/16/2024	23,326	73	109
9/17/2024	19,742	73	568
9/18/2024	20,164	82	187
9/19/2024	16,922	61	175
9/20/2024	10,158	13	172
9/21/2024	9,550	6	113
9/22/2024	12,860	9	77

AM PERMIAN, LLC

EXHIBIT H

Day	Injected [BBLs]	Average Inj PSI	Max PSI
8/1/2023	24,947	38	93
8/2/2023	25,665	33	104
8/3/2023	27,833	62	110
8/4/2023	24,723	36	110
8/5/2023	28,589	69	113
8/6/2023	23,653	18	113
8/7/2023	29,223	76	115
8/8/2023	29,194	77	121
8/9/2023	30,526	90	114
8/10/2023	29,852	76	106
8/11/2023	29,344	73	108
8/12/2023	26,655	42	108
8/13/2023	28,034	62	104
8/14/2023	29,330	83	98
8/15/2023	30,628	95	111
8/16/2023	29,320	99	112
8/17/2023	26,721	67	150
8/18/2023	21,451	58	151
8/19/2023	21,602	26 *	178 *
8/20/2023	24,117	49 *	179 *
8/21/2023	25,244	82 *	178 *
8/22/2023	26,177	92 *	179 *
8/23/2023	26,910	98	144
8/24/2023	29,521	114	150
8/25/2023	24,743	69	137
8/26/2023	21,368	15	136
8/27/2023	20,565	44 *	176 *
8/28/2023	23,622	85 *	184 *
8/29/2023	26,764	124 *	190 *
8/30/2023	30,448	170 *	184 *
8/31/2023	27,233	147 *	179 *
9/1/2023	28,423	163 *	180 *
9/2/2023	24,160	134 *	180 *
9/3/2023	26,829	148 *	182 *
9/4/2023	26,825	139 *	181 *
9/5/2023	21,661	89 *	174 *
9/6/2023	21,459	94 *	194 *
9/7/2023	21,030	114 *	197 *
9/8/2023	21,723	137 *	199 *
9/9/2023	21,239	134 *	180 *

Sosa SA 17 SWD
GOODNIGHT MIDSTREAM PERMIAN, LLC
30-025-47947
Sec. 17 21S 36E

* = Pressure substituted for upstream flow line
measurement due to communication loss at
wellhead or wellhead meter malfunction

9/10/2023	20,725	133 *	187 *
9/11/2023	18,949	115 *	188 *
9/12/2023	15,313	85 *	184 *
9/13/2023	21,907	111 *	183 *
9/14/2023	16,135	67 *	182 *
9/15/2023	19,351	61 *	182 *
9/16/2023	19,734	96 *	179 *
9/17/2023	22,935	128 *	182 *
9/18/2023	19,692	69 *	184 *
9/19/2023	13,474	41 *	173 *
9/20/2023	15,592	11 *	171 *
9/21/2023	15,276	6 *	8 *
9/22/2023	11,906	13	150
9/23/2023	21,473	34	150
9/24/2023	22,705	67	158
9/25/2023	21,400	63	156
9/26/2023	19,161	25	152
9/27/2023	24,183	82	168
9/28/2023	18,219	29	123
9/29/2023	6,303	-9	-3
9/30/2023	-		
10/1/2023	4,752	9 *	14 *
10/2/2023	8,930	19 *	137 *
10/3/2023	5,118	31 *	145 *
10/4/2023	1,099	6 *	10 *
10/5/2023	10,870	42 *	118 *
10/6/2023	27,850	116 *	175 *
10/7/2023	19,886	56 *	147 *
10/8/2023	13,170	4 *	6 *
10/9/2023	10,568	3 *	5 *
10/10/2023	16,784	4 *	6 *
10/11/2023	12,379	15 *	146 *
10/12/2023	16,438	29 *	147 *
10/13/2023	12,312	9 *	143 *
10/14/2023	14,433	12 *	155 *
10/15/2023	12,625	25 *	155 *
10/16/2023	8,513	2 *	4 *
10/17/2023	4,132	22 *	127 *
10/18/2023	2,118	18 *	86 *
10/19/2023	9,707	37 *	158 *
10/20/2023	20,526	119 *	174 *
10/21/2023	27,989	138 *	149 *
10/22/2023	27,301	130 *	149 *
10/23/2023	28,685	147 *	176 *

10/24/2023	29,359	174 *	178 *
10/25/2023	27,639	149 *	179 *
10/26/2023	25,429	90 *	130 *
10/27/2023	26,257	111 *	177 *
10/28/2023	28,111	173 *	179 *
10/29/2023	28,206	174 *	177 *
10/30/2023	25,843	149 *	180 *
10/31/2023	27,074	141	158
11/1/2023	21,508	101	163
11/2/2023	21,857	93	133
11/3/2023	27,610	136	162
11/4/2023	25,216	153	176
11/5/2023	28,341	140	165
11/6/2023	26,034	152	173
11/7/2023	25,669	137	172
11/8/2023	27,440	153	169
11/9/2023	26,940	154	169
11/10/2023	26,596	153	169
11/11/2023	26,290	152	169
11/12/2023	26,282	136	169
11/13/2023	24,393	119	157
11/14/2023	25,795	132	169
11/15/2023	26,524	153	171
11/16/2023	26,843	147	170
11/17/2023	25,591	130	168
11/18/2023	25,282	124	168
11/19/2023	25,905	136	170
11/20/2023	26,099	138	165
11/21/2023	24,860	131	169
11/22/2023	25,928	142	161
11/23/2023	25,368	127	163
11/24/2023	25,353	136	163
11/25/2023	24,636	126	164
11/26/2023	18,553	92	164
11/27/2023	16,077	75	158
11/28/2023	22,695	131	164
11/29/2023	20,268	88	155
11/30/2023	17,866	84	155
12/1/2023	14,301	89	174
12/2/2023	13,805	46	159
12/3/2023	12,872	63	156
12/4/2023	20,541	131	157
12/5/2023	18,516	103	159
12/6/2023	15,928	60	168

12/7/2023	10,251	7	168
12/8/2023	13,806	60	168
12/9/2023	17,150	38	170
12/10/2023	17,049	63	171
12/11/2023	22,212	133	161
12/12/2023	24,072	150	176
12/13/2023	18,972	99	162
12/14/2023	20,602	132	162
12/15/2023	22,424	131	162
12/16/2023	24,086	152	162
12/17/2023	24,402	150	177
12/18/2023	23,749	149	178
12/19/2023	20,787	152	181
12/20/2023	25,317	161	179
12/21/2023	24,338	152	179
12/22/2023	22,472	145	179
12/23/2023	23,446	146	181
12/24/2023	20,606	132	165
12/25/2023	21,083	132	170
12/26/2023	16,180	90	164
12/27/2023	10,553	48	149
12/28/2023	19,259	114	161
12/29/2023	18,646	81	150
12/30/2023	17,076	72	160
12/31/2023	20,922	118	161
1/1/2024	20,268	120	162
1/2/2024	21,679	136	162
1/3/2024	18,367	100	161
1/4/2024	20,893	109	162
1/5/2024	25,240	157	175
1/6/2024	25,053	157	174
1/7/2024	24,148	163	175
1/8/2024	19,494	115	164
1/9/2024	19,446	121	153
1/10/2024	20,408	138	164
1/11/2024	17,396	76	165
1/12/2024	16,370	101	154
1/13/2024	14,006	23	154
1/14/2024	13,809	9	154
1/15/2024	9,276	12	166
1/16/2024	11,420	15	166
1/17/2024	8,913	20	109
1/18/2024	13,404	36	116
1/19/2024	11,024	27	131

