

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
Regular Meeting
February 20-28, 2025
Meeting Minutes**

The Oil Conservation Commission meeting was a hybrid meeting with both in person and virtual participation options. The meeting was held in the Pecos Hall Hearing Room at the Wendell Chino Building, First Floor, 1220 South St. Francis Drive, Santa Fe, New Mexico.

MEMBERS PRESENT:

Gerasimos Razatos	Acting Chair, Oil Conservation Division
William Ampomah	Designee, Energy, Minerals and Natural Resources Department
Greg Bloom	Designee, New Mexico State Land Office Commissioner
Baylen Lamkin	Designee, New Mexico State Land Office Commissioner, solely for the Evidentiary hearing of Goodnight Midstream/Empire New Mexico, Case Nos. 23614-17; 23775 24018-20; 24025; 24123

OTHERS PRESENT:

Rip Harwood	Hearing Officer appointed in Case Nos. 23614-17; 23775; 24018-20; 24025; 24123
Daniel Rubin	Commission Counsel
Sheila Apodaca	Commission Clerk

The meeting was called to order by Acting Chair Razatos at 9:00 a.m.

Item 1. Roll Call.

Action: Roll was taken; a quorum was present.

Item 2. Approval of the Agenda.

Action: Commissioner Bloom moved to approve the Agenda. Commissioner Ampomah seconded the motion. Roll call was taken and the motion was unanimously approved.

Item 3. Approval of the Meeting Minutes of January 16-17 and February 3, 2025.

Action: Commissioner Bloom motioned for approval of the Meeting Minutes and Commissioner Ampomah seconded the motion. Roll call was taken and the motion was approved unanimously.

Item 4. Pending cases:

1. **Case No. 23580:** Application of WildEarth Guardians to Amend the Commission's Rules to Address PFAS, Amendments to: 19.15.2., 19.15.7, 19.15.14, 19.15.16, and 19.15.25 NMAC. Status Conference.

Action: Jesse Tremaine appeared on behalf of the Oil Conservation Division, Adam Rankin appeared on behalf of NMOGA, Matthias Sayer appeared on behalf of EOG. A status conference was held to schedule a special meeting for the Commission's deliberations. March 11-12, 2025 was mutually agreed upon and set.

2. **Case No. 24683:** Application of Western Environmental Law Center, Citizens Caring for the Future, Conservation Voters New Mexico Education Fund, Diné C.A.R.E., Earthworks, Naeva, New Mexico Interfaith Power and Light, San Juan Citizens Alliance, and Sierra Club, to amend 19.15.2, 19.15.5, 19.15.8, 19.15.9, and 19.15.25 NMAC.

Action: Kyle Tisdale appeared on behalf of Western Environmental Law Center and co-petitioners. Michel Feldewert appeared on behalf of Oxy, USA. Miguel Suazo appeared on behalf of New Mexico Oil and Gas Association. Jesse Tremaine appeared on behalf of Oil Conservation Division. Ann Tripp appeared on behalf of Independent Petroleum Association of New Mexico.

Status conference was held to discuss issuance of a revised scheduling order. The parties will require additional time to confer, edit and redline the proposed rule changes, and draft a proposed scheduling order. The parties will return for a status conference on March 20, 2025 to report on their progress.

3. Consolidated Cases by Goodnight Midstream and Empire New Mexico, as follows:

- **Case Nos. 24123, 23614-17:** Applications of Goodnight Permian Midstream, LLC for Approval of a Saltwater Disposal Well, Lea County, New Mexico;
- **Case No. 23775:** 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 Nos. 24018-24020, 24025:** Application of Empire New Mexico to Revoke the Injection Authority Granted Under Order No. R-22026 for the Andre Dawson SWD #001, Lea County New Mexico.

Action: These consolidated matters were scheduled for opening arguments on February 20, 2025 and evidentiary hearing on February 24-28, 2025.

Adam Rankin and Julia Broggi appeared on behalf of Goodnight Midstream. Chris Moander appeared on behalf of the Oil Conservation Division. Dana Hardy, Sharon Shaheen, Ernest Padilla appeared on behalf of Empire New Mexico. Miguel Suazo appeared on behalf of Pilot Water. Matt Beck appeared on behalf of Rice Operating Company and Permian Line Service.

Day One, February 20, 2025.

Hearing Officer Rip Harwood read through list of pre-trial motions filed by the parties and confirmed that all motions have been disposed of. All parties agreed, however, OCD will likely be submitting a motion for reconsideration of the order striking rebuttal testimony.

Hearing Officer Rip Harwood and parties confirmed the order of presentations at hearing and other procedural matters for the hearing: Empire will go first, Goodnight will go second, and OCD will go third.

Dana Hardy delivered an Opening Argument on behalf of Empire New Mexico.

Adam Ranking delivered an Opening Argument on behalf of Goodnight Midstream.

Jesse Tremaine delivered an Opening Argument on behalf of the Oil Conservation Division.

Miguel Suazo delivered an Opening Argument on behalf of Pilot Water Solutions.

