

**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 ON EMPIRE'S MOTION TO REQUIRE MODIFICATION OF THE OIL
CONSERVATION DIVISION'S IMPLEMENTATION DECISION**

THIS MATTER came before the New Mexico Oil Conservation Commission ("Commission") pursuant to Empire New Mexico, LLC's ("Empire") Motion to Require Modification of the Oil Conservation Division's ("OCD") Implementation Decision. The Chair of the Commission hereby FINDS and ORDERS as follows:

1. An evidentiary hearing on this matter was held over the course of four weeks, beginning on February 20, 2025, and concluding on May 21, 2025.

2. The Commission entered its *Order Denying Goodnight's Applications and Partially Granting/Partially Denying Empire's Applications* on September 12, 2025. The Commission concluded that "[t]he Division will implement this Order." *Order of September 12, 2025 at 13.*

3. Following a limited rehearing on two succinct issues on November 13, 2025, the Commission entered its *Amended Order Denying Goodnight's Applications and Partially Granting/Partially Denying Empire's Applications* on December 17, 2025. On Rehearing Issue II, the Commission found that "OCD Can and Should Manage Suspension of Water Injection 'In Order to' Facilitate the [Enhanced Oil Recovery] Pilot Project Granted by the Commission." *Amended Order of December 17, 2025 at 6.*

4. The Commission further explicitly clarified that "none of the orders in this case preempt any relevant or applicable regulatory requirements for any party. Empire must follow all relevant and applicable regulations and permitting processes if it chooses to exercise the opportunity the Commission has provided for it to establish a [Carbon Dioxide Enhanced Oil Recovery] pilot project." *Id.* at 7.

5. Empire appealed the Order on January 16, 2026. Goodnight appealed the Order on January 26, 2026. Both appeals were consolidated and are pending in the First Judicial District Court.

6. On January 15, 2026, OCD's Deputy Director, Brandon Powell, provided a letter to Empire and Goodnight Midstream Permian, LLC ("Goodnight"). The letter appears to articulate OCD's understanding of the "relevant and applicable regulations and permitting processes" that would apply if Empire "chooses to exercise the opportunity the Commission has provided for it to establish a [Carbon Dioxide Enhanced Oil Recovery] pilot project." *Id.*

7. On March 24, 2026 Empire filed a *Motion to Require Modification of the Oil Conservation Division's Implementation Decision*, seeking the Commission's review of Deputy Director Powell's letter.

8. Goodnight and OCD each responded on April 8, 2026, and Empire filed their reply on April 27, 2026.

9. A preliminary status conference was held before the Commission on May 13, 2026. During the status conference, the OCD counsel stated that Deputy Director Powell's letter was not a formal order, but merely a letter providing guidance to the parties about how to proceed. *Transcript at p.21, l.11-15*. Empire informed the Commission that this was their first time hearing OCD's letter was not a formal order. *Transcript at 39, l. 4-9*.

10. Empire also informed the Commission at the May 13, 2026 status conference that Empire has submitted a Form C-103 on May 1, 2026. *Transcript at 34, l. 2-22*. OCD was apparently unaware that Empire had submitted this application. *Transcript at 42, l. 11-22*. OCD informed the Commission that the newly filed application would be expedited and made a top priority. *Transcript at 46, l. 8-15*.

11. Given that there appeared to be confusion amongst the parties as to their respective procedural postures on this matter, the Commission scheduled a second status conference for June 11, 2026.

12. On May 24, 2026, counsel for Goodnight informed the commission clerk of his unavailability for the hearing on June 11, and proposed rescheduling to the afternoon of June 12, 2026.

13. After conferring with commissioners, on May 27, 2026, the commission clerk informed Goodnight's counsel that all commissioners could be available on June 12, 2026.

14. On May 28, 2026, Goodnight's counsel informed the commission clerk that Empire counsel would be unavailable on June 12, 2026.

15. On June 1, 2026, the commission clerk notified Goodnight's counsel that June 12, 2026, was the only mutually available date for all commissioners, and asked if he preferred to leave the matter on the June 11th docket or move it to the regular docket on July 16th. Goodnight's counsel responded that he was waiting to hear whether one of Empire's other counsel was available on June 12th.

16. On June 2, 2026, OCD filed an unopposed *Motion to Vacate and Continue the June 11, 2026, Status Conference Before the Oil Conservation Commission*.

17. On June 3, 2026, Goodnight filed a *Notice of Support for OCD's Motion to Vacate and Continue June 11, 2026 Status Conference*.

18. The Commission Chair approved the motion. This matter was removed from the Commission's Final Agenda for June 11, 2026, and continued to the July 16, 2026, docket. An Order granting OCD's motion was entered on June 9, 2026.

19. On June 10, 2026, Empire filed a *Response to the Oil Conservation Division's Motion to Vacate and Continue the June 11, 2026, Status Conference before the Oil Conservation Commission and Goodnight Midstream Permian LLC's Notice of Support*. In this response, Empire stated that OCD rejected Empire's May 1, 2026 C-103 submission and advised Empire to submit a C-101 Form instead.

20. In the same Response, Empire also alleges delay by OCD. *See* Response at 2, paragraph 4. ("The current status of Empire's C-101, as reflected in Comments on the OCD website, is 'HOLD PENDING APPROVAL OF OCC MOTION.' Empire presumes this is a reference to Empire's pending motion. Such a hold is contrary to OCD's statements at the Commission's May 13, 2026

meeting that Empire's C-101 was a 'top priority' and would be expedited. The C-101 now appears to be in a holding pattern, with the Commission's consideration of Empire's pending motion being pushed out another month and the Division delaying a decision on the C-101 pending the Commission's decision on Empire's motion.")

21. The Commission finds no reason that the OCD would need to wait for anything from the Commission to act on Empire's C-101 application at this time. The Commission expects OCD to act on the application with reasonable and deliberate promptness.

22. The Commission does not adjudicate mere letter correspondence; therefore, this matter is not currently ripe for review by the Commission. OCC review in this matter would be available only after OCD has issued a reviewable order.

THEREFORE, the Commission DECLINES consideration of Empire's instant Motion seeking review of Deputy Director Powell's letter.

IT IS SO ORDERED.

DATED: 7/17/2026



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