1/20/2024	12,534	24	103
1/21/2024	17,794	45	86
1/22/2024	22,029	45	130
1/23/2024	20,399	75	119
1/24/2024	19,476	51	133
1/25/2024	18,555	46	134
1/26/2024	18,887	84	159
1/27/2024	18,046	54	149
1/28/2024	18,967	84	161
1/29/2024	21,670	118	156
1/30/2024	11,328	58	160
1/31/2024	8,022	-11	1
2/1/2024	18,426	97	157
2/2/2024	19,193	86	156
2/3/2024	11,677	63	151
2/4/2024	9,607	44	146
2/5/2024	8,705	54	154
2/6/2024	13,811	76	151
2/7/2024	14,247	76	148
2/8/2024	12,806	63	147
2/9/2024	14,251	50	148
2/10/2024	12,180	62	148
2/11/2024	3,624	-4	73
2/12/2024	-		
2/13/2024	-		
2/14/2024	-		
2/15/2024	-		
2/16/2024	1,991	-9	-4
2/17/2024	5,297	-8	1
2/18/2024	6,880	-6	64
2/19/2024	5,293	-8	-1
2/20/2024	9,465	-7	64
2/21/2024	10,864	-5	10
2/22/2024	15,055	-5	-1
2/23/2024	14,662	-1	144
2/24/2024	17,625	26	146
2/25/2024	12,285	14	144
2/26/2024	15,130	19	152
2/27/2024	19,586	89	184
2/28/2024	18,611	114	178
2/29/2024	13,036	82	170
3/1/2024	20,273	108	182
3/2/2024	23,030	134	170
3/3/2024	21,852	147	170

3/4/2024	15,911	109	169
3/5/2024	9,883	68	169
3/6/2024	6,954	15	146
3/7/2024	2,407	34	118
3/8/2024	324	27	44
3/9/2024	3,114	101	176
3/10/2024	1,832	35	70
3/11/2024	2,338	34	77
3/12/2024	1,773	65	168
3/13/2024	1,335	39	123
3/14/2024	16,996	117	172
3/15/2024	23,248	137	173
3/16/2024	24,748	137	173
3/17/2024	25,032	144	174
3/18/2024	17,044	153	174
3/19/2024	13,396	123	173
3/20/2024	772	117	172
3/21/2024	1,387	147	172
3/22/2024	5,564	153	173
3/23/2024	10,448	136	173
3/24/2024	11,836	141	173
3/25/2024	8,173	102	157
3/26/2024	2,539	83	148
3/27/2024	1,945	116	134
3/28/2024	8,968	128	170
3/29/2024	13,560	141	171
3/30/2024	10,413	119	133
3/31/2024	15,575	137	170
4/1/2024	6,690	126	169
4/2/2024	-		
4/3/2024	307	81	129
4/4/2024	6,867	120	170
4/5/2024	2,532	130	169
4/6/2024	7,655	134	171
4/7/2024	16,758	140	171
4/8/2024	24,479	129	172
4/9/2024	23,117	117	172
4/10/2024	23,621	117	173
4/11/2024	24,129	117	143
4/12/2024	24,133	122	156
4/13/2024	24,167	128	144
4/14/2024	24,063	129	145
4/15/2024	23,481	115	153
4/16/2024	22,247	70	84

4/17/2024	22,052	71	73
4/18/2024	19,900	38	74
4/19/2024	16,737	-11	-10
4/20/2024	18,882	26	86
4/21/2024	21,227	62	94
4/22/2024	21,523	77	139
4/23/2024	21,611	83	138
4/24/2024	19,334	48	149
4/25/2024	31,703	71	171
4/26/2024	36,122	153	172
4/27/2024	35,840	155	172
4/28/2024	34,649	137	172
4/29/2024	35,104	152	181
4/30/2024	34,744	150	181
5/1/2024	32,633	127	163
5/2/2024	26,727	75	163
5/3/2024	26,391	55	155
5/4/2024	25,959	39	156
5/5/2024	29,320	85	159
5/6/2024	29,138	89	157
5/7/2024	29,694	98	156
5/8/2024	29,969	106	151
5/9/2024	32,545	135	181
5/10/2024	34,018	151	161
5/11/2024	30,719	102	141
5/12/2024	31,140	103	142
5/13/2024	32,163	132	144
5/14/2024	33,169	142	151
5/15/2024	32,473	140	167
5/16/2024	30,479	139	168
5/17/2024	24,545	59	171
5/18/2024	28,121	115	171
5/19/2024	29,994	128	171
5/20/2024	31,211	140	186
5/21/2024	26,029	92	154
5/22/2024	28,760	78	120
5/23/2024	29,227	99	169
5/24/2024	31,732	135	169
5/25/2024	31,696	145	169
5/26/2024	33,122	156	160
5/27/2024	32,501	154	161
5/28/2024	31,422	139	161
5/29/2024	31,339	135	176
5/30/2024	21,842	35	174

5/31/2024	15,716	0	188
6/1/2024	16,415	-10	-5
6/2/2024	16,986	6	177
6/3/2024	8,086	12	178
6/4/2024	4,394	3	178
6/5/2024	1,273	-12	-8
6/6/2024	9,884	21	180
6/7/2024	5,141	-3	141
6/8/2024	10,701	38	178
6/9/2024	10,721	25	141
6/10/2024	1,661	-13	-12
6/11/2024	7,071	0	144
6/12/2024	19,285	63	182
6/13/2024	27,241	117	184
6/14/2024	32,737	168	184
6/15/2024	30,112	134	183
6/16/2024	29,142	124	142
6/17/2024	23,207	83	154
6/18/2024	26,662	65	163
6/19/2024	22,944	54	175
6/20/2024	18,254	44	175
6/21/2024	5,199	-10	171
6/22/2024	6,279	-12	-9
6/23/2024	14,967	-4	172
6/24/2024	14,242	0	173
6/25/2024	11,246	-11	169
6/26/2024	15,606	5	173
6/27/2024	13,229	1	171
6/28/2024	10,696	9	184
6/29/2024	9,965	20	185
6/30/2024	17,755	25	185
7/1/2024	19,444	57	185
7/2/2024	19,459	9	178
7/3/2024	16,731	12	172
7/4/2024	4,595	-12	-8
7/5/2024	4,758	0	193
7/6/2024	26,798	70	194
7/7/2024	27,391	58	205
7/8/2024	27,190	61	194
7/9/2024	23,662	78	217
7/10/2024	9,689	-6	82
7/11/2024	21,677	50	196
7/12/2024	21,289	46	169
7/13/2024	22,179	56	166

7/14/2024	19,499	27	167
7/15/2024	20,701	32	167
7/16/2024	21,118	44	202
7/17/2024	20,965	45	188
7/18/2024	21,837	50	183
7/19/2024	22,108	33	180
7/20/2024	21,438	37	187
7/21/2024	25,087	91	183
7/22/2024	28,359	160	194
7/23/2024	27,760	138	170
7/24/2024	25,657	102	158
7/25/2024	24,581	98	174
7/26/2024	26,076	129	172
7/27/2024	26,713	124	170
7/28/2024	27,603	144	169
7/29/2024	24,910	144	177
7/30/2024	31,074	87	161
7/31/2024	34,869	135	170
8/1/2024	35,104	146	168
8/2/2024	35,531	165	179
8/3/2024	35,056	160	168
8/4/2024	34,086	150	159
8/5/2024	32,511	139	170
8/6/2024	34,839	164	177
8/7/2024	33,661	157	171
8/8/2024	30,193	176	190
8/9/2024	27,007	186	190
8/10/2024	30,388	177	180
8/11/2024	29,505	155	182
8/12/2024	26,640	166	184
8/13/2024	27,381	162	186
8/14/2024	25,928	131	173
8/15/2024	26,827	89	155
8/16/2024	25,153	92	127
8/17/2024	27,795	120	182
8/18/2024	27,058	87	182
8/19/2024	26,317	75	187
8/20/2024	23,086	56	182
8/21/2024	23,661	89	183
8/22/2024	26,768	70	183
8/23/2024	29,045	125	191
8/24/2024	28,948	128	188
8/25/2024	29,278	132	181
8/26/2024	26,966	127	187