Matt Beck delivered an Opening Argument on behalf of Rice Operating and Permian Line Service, LLC.

Meeting adjourned for the day at 12:15 p.m.

Day 2, February 24, 2025

9:15 hearing began. Roll call of Commission, quorum was present with full Commission in attendance.

Motion by Commissioner Ampomah to approve OCD's motion to reconsider striking of its supplemental rebuttal testimony and exhibits. Motion seconded by Acting Chair Razatos. Roll call taken, motion was approved unanimously.

Empire's witness, Dr. Robert Lindsey was sworn in and qualified as an expert witness. Dr. Lindsey offered testimony through written testimony, direct testimony, cross examination by Goodnight Midstream, Commissioner Ampomah, Commissioner Lamkin, and redirect examination and re-cross examination by Goodnight Midstream and OCD.

Empire Exhibits B, B1-34, J, J1-12, J-13 and Appendix 1 admitted. Goodnight Cross Exhibits 1 and 2 admitted.

4:51 p.m. Recessed for the day.

Day 3, February 25, 2025

9:00 a.m. Hearing began. All Commissioners present.

Dr. Lindsey was excused.

Empire Witness Ryan Bailey was sworn in and qualified to testify as an expert witness.

Mr. Bailey offered testimony through written testimony, direct examination, cross examination by Goodnight Midstream, cross examination by Commissioner Ampomah and Commissioner Lamkin, redirect examination and re-cross examination by Goodnight Midstream.

Empire Exhibits K, K1-56, K57-59 admitted. Goodnight Cross Exhibit 3 admitted.

2:25 p.m. witness was excused.

2:30 p.m. Empire Witness Scott Birkhead was sworn in and qualified to testify as an expert witness.

Mr. Birkhead offered testimony through written testimony, direct examination, cross examination by Goodnight Midstream.

Empire Exhibit L, L1-5 were admitted.

4:15 – Commission Counsel Rubin announced the necessity for the Commission to go into closed session for the remainder of the day to discuss this pending adjudicatory matter. Commissioner Ampomah moved to go into closed session to deliberate on pending adjudicatory matters, pursuant to Section 10.15.1.H(1) and (3). Chair Razatos seconded the motion. Roll call was taken and it was unanimously approved that the Commission go into closed session.

4:16 p.m. Adjourned for the day.

Day 4, February 26, 2025

9:00 a.m. Hearing began.

Commission Counsel Rubin announced that the things discussed in closed session yesterday were those stated in the motion and no final actions were taken. The Commission revisited Empire's renewed motion regarding scope of the hearing in light of testimony and evidence in the first two days. The issues appear to be more broad than just what is in the ROZ. Any correlative rights that Empire or any other operator would claim is something the Commission should consider, as well as waste and it should not be limited to the ROZ. Also in light of OCD's position on drinking water, the Commission is mindful that the scope of this hearing should encompass what the Commission should consider with respect to the disposition of produced water.

Chair Razatos moved to amend Paragraph 2 of the July Order. Commissioner Ampomah seconded the motion. A vote was taken and the motion was unanimously approved.

Discussion was held between the parties and Commission about the impact of this ruling and taking the scope of the hearing outside of the EMSU. All agreed that the subject matter stay within the EMSU and the impacts of production and injection.

Commission Counsel Rubin asked for a motion to modify the previous motion to limit the scope to the EMSU. The hearing was paused while Commission Counsel drafted a written motion to this effect.

10:30 a.m. Hearing was back in session. During the break a new Order was drafted and circulated to all counsel of record for their review. Further corrections to Paragraph 2 will be made. Mr. Rubin will work on a revised Order during the next break.

Next matter to discuss was Empire's Motion to Quash Subpoena for the CEO of Rice.

Empire provided oral argument. Goodnight Counsel Rankin stated he has not had the opportunity to review the motion and requests an opportunity to respond. Mr. Rankin is allowed an opportunity to file a written response.

Goodnight's cross-examination of Empire Witness Scott Birkhead continued. Examination by OCC Commissioners Razatos, Lamkin and Ampomah. Redirect examination.

Goodnight's Cross Exhibit 4 was admitted. Empire's Exhibit K-60 was admitted.

Witness was excused at 3:45 p.m.

Goodnight Midstream renewed its Motion to Strike portion of Bailey and Birkhead rebuttal testimony. The parties made oral arguments on the motion. The Commission will take it under advisement and rule on it when they feel they have considered the issue as thoroughly as they need to.

Hearing was adjourned for the day at 4:03 p.m.

Day 5, February 27, 2025

9:03 hearing began.

Acting Commission chair announced that the Commission will go into closed hearing on Goodnight's motion to strike which was argued at the end of the day yesterday.

9:04 a.m. Acting Chair Razatos motioned for the Commission to go into closed session, Commissioner Ampomah seconded the motion. Roll call vote was taken, all approved and the Commission went into closed session.

9:23 a.m. Meeting is back in open session. The only matters discussed were those stated in the motion and no final actions were taken.

