

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

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

**DE NOVO APPEAL OF DENIAL
OF PROPOSED NEW WELL
CASE NO. 24123 (PIAZZA)**

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

**PROPOSED NEW WELLS
CASE NO. 23614 (GOODEN)
CASE NO. 23615 (HERNANDEZ)
CASE NO. 23616 (HODGES)
CASE NO. 23617 (SEAVER)**

**APPLICATION OF GOODNIGHT
MIDSTREAM PERMIAN, LLC TO
AMEND ORDER NO. R-2206/SWD-2403
TO INCREASE THE APPROVED INJECTION
RATE IN ITS ANDRE DAWSON SWD #1
LEA COUNTY, NEW MEXICO**

**INCREASE EXISTING WELL
CASE NO. 23775 (DAWSON)**

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

**REVOKE EXISTING WELLS
CASE NO. 24018 (DAWSON)
CASE NO. 24019 (BANKS)
CASE NO. 24020 (SOSA)
CASE NO. 24025 (RYNO)**

OCC Order R-24004

**ORDER PARTIALLY GRANTING GOODNIGHT'S MOTION FOR REHEARING;
DENYING EMPIRE'S MOTION FOR REHEARING; GRANTING GOODNIGHT'S
MOTION FOR STAY; HOLDING EMPIRE'S MOTION TO ENFORCE IN ABEYANCE**

THIS MATTER came before the New Mexico Oil Conservation Commission ("Commission") upon: (a) Goodnight Midstream Permian LLC's ("Goodnight") Application for Rehearing; (b) Goodnight's Emergency Motion to Partially Stay, (c) Empire NM LLC's ("Empire") Application for Rehearing and (d) Empire's Emergency Motion to Enforce. On October 16, 2025, the Commission heard oral arguments and reviewed legal briefings on this

matter, and the Commission deliberated on these matters on October 16-17, 2025. The Commission hereby FINDS and ORDERS as follows:

1. NMAC 19.15.4.25 provides that “[w]ithin 20 days after entry of a commission order a party of record . . . may file . . . an application for rehearing on a matter the order determined,” and “[t]he commission shall grant or refuse the application in whole or in part within 10 business days.”
2. The Commission issued Order R-24004 on September 12, 2025.
3. Goodnight and Empire both timely filed their respective motions for rehearing on October 2, 2025. October 17, 2025, is the tenth business day following October 2, 2025.

PROCEDURAL HISTORY:

4. The above captioned matters were originally filed on June 6, 2023, August 31, 2023, and November 7 of 2023. These matters were referred to the Commission by the New Mexico Oil Conservation Division (“Division” or “OCD”) Order No. R-23048 on February 7, 2024.
5. The Commission’s filing management system, OCD Imaging, shows an extensive record of over two hundred and forty distinct documents in these consolidated matters, constituting approximately 1.3 gigabytes of information.
6. The Commission heard the above captioned matters over approximately 18 days distributed between February 20, February 24-28, April 7-11, April 21-25, May 19-21, 2025.

CROSS APPLICATIONS FOR REHEARING:

7. The Commission finds that all parties have had ample opportunity to present evidence and arguments before the Commission.
8. The Commission also finds that neither party moving for rehearing at this instance has proffered new evidence that was previously unavailable despite due diligence. *See Servants of Paraclete v. Does*, 204 F.3d 1005, 1012 (10th Cir. 2000). Therefore, the Commission DENIES

both motions in so far as they seek to reopen the factual record for this matter, or to relitigate the Commissions' findings of fact.

9. The Commission GRANTS a LIMITED REHEARING on an expedited basis with a compressed briefing schedule for only the following two questions of law:

- i. Does the Commission have the legal authority to “Suspend[] existing Goodnight’s injection wells . . . in order to provide Empire with the opportunity to establish the CO2 EOR pilot project” given that “there was insufficient evidence presented at hearing to prove whether the ROZ is recoverable?” Commission Order R-24004 pages 13 and 10, respectively.
- ii. Does Commission Order R-24004 provide OCD with discretion in managing the “Suspen[sion of] existing Goodnight[] injection wells . . . [and] to provide Empire with the Opportunity to establish the CO2 EOR pilot project”? Commission Order R-24004 page 13.

PROCEDURES UPON REHEARING

10. This rehearing is limited to two legal questions with a closed factual record.

11. Each party will have the opportunity to submit one brief-in-chief containing legal argument covering both of these issues. The briefs-in-chief are due to the Commission clerk by noon on October 31, 2025. The briefs shall be limited to 25 double spaced pages in Times New Roman, 12-point font. No exhibits, affidavits or demonstratives are permitted. Parties may cite to the existing record.

12. Each party may file one response brief. The response briefs shall be due to the Commission clerk by noon on November 7, 2025. Response briefs shall be limited to 15 double spaced pages,

in Times New Roman, 12-point font. No exhibits, affidavits or demonstratives are permitted. Parties may cite to the existing record.

13. The Commission will hear oral arguments on November 13, 2025. Each party that participated in the underlying hearing will have 25 minutes for consolidated oral arguments. Parties may reserve a portion of their allotted time for rebuttals. Parties will not be permitted to pool, or allot their time to other entities.

14. The Commission will hear arguments in the following order: (a) Goodnight, (b) Empire, (c) OCD, (d) Rice Operating Company/Permian Line, and (e) Pilot Water Solutions.

MOTION FOR STAY:

15. Goodnight's Motion to Stay is GRANTED until the rehearing is resolved.

16. There was sufficient evidence, applicable at this current time, presented that: (a) Goodnight may prevail because the Commission has ordered a limited rehearing; (b) Goodnight will suffer irreparable harm with the shut-in of its operations (Self-Affirmed Statement of Grant Adams); (c) Empire will not suffer substantial harm because the Residual Oil Zone at issue in these consolidated cases, by definition, contain only oil that cannot be mobilized by injection waters. *see Rice Brief in Support of Goodnight's Motion to Stay, Page 5, citing to Apr. 10, 2025 Tr., at 86:3-6 (West); Apr. 23, 2025 Tr., at 226:3-23 (McBeath); and (d) the public may suffer harm because the shut-in of Goodnight's operations has ramifications on the ability of other oil producers to manage salt water disposal, and therefore may tend to reduce both oil production in New Mexico and ad valorem revenues to the State. (Self-Affirmed Statement of Grant Adams). See Tenneco Oil. Co., 1986-NMCA-033, para. 10.*

17. In addition, in order to manage the docket in an orderly fashion, the Stay should run until the conclusion of the Rehearing proceedings.

MOTION FOR ENFORCEMENT:

18. The disposition of Empire's September 23, 2025, Motion for Enforcement may be informed by the disposition of the above granted rehearing. Therefore, in order to manage the docket in an orderly fashion, Empire's Motion for Enforcement will be held in Abeyance until the Rehearing is resolved.

IT IS SO ORDERED.

DATED: 10/17/2025



Albert C.S. Chang, Chair
New Mexico Oil Conservation Commission