8/27/2024	29,100	154	188
8/28/2024	28,116	155	188
8/29/2024	26,739	139	195
8/30/2024	25,912	91	186
8/31/2024	27,578	135	191
9/1/2024	26,883	129	185
9/2/2024	28,676	162	195
9/3/2024	26,535	108	201
9/4/2024	25,010	80	176
9/5/2024	22,847	101	189
9/6/2024	24,015	82	190
9/7/2024	22,652	41	185
9/8/2024	22,449	51	187
9/9/2024	21,037	44	192
9/10/2024	21,066	63	202
9/11/2024	20,675	38	190
9/12/2024	20,248	47	190
9/13/2024	23,185	103	188
9/14/2024	25,782	171	185
9/15/2024	24,117	151	182
9/16/2024	24,917	171	183
9/17/2024	23,277	152	197
9/18/2024	22,264	149	192
9/19/2024	21,097	120	195
9/20/2024	19,310	47	193
9/21/2024	18,750	42	193
9/22/2024	20,828	4	191

EXHIBIT I

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

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

CASE NOS. 23614-23617

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

CASE NO. 23775

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

CASE NOS. 24018-24020, 24025

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

DIVISION CASE NO. 22626
ORDER NO. R-22869-A
COMMISSION CASE NO. 24123

SELF-AFFIRMED STATEMENT OF PRESTON MCGUIRE

1. My name is Preston McGuire. I work for Goodnight Midstream Permian, LLC (“Goodnight Midstream”) as the Geology and Reservoir Engineering Manager.

2. I am familiar with the applications and motions filed by Goodnight Midstream and Empire in these cases, and I am familiar with the status of the lands and geology in the subject area. I have conducted a study and review of the reservoirs and geology in the area of the proposed

BEFORE THE OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Goodnight Midstream Permian, LLC
Hearing Date: September 23, 2024
Case Nos. 23614-23617, 23775,
24018 – 24020, 24025, 24123

thickness of more than 600 feet out of a gross thickness of about 1,300 feet based on open-hole logs in the area.

73. The lower San Andres lithologic unit consists of approximately 200 feet of limestone with porosity values of 3%-6% and very low permeability, which creates an effective basal seal and barrier against downward fluid migration from the San Andres aquifer into the Glorieta formation below. In addition, below the underlying Paddock interval, the Blinbery interval consists of approximately 580 feet of tight dolomite, which functions as an excellent and exceptionally thick barrier to downward migration.

74. **Based on my examination and study of the geology in the area, it is my opinion that these geologic seals above and below the target injection interval will effectively contain injected fluids within the injection zone.** Additional engineering evidence, addressed below and through Goodnight's technical experts, confirms this assessment.

Dawson Rate Increase

75. The Andre Dawson SWD can accept high-rate injection at low operating pressures and does not stress the reservoir. Page one of **Goodnight Exhibit B-11** is a graph of the minute-by-minute injection data for the Andre Dawson SWD showing the pressure/rate relationship during injection into the well.² The x-axis is the instantaneous flow rate, and the y-axis is the tubing pressure measured at the surface. The data shows the pressure verses rate performance for the well. The red line at 857 PSI is the permitted maximum operating pressure. There is a black dashed line indicating 0 PSI. **The data shows that the well can inject on vacuum (negative surface tubing**

² Goodnight inadvertently injected over its permitted injection rate in this well for a period of time in 2023 due to a faulty meter. Upon discovery, the meter was replaced, injection rates were returned to permitted levels, and Goodnight disclosed the issue to the Division in June 2023. See discussion below.

pressures) at rates up to about 40,000 BWPD before the well begins to show any positive tubing pressure. This is a robust data set which includes over 50,000 datapoints from the well's first year of operation and confirms that the high-rate injection is sustainable.

76. Additionally, the Andre Dawson SWD shuts-in to negative tubing pressures within seconds of ceasing injection operations. Page 2 of Goodnight Exhibit B-11 shows a typical injection profile for the Dawson well. The graph on the left shows a continuous injection cycle that lasted about 42 hours. The blue line shows the instantaneous flow rate in barrels of water per day and correlates to the left vertical axis. The red line shows the wellhead tubing pressure and correlates to the vertical axis on the right. These lines are plotted against time on the x-axis in minutes of the injection cycle. The graph on the right is a zoom-in of the final minutes of the injection cycle when the pumps shut down. A black dashed line on both graphs indicate 0 PSI tubing pressure. **The graph on the right shows that at the end of a 42-hour, high-rate injection cycle the well instantaneously goes on vacuum to -15 PSI after being shut in. This data shows that the well was not stressing the reservoir during high-rate injection as there is no material pressure build in the reservoir and the well did not stress the reservoir after nearly 42-hours of high-rate injection.**

77. The Sosa SWD is less than one mile from the Andre Dawson SWD. It was approved under Order No. R-21190. It does not impose a rate limit on injection; only a maximum allowable surface injection pressure of 900 PSI. Page one of Goodnight Exhibit B-12 is a similar graph to the Dawson injection data of the minute-by-minute injection data for the Sosa SWD. Again, the x-axis is the instantaneous flow rate, and the y-axis is the tubing pressure measured at the surface. The data shows the pressure versus rate performance for the well. The red line at 900 PSI is the permitted maximum operating pressure. There is a black dashed line indicating 0 PSI. **The data**

shows that the well can inject on vacuum (negative surface tubing pressures) at rates up to about 40,000 BWPD before the well begins to show any positive tubing pressure. This is a more robust data set than the discussed with Dawson and includes more than 90,000 datapoints collected over a period of 2.5 years, further confirming that these rates and pressures are sustainable.

78. The Sosa SWD also shuts-in to negative tubing pressure within seconds of ceasing injection operations. Page 2 of **Goodnight Exhibit B-12** shows a typical injection profile for the Dawson well. The graph on the left shows a continuous injection cycle that lasted about 42 hours. The blue line shows the instantaneous flow rate in barrels of water per day and correlates to the left vertical axis. The red line shows the well head tubing pressure and correlates to the vertical axis on the right. These lines are plotted versus time on the x-axis in minutes of the injection cycle. A black dashed line on both graphs indicate 0 PSI tubing pressure. **Like the Dawson well, the Sosa injection data shows that the well instantaneously goes on vacuum after being shut in to -15 PSI following sustained high-rate injection. This is the case for all of Goodnight's injection wells in and around the EMSU. The San Andres aquifer is capable of high-rate injection without stressing the rock as shown by this data.**

79. The data shows that the Andre Dawson can accept rates upwards of 40,000 BWPD at low operating pressures. Because the operating pressures are so low, there is no concern that the San Andres formation would be compromised by high-rate injection causing the formation to fracture or increasing the risk of induced seismicity. **Furthermore, increasing the authorized injection rate will allow Goodnight to utilize and optimize its current infrastructure allowing for fewer SWDs to be drilled. This limits surface disturbances and associated environmental**

risk while being in the interest of conservation and prevention of waste. For all the above reasons, the Andre Dawson rate increase should be approved.