Commission counsel announced that the commission would entertain a motion to deny the renewed motion of Goodnight to strike the rebuttal testimony of Baily and Birkhead and Goodnight would be entitled to file a surreply in writing by March 15th. Chair Razatos so motioned, Commissioner Ampomah seconded the motion. Roll call vote was taken and all were in favor.

Commissioner Ampomah stated concern over the order in which evidence is being presented. Discussion was held as to the order of witnesses.

9:35 a.m. Empire Witness Dr. James Buchwalter was sworn in and qualified to testify as an expert witness.

Mr. Buchwalter offered testimony through written direct and rebuttal testimony, and partial direct examination.

Exhibits E, E1-E21, M, M1-20 were admitted.

Discussion regarding demonstrative exhibits which are in Dr. Buchwalter's presentation, which were not part of the exhibit package provided to the parties and the commission. Adam Rankin will need additional time to review the exhibits. Commission counsel recommended that any exhibits not part of what has been disclosed should not be presented today. Hearing Officer Harwood suggested that on a break Empire share the exhibits with Mr. Rankin, but that Empire not use them with the witness until then. Direct examination continued until complete at approximately 10:20 a.m.

10:40 a.m. Mr. Rankin stated that he could not proceed with cross-examination until he had an opportunity to review the additional demonstrative slides. Requested a break until 1:00 p.m. to review the slides.

Hearing was recessed at 10:42 a.m.

1:00 p.m. Chair Razatos announced that Goodnight requested additional time. The hearing will reconvene at 1:30 p.m.

1:30 p.m. Hearing is back in session. Adam Rankin stated that he is still not prepared for cross-examination of Dr. Buchwalter, but will be prepared in the morning. Mr. Rankin requested that another of Empire's witnesses testify today. Dana Hardy stated that Dr. Buchwalter is planning to travel home tomorrow and that would not work for him. Goodnight had two hours to review four slides that were explanatory, so she objects to this suggestion. Discussion was held with the parties and Commission as to Dr. Buchwalter returning tomorrow. Mr. Moander suggests an offer of proof of the disclosure of the materials. Recess was taken for Ms. Hardy to discuss with Dr. Buchwalter changing his travel arrangements and returning to testify tomorrow.

2:05 p.m. back on the record. Empire is prepared to proceed with Dr. Trentham.

Empire Witness Dr. Robert Trentham was sworn in and qualified to testify as an expert witness.

Dr. Trentham offered testimony through written direct testimony, direct examination, cross examination by Goodnight Midstream, cross examination by OCD and examination by Commissioner Ampomah and Commissioner Lamkin.

Empire Exhibits D1-D22, and Tables D1-D6 were admitted.

3:38 p.m. witness was excused.

Empire Witness Steve Melzer was sworn in and qualified to testify as an expert witness.

Mr. Melzer offered testimony through written testimony, direct examination, and partial cross examination by Goodnight Midstream.

Empire Exhibits C1-C17 were admitted into evidence. Goodnight Exhibit GN 5 was marked and tender as an exhibit. Objection by Ernest Padilla, exhibit withdrawn.

5:00 p.m. hearing recessed for the day.

Day 6, February 28, 2025

9:00 a.m. Hearing began. Acting Chair Razatos announced dates for the remainder of the hearing: April 7-11, 21-25 and May 19-23, 2025. All counsel concurred in these dates.

Commission Counsel addressed the draft amended order on the scope of the hearing. The latest draft was circulated by email to all counsel. Counsel for Empire returned edits to the order, and Counsel Rubin has not heard back from the other parties. None of the other parties have any edits. Ms. Shaheen's edits are acceptable to all.

Acting Commission Chair Razatos moved to reamend the order of July 2nd (2024) with respect to paragraph 2. Commissioner Ampomah seconded the motion. Roll call vote was taken and all approved.

9:12 a.m. Empire Witness Dr. Buchwalter is back on the stand. Goodnight Midstream resumed cross-examination. Examination by Acting Chair Razatos and William Ampomah.

Goodnight's new exhibits GN Exh. 5-10 admitted.

4:07 p.m. witness was excused.

Empire Witness Steve Melzer returned to stand. Goodnight Midstream resumed their cross-examination. Examination by Commissioner Ampomah and Commissioner Lamkin. Redirect examination by Empire.

4:39 witness was excused.

Adam Rankin sought permission to submit any additional surrebuttal testimony on March 24th. After discussion between the parties and Commission, deadline for submission is March 18th.

4:45 Hearing is adjourned until April 7th.

Item 5. Pending Litigation

There are no updates to report.

Item 5. Other business

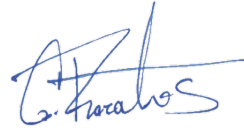
Action: There was no other business to discuss.

Item 7. Next meeting

The next OCC meeting will be held on March 20, 2025.

Item 8. Adjournment

The meeting was adjourned on at 4:45 p.m.

A handwritten signature in blue ink, appearing to read "G. Razatos". The signature is stylized with a large initial "G" and a long horizontal stroke extending to the right.

Gerasimos Razatos
Acting Chair