

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

**APPLICATION OF GOODNIGHT
MIDSTREAM PERMIAN, LLC TO
WITHHOLD THE ALLOWABLE FOR THE
EMSU #462 WELL, LEA COUNTY, NEW
MEXICO.**

CASE NO. 23339

PRE-HEARING STATEMENT

Goodnight Midstream Permian, LLC (“Goodnight Midstream”), the applicant in this case, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division

APPEARANCES

APPLICANT

Goodnight Midstream Permian, LLC

ATTORNEY

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OTHER PARTIES

Empire New Mexico, LLC

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APPLICANT’S STATEMENT OF CASE

Goodnight Midstream Permian, LLC requests that the Division enter an order pursuant to 19.15.4 NMAC and 19.15.7.16.A NMAC withholding Empire New Mexico, LLC’s (“Empire”)

allowable for its EMSU #462 well until Empire confirms the well's status and construction by filing a Form C-105 well recompletion report and the required well tests with the Division.

Empire (OGRID 330679) is the designated operator of the EMSU #462 well (API No. 30-25-29622). Division rules require that a C-105 and confirmatory tests be filed after completion or recompletion of a well; otherwise, the Division is required to withhold the allowable for the well authorized by an approved C-104. *See* 19.15.7.16.A NMAC. The Division's well file for the EMSU #462 reflects that the well was proposed to be recompleted from a San Andres water supply well to a Grayburg oil production well. The production records reflect that the recompletion was performed; however, the EMSU #462 well file does not contain a C-105 well re-recompletion report confirming that the work was done, and Empire has confirmed that it does not have any such documentation in its possession. No Form C-105 or any other subsequent report filings are available in the well file confirming that the recompletion was done as planned, and Empire has confirmed that it has no records on the status or construction of the well and has been unable to provide confirmation that a C-105 or any subsequent report was ever filed. Until Empire complies with the Division's rules and files the required C-105 and confirmatory test reports for the EMSU #462, the Division is required to suspend Empire's allowable for the EMSU #462.

Under the Division's rules, Empire, as current operator of the EMSU #462 well, must confirm the well's status and construction through wireline logs, a temperature survey, or other confirmatory well tests, and to file with the Division a C-105 report with the confirmatory logs and summaries. *See* 19.15.7.16 NMAC. If Empire refuses to do so, the Division must withhold Empire's allowable for the EMSU #462 and suspend its authority to transport oil under its C-104 authorization until Empire confirms the well's construction and status by filing a C-105 report with the required confirmatory logs and summaries required by the Division's regulations. *See Bd.*

of *Educ. v. Jennings*, 1982-NMCA-135, ¶ 94, 651 P.2d 1037 (“An administrative agency must follow its own regulations.” (emphasis added)).

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Steve Allen Drake, Petroleum Geologist and Reservoir Engineer	Approx. 30 minutes	Approx. 5

PROCEDURAL MATTERS

Goodnight Midstream intends to present its witness and exhibits through live testimony at hearing on March 2, 2023. Goodnight Midstream requests that the Division take administrative notice of the record in Case No. 22626 and that the record in that case be incorporated by reference in this proceeding.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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**ATTORNEYS FOR GOODNIGHT MIDSTREAM
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CERTIFICATE OF SERVICE

I hereby certify that on February 23, 2023, I served a copy of the foregoing document via Electronic Mail to:

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 190176

QUESTIONS

Operator: GOODNIGHT MIDSTREAM PERMIAN, LLC 5910 North Central Expressway Dallas, TX 75206	OGRID: 372311
	Action Number: 190176
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.