80. It should be noted that Goodnight does not intend to run the Dawson at 40,000 BWPD continuously or indefinitely. Goodnight is requesting the rate increase to support its customers during the initial flow back period of their production wells, which recover high initial rates of completion water for short periods of time, generally only 2-3 weeks. **A historic look back at the Goodnight SWDs shows that the average disposal volumes are less than 15,000 BWPD over the life of Goodnight's wells within the EMSU.**

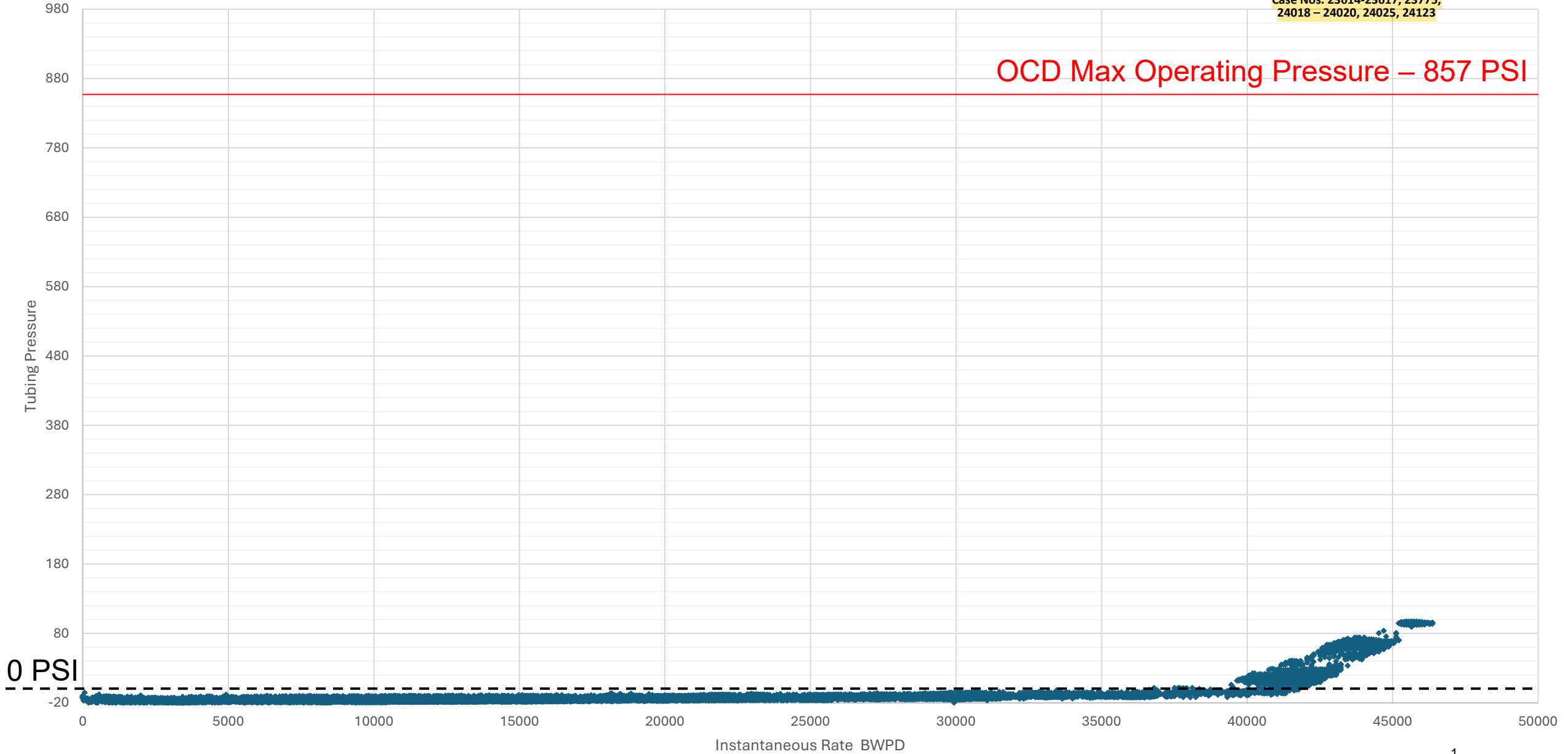
81. **Goodnight Exhibit B-13** shows the daily injected volume by well for the four wells inside the EMSU from 2023 to date. The average daily volume for this time frame is 14,149 BWPD. Goodnight is requesting this rate only to be able to support peak loads that are short lived and to create redundant capacity in the system if another SWD needs to be temporarily taken offline.

Response to Empire Permit Compliance Allegations

Andre Dawson SWD Over Injection

82. As to Goodnight's SWDs in the EMSU, Empire alleges Goodnight is exceeding its injection authority for the Sosa SWD and the Andre Dawson SWD. As to the Sosa SWD, this order does not provide a maximum authorized injection rate. The order imposes only a maximum surface injection pressure, which the Sosa SWD does not exceed. It does not include a limit on the daily injection rate. The NMOCD did not historically impose maximum daily rate limits on Goodnight wells until July 16, 2021, when the Division issued the Pedro SWD order limiting the daily injection rate to 42,000 BWPD. Subsequently, Goodnight did receive a maximum daily injection

