

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

**APPLICATION OF GOODNIGHT
MIDSTREAM PERMIAN, LLC TO AMEND
ORDER NO. R-22506 (SWD-2392) FOR A
ONE-YEAR EXTENSION TO COMMENCE
INJECTION OPERATIONS, LEA COUNTY,
NEW MEXICO.**

CASE NO. 24491

GOODNIGHT MIDSTREAM PERMIAN, LLC'S MOTION TO LIFT STAY

Goodnight Midstream Permian, LLC (“Goodnight”), by and through undersigned counsel, respectfully submits this Motion to Lift the Stay of Proceedings and in support thereof states as follows:

I. INTRODUCTION

Goodnight seeks to lift the stay of proceedings imposed on July 26, 2024, and to proceed with the Division hearing on Goodnight’s application to extend the deadline to commence injection operations for the Rocket SWD #1 under Order No. R-22506 (SWD-2392). The stay should be lifted because the Commission issued its final order on the parties’ motions for rehearing in December of 2025, and the Division’s previous imposition of the stay was explicitly premised on issuance of that order.

II. FACTUAL BACKGROUND

1. Goodnight filed its application to extend the deadline to commence injection operations to March 2, 2025, seeking a one-year extension under Order SWD-2392.
2. On July 26, 2024, the Division stayed this matter, citing the proximity of Goodnight’s Rocket SWD #1 to the Eunice Monument South Unit (“EMSU”) and ongoing Commission litigation regarding EMSU operations.

3. On September 12, 2025, the Commission issued Order No. R-24004, which addressed the EMSU-related matters that formed the basis for the original stay.

4. After a September 25, 2025 hearing on the matter, wherein the Hearing Examiner lifted the original July 26, 2024 stay, Empire filed a Motion to Reconsider the Decision to Lift Stay, which the Division denied in its Order Dissolving Stay of Proceedings on October 10, 2025. The parties subsequently submitted additional briefing at the request of the Hearing Examiner, and on October 17, 2025, the Commission issued an Order granting a limited rehearing of discrete issues related to its Order R-24004.

5. On October 28, 2025, in light of the briefing and the Commission's October 17, 2025 order, the Division issued an Order placing this case on administrative stay "pending the conclusion of the Commission's limited rehearing in Order R-24004 and entry of a final Commission order resolving that rehearing." Division's Order Reconsidering Prior Order Lifting Stay, ¶ B. The Order continues, stating that "upon the issuance of the Commission's final order, any party may move to lift the stay, and the Division *will reset* the matter for hearing on the limited issue of whether Goodnight has demonstrated good cause to extend Order No. R-22506." *Id.* at ¶ C (emphasis added).

6. On December 17, 2025, the Commission issued Order R-24004-A, which incorporated Order No. R-24004, fully disposing of the issues on rehearing from Order R-24004.

IV. ARGUMENT

7. The Division's October 28, 2025 Order explicitly stated that it was premised on the parties' pending motions for rehearing, and that upon the Commission's issuance of a final order, either party could move to lift the stay. The Commission's Orders No. R-24004 and Order R-24004-A have now been issued and are final, the Commission has already ruled on the core EMSU

issues, and the parties have exhausted their administrative remedies in those matters. The relevant factual and legal issues that were pending are now substantially resolved such that the stay can, and should, be lifted for the limited purpose of deciding whether Goodnight has demonstrated good cause for extension of Order No. 22506.

8. The Commission's Order R-24004 stated that it is "premature" to revoke Goodnight's injection authority, because "the Commission found Empire DID NOT adduce substantial evidence that their correlative rights in the Grayburg are CURRENTLY impaired by Goodnight's injection into the San Andres." Order R-24004, at C (emphasis retained). Because the Commission found no current impairment to Empire's operations within the EMSU, there is no current risk of impairment from Goodnight's injection outside the EMSU. This is especially true for Goodnight's injection more than a mile outside the EMSU boundary, which is beyond the half-mile area of review provided under Commission regulations. 19.15.26.8.B(2) NMAC. The Rocket SWD #1 is located more than a mile outside the EMSU. In any event, Empire's application to revoke Goodnight's permit in Case No. 24021 (relating to the Rocket SWD #1) is a separate matter and should not indefinitely delay the Division's consideration of Goodnight's extension application, which does not go to the merits of Empire's claims.

9. Empire's application to revoke Goodnight's permit (Case No. 24021) addresses whether the underlying permit should be cancelled. Goodnight's extension application addresses whether Goodnight should be granted additional time to commence injection operations under the existing permit. These are distinct procedural matters that can and should proceed independently.

10. Goodnight obtained Order SWD-2392 through proper regulatory channels and, under the explicit provisions of that Order, has the right to pursue an extension of the drilling deadline upon a showing of good cause.

11. The Division's imposition of the stay was intended as a temporary measure to conserve resources pending Commission resolution of related matters, not a tool to indefinitely delay Goodnight's extension application. Allowing the stay to remain in place indefinitely would convert a temporary procedural measure into an indefinite injunction on Goodnight's right to proceed to hearing on its request for extension. Moreover, the Division's October 28, 2025 Order explicitly premised the stay on the outcome of the parties' motions for rehearing- which have been resolved since December of 2025. Allowing the stay to remain in place, despite the Division's decree in its Order Reconsidering Prior Order Lifting Stay, would be unduly prejudicial to Goodnight.

V. CONCLUSION

For the foregoing reasons, Goodnight respectfully requests that the Division lift the stay of proceedings and proceed to hearing on Goodnight's application to extend the deadline to commence injection operations for the Rocket SWD #1.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on June 22, 2026, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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