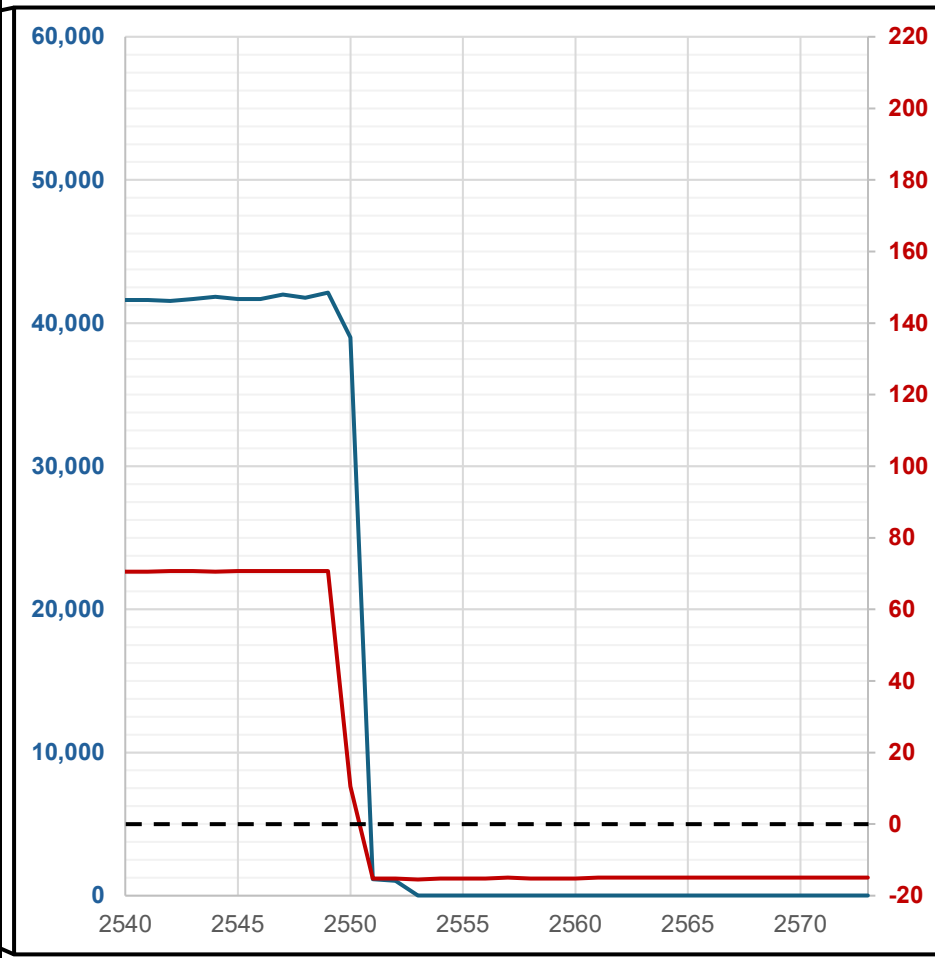
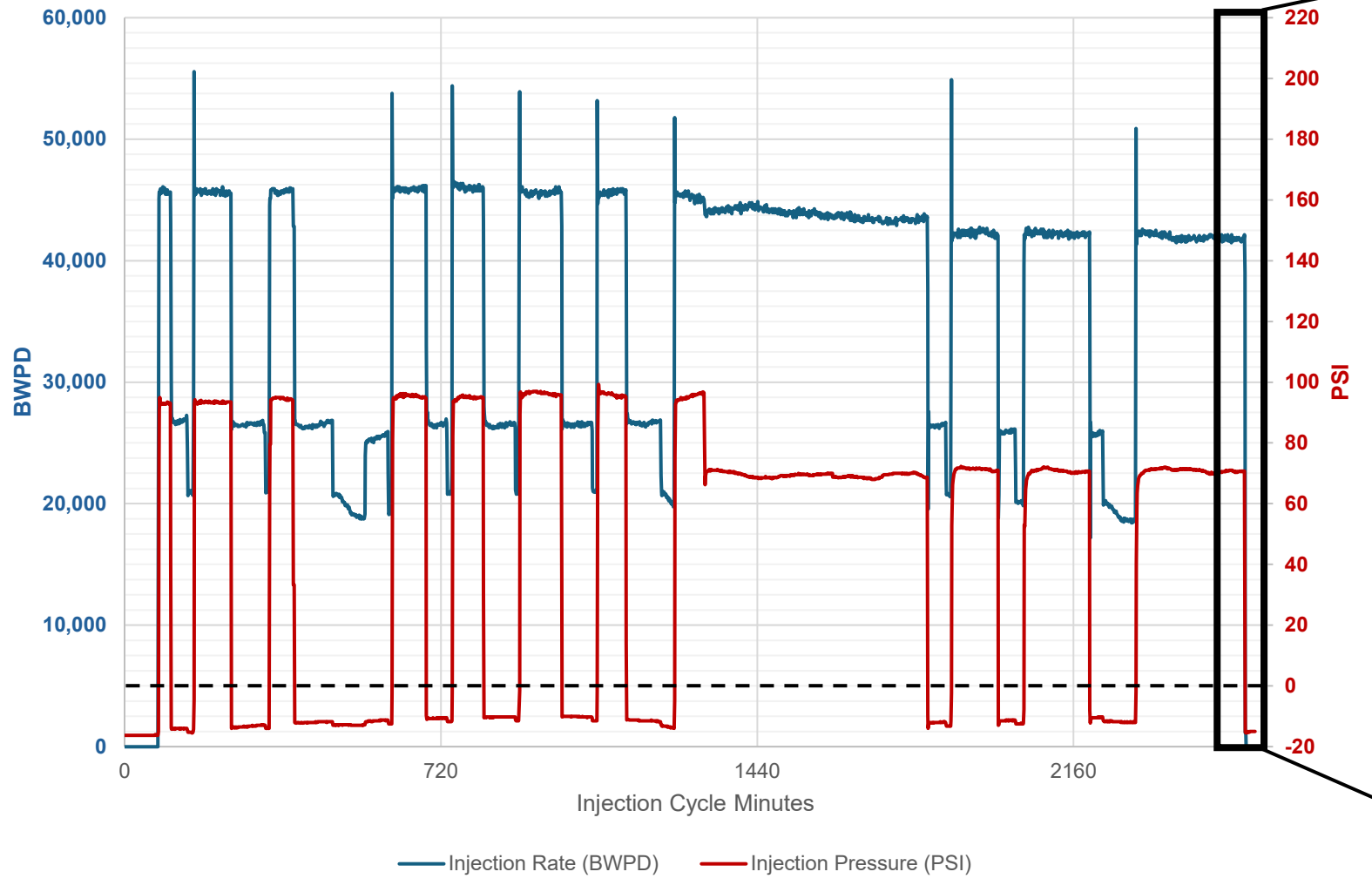
Andre Dawson SWD



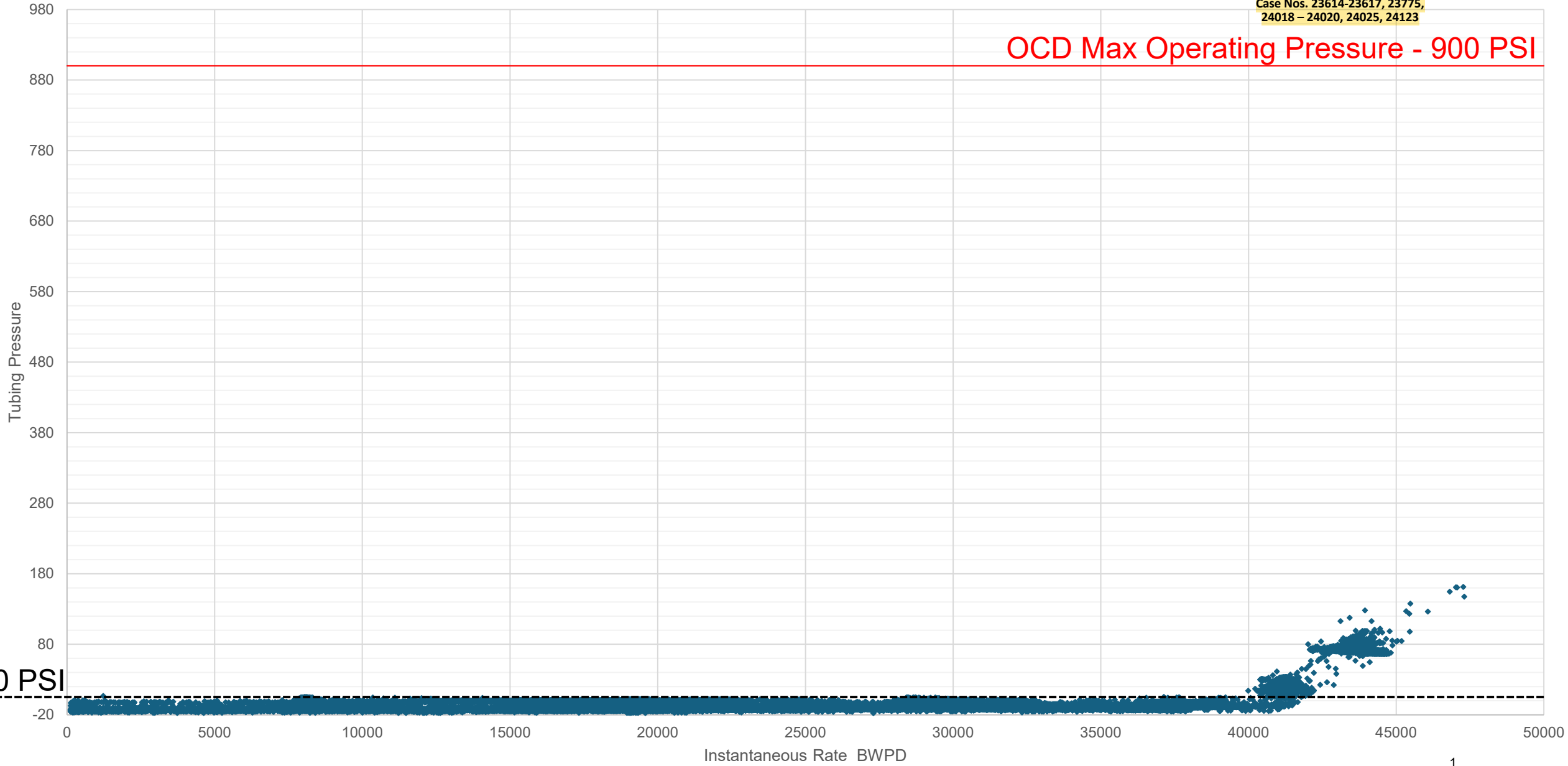
0 PSI

OCD Max Operating Pressure - 857 PSI

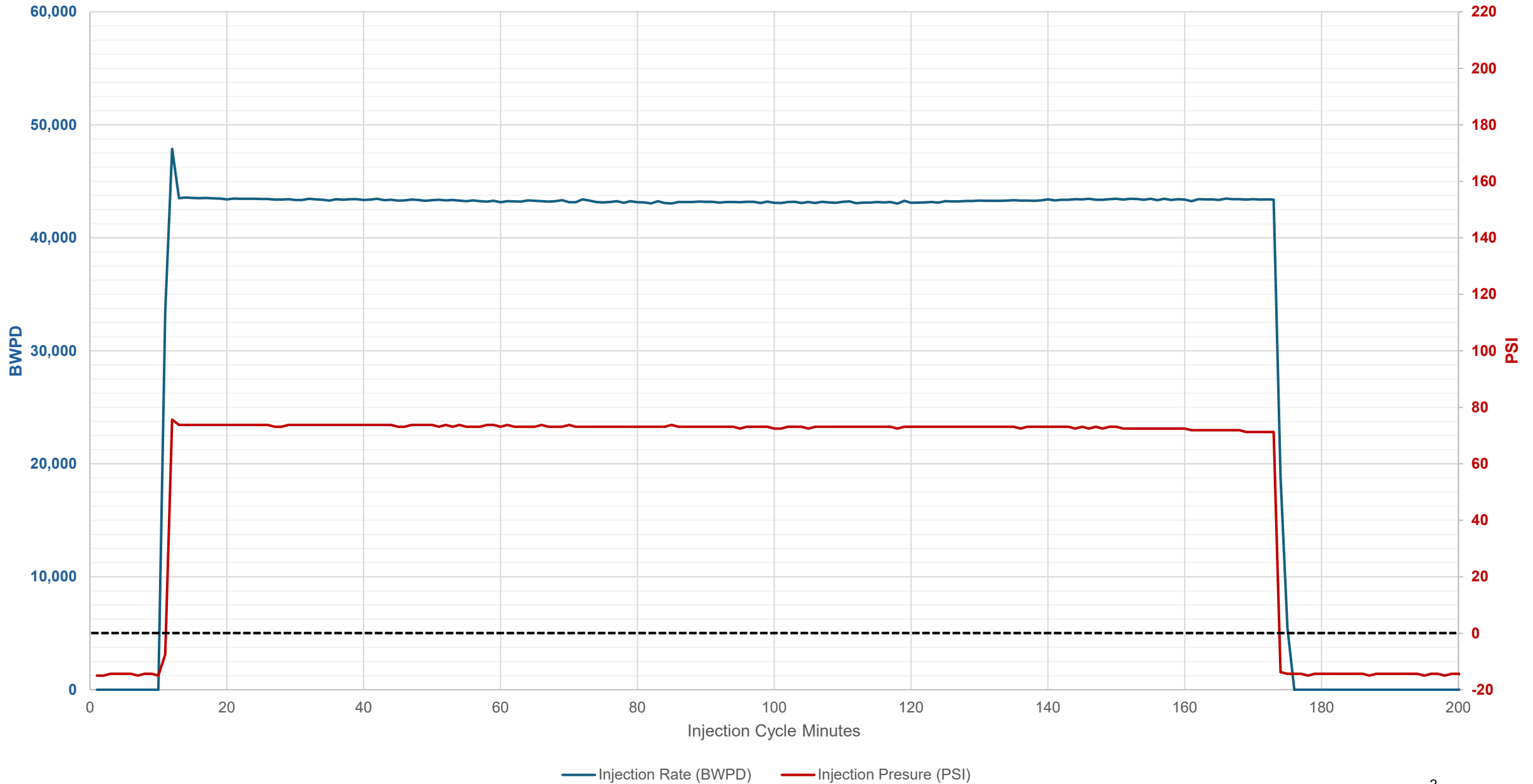
Andre Dawson SWD Injection



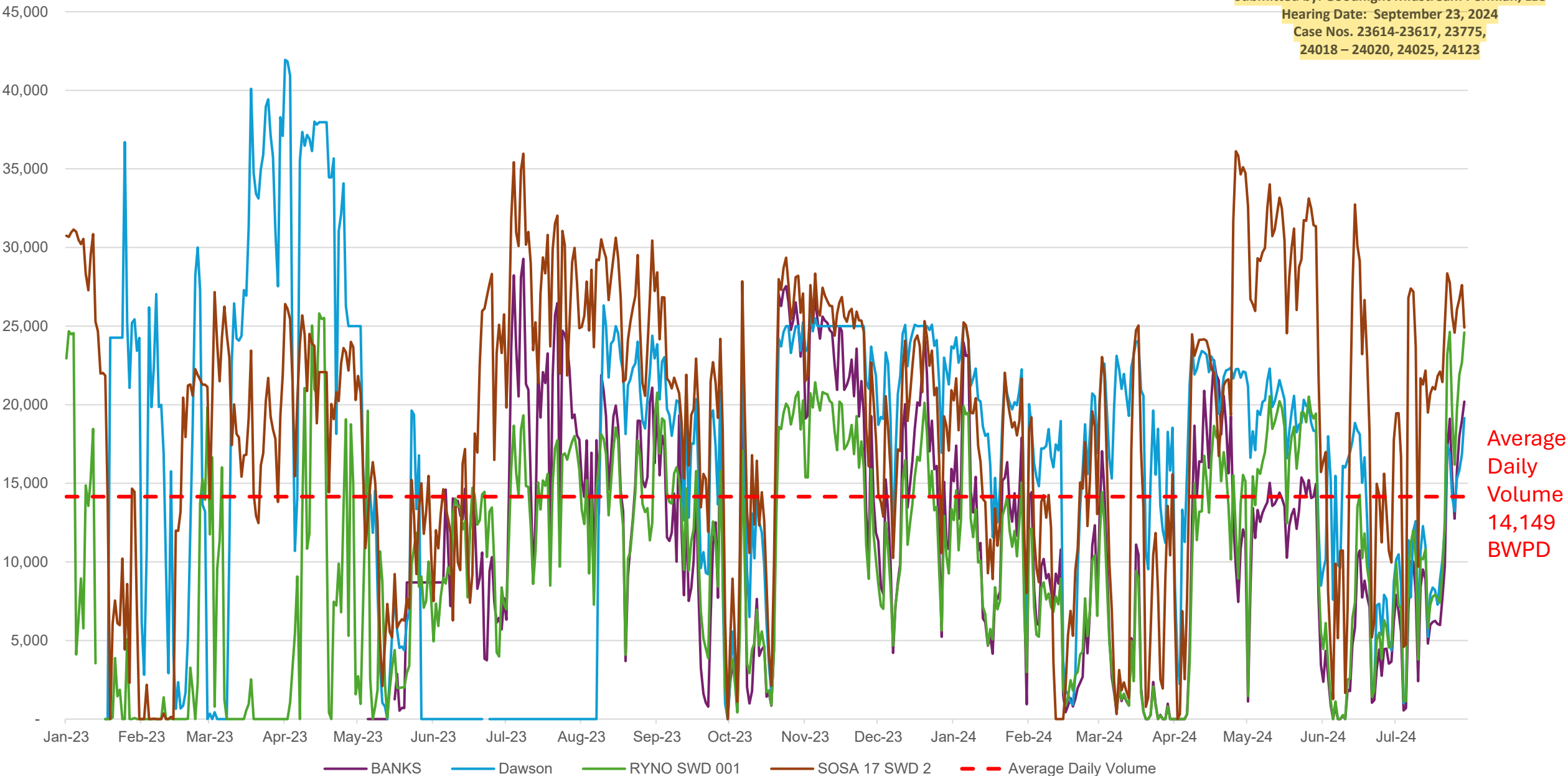
Sosa SWD Injection Performance



Sosa SWD Injection



2023-2024 Daily Volume by Well



Average
Daily
Volume
14,149
BWPD

— BANKS — Dawson — RYNO SWD 001 — SOSA 17 SWD 2 — Average Daily Volume

EXHIBIT J

Page 1

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 CASE NO. 20555
PERMIAN, LLC FOR APPROVAL OF A
SALTWATER DISPOSAL WELL, LEA COUNTY,
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

June 14, 2019

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
 DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Phillip Goetze, Chief Examiner; and David K. Brooks, Legal Examiner, on Friday, June 14, 2019, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR
 New Mexico CCR #20
 Paul Baca Professional Court Reporters
 500 4th Street, Northwest, Suite 105
 Albuquerque, New Mexico 87102
 (505) 843-9241

PAUL BACA PROFESSIONAL COURT REPORTERS
500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

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APPEARANCES

FOR APPLICANT GOODNIGHT MIDSTREAM PERMIAN, LLC:

ADAM G. RANKIN, ESQ.
HOLLAND & HART, LLC
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87501
(505) 988-4421
agrarkin@hollandhart.com

FOR INTERESTED PARTY NEW MEXICO STATE LAND OFFICE:

ANDREA ANTILLON, ESQ.
NEW MEXICO STATE LAND OFFICE
OFFICE OF GENERAL COUNSEL
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
(505) 827-5702
aantillon@slo.state.nm.us

1 stimulation in the formation.

2 Q. In your opinion, will the granting of this
3 application be protective of freshwater resources,
4 protect against waste and will protect against
5 impairment to correlative rights?

6 A. Yes.

7 MR. RANKIN: Mr. Examiner, at this time I
8 would pass the witness.

9 EXAMINER GOETZE: State Land Office,
10 questions?

11 MS. ANTILLON: No questions.

12 EXAMINER GOETZE: Mr. Brooks?

13 EXAMINER BROOKS: No questions.

14 CROSS-EXAMINATION

15 BY EXAMINER GOETZE:

16 Q. And I really don't have any questions. It's
17 too thorough.

18 I would throw out there that Parker Energy
19 did run a step-rate test on their well.

20 A. Okay.

21 Q. You might want to take a look into that. And
22 as my memory serves, it didn't show anything. It was
23 open-ended because of the fact that the capacity of the
24 well exceeded their ability to pump it up.

25 A. Yes. I've seen that happen.

1 Q. Yeah. But it is possible to get a higher
2 approval out here.

3 MR. RANKIN: Okay.

4 EXAMINER GOETZE: At this point, no
5 questions for this witness?

6 MR. RANKIN: Mr. Examiner, at this time we
7 would ask the Division take this case under
8 consideration -- advisement, and that concludes our
9 presentation.

10 EXAMINER GOETZE: At this point we offer
11 the State Land Office the opportunity to make a
12 statement.

13 MS. ANTILLON: Thank you.

14 The State Land Office just wants to say it
15 is reviewing this application and has concerns with the
16 saltwater disposal well spacing and proximity to State
17 Trust Lands.

18 EXAMINER GOETZE: With that, Case Number
19 20555 is taken under advisement.

20 Thank you.

21 MR. RANKIN: Thank you, Mr. Examiner.

22 (Case Number 20555 concludes, 10:32 a.m.)
23
24
25

EXHIBIT K

District I
1625 N. French Dr., Hobbs, NM 88249
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

State of New Mexico
Energy, Minerals & Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised August 1, 2011

MAR 04 2015

Submit one copy to appropriate District Office

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AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address PARKER ENERGY SUPPORT SERVICES, INC P O BOX 1957 EUNICE NEW MEXICO, 88321		² OGRID Number 245739
		³ Reason for Filing Code/ Effective Date RC / 11/24/2015
⁴ API Number 30 - 025-38789	⁵ Pool Name SWD SAN ANDRES	⁶ Pool Code 96121
⁷ Property Code 313772	⁸ Property Name PARKER ENERGY SWD	⁹ Well Number #5

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
A	24	21S	36E		1200	NORTH	990	EAST	LEA

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Lse Code S	¹³ Producing Method SWD	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
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III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
	Non-Well P&A # 4026751	
	SWD-1500	

IV. Well Completion Data

²¹ Spud Date 10/20/2014	²² Ready Date 11/24/2015	²³ TD 4675'	²⁴ PBDT 4675'	²⁵ Perforations OPEN HOLE 4329' - 4675'	²⁶ DHC, MC SINGLE DISPOSAL IN SAN ANDRES
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
11	8.625"	1304'	838		
7.875"	5.5"	4329'	1100		
	2.875" IPC TBG	4300'			
	NICKLE COATED PACKER	4303'			

V. Well Test Data

³¹ Date New Oil	³² Gas Delivery Date	³³ Test Date	³⁴ Test Length	³⁵ Tbg. Pressure	³⁶ Csg. Pressure
³⁷ Choke Size	³⁸ Oil	³⁹ Water	⁴⁰ Gas		⁴¹ Test Method

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Fred M Ortiz</i> Printed name: FRED M ORTIZ Title: WELL SUPERVISOR E-mail Address: fred.m.ortiz@nra.nm.gov Date: 3-4-2015 Phone: 575-394-0444	OIL CONSERVATION DIVISION
	Approved by: <i>[Signature]</i>
	Title: Petroleum Engineer
	Approval Date: 03/06/15

E-PERMITTING <SWD -- INJECTION>
CONVERSION *dm* RBDMS *SAD*
RETURN TO TA
INT to PA P&A NR P&A R
AAED 96121 SWD San Andres

SWD-1500

MAR 12 2015

HOBBS OCD

MAR 11 2015

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Step Rate Test



Cardinal Surveys Company

29-Jan-15

Parker Energy Services

Well: Parker Energy SWD No. 5

Field;

County: Lea County New Mexico

SC70571

File No. 000000

NO PARTING PRESSURE INDICATED

Downhole PSI Tool Ser. No. CSC2604

Surface PSI Gauge Ser. No. CSC 2701

Tool @ 4,450'

	Start	End	Rate
1	7:16 AM	8:45 AM	0 4,450'
2	8:45 AM	9:15 AM	1440
3	9:15 AM	9:45 AM	2880
4	9:45 AM	10:15 AM	4320
5	10:15 AM	10:45 AM	5760
6	10:45 AM	11:15 AM	7200
7	11:15 AM	11:45 AM	8640 Pump Maxed out @ 6 BPM
8	11:15 AM	12:00 PM	15 MIN. FALL OFF
9			
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MAR 11 2015

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Step Rate Test
29-Jan-15

Parker Energy Services
Well: Parker Energy SWD No. 5
Field:
Location: Lea County New Mexico



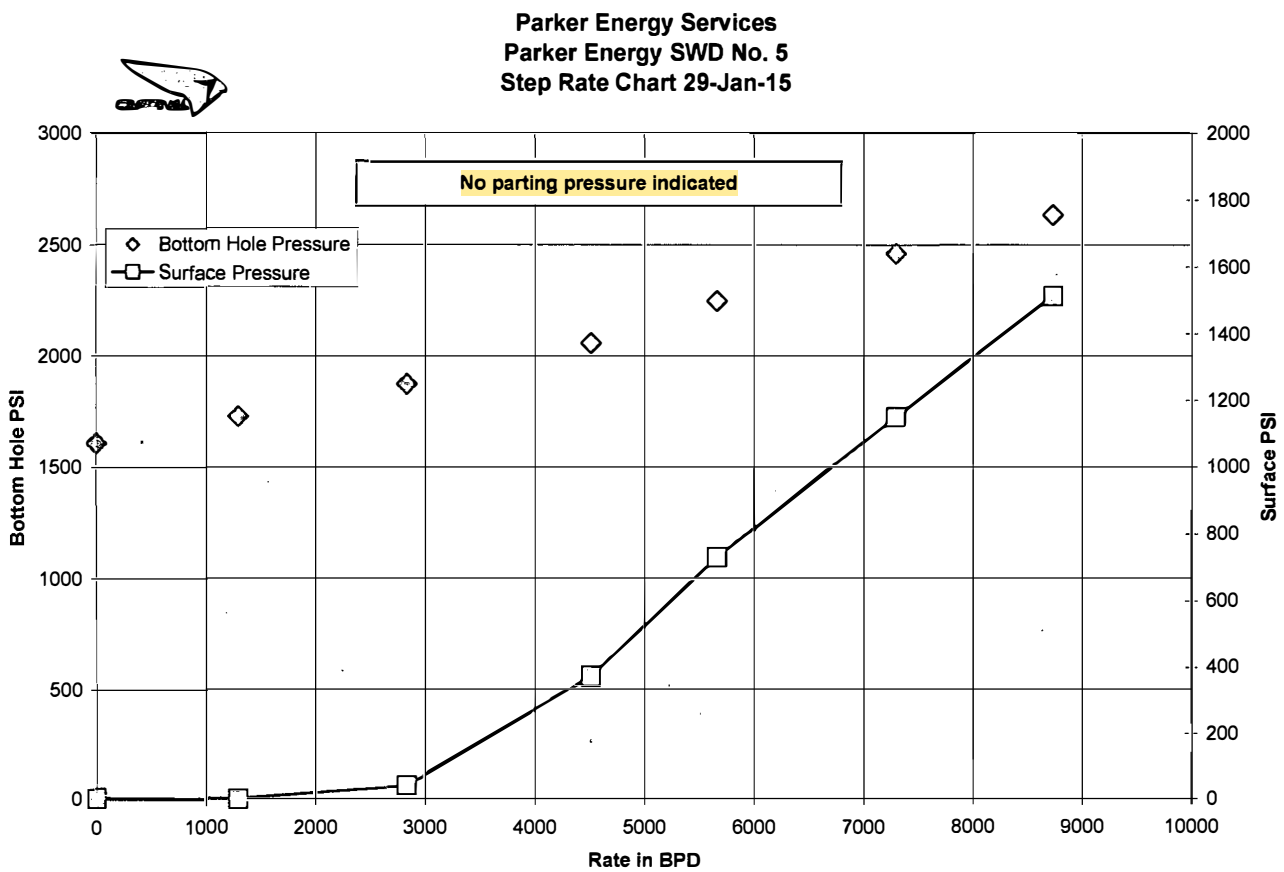
	S Time	E Time	D Time Min	Last Rate BPD	Step BPD	BHP PSIA	Surf PSIA	Cum BBL	Delta BBL	Avg. BPD	Lower Trend	Upper Trend
1	7:16 AM	8:45 AM	89	0	0	1609.7	6	0	0	0		
2	8:45 AM	9:15 AM	30	1440	1440	1725.5	3	27	27	1296		
3	9:15 AM	9:45 AM	30	2880	1440	1875.3	43	86	59	2832		
4	9:45 AM	10:15 AM	30	4320	1440	2060.1	372	180	94	4512		
5	10:15 AM	10:45 AM	30	5760	1440	2250.5	730	298	118	5664		
6	10:45 AM	11:15 AM	30	7200	1440	2460.2	1150	450	152	7296		
7	11:15 AM	11:45 AM	30	8640	1440	2636	1513	632	182	8736		
8	11:15 AM	12:00 PM	45	0		1813.7	0	632	0	0		
9												
10	Pumping Company Maxed Out Pump @ 6 BPM											
11												
12												
13												
14												
15												
16												

upper trend 0 0
 lower trend 0 0
 intersect #DIV/0! BPD
 BHP PSI #DIV/0! PSIA

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**Parker Energy Services
Parker Energy SWD No. 5
Total Data Chart 29-Jan-15**

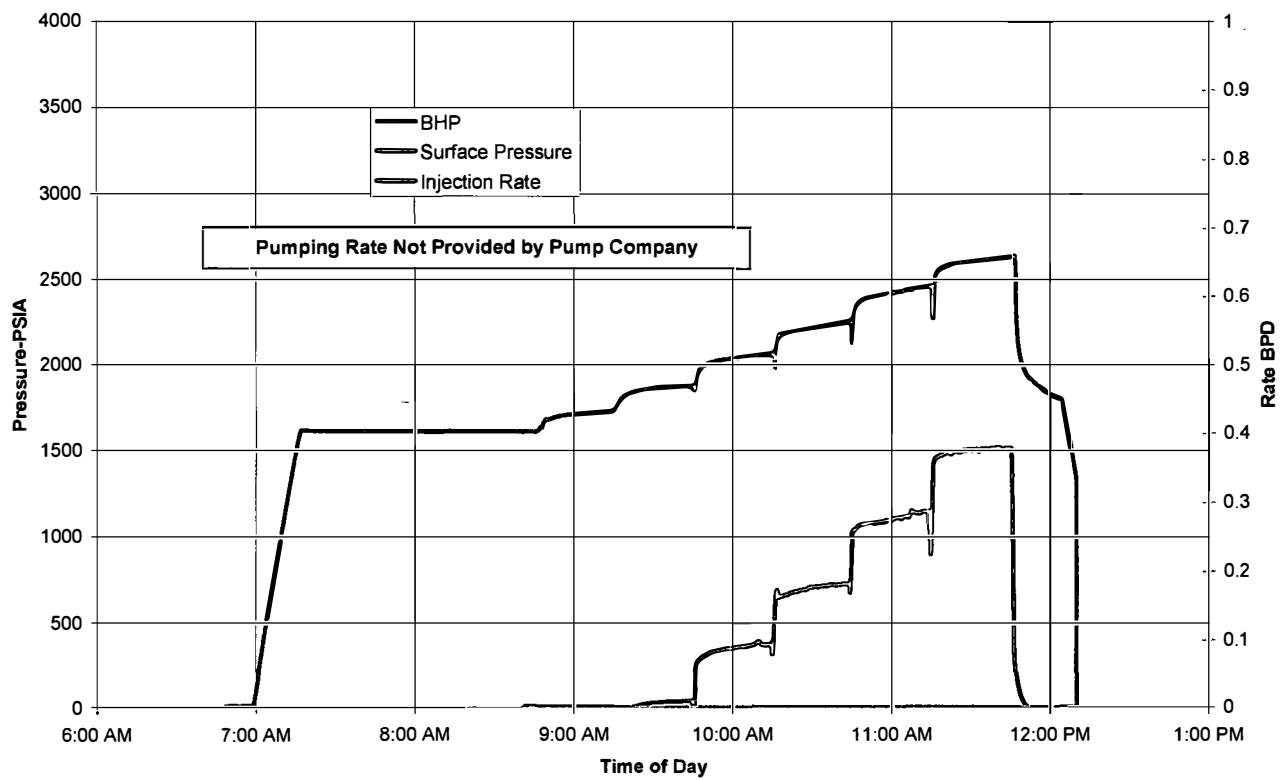


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