

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

**IN THE MATTER OF THE 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

**ORDER RECONSIDERING PRIOR ORDER LIFTING STAY,
REINSTATING ADMINISTRATIVE STAY, AND PERMITTING INTERVENTION**

This matter comes before the Oil Conservation Division (“Division”) on its own motion to reconsider its prior order dissolving the administrative stay in Case No. 24491, following issuance of the Oil Conservation Commission’s October 17, 2025 **Order Partially Granting Goodnight Midstream Permian, LLC’s Motion for Rehearing** (“Commission Rehearing Order”). Having reviewed the Commission’s order, applicable Division rules, and the procedural record, the Division **FINDS** and **CONCLUDES** as follows:

FINDINGS

1. Procedural Posture.

Goodnight Midstream Permian, LLC (“Goodnight”) filed this application under NMSA 1978, § 70-2-12(B)(15), seeking to amend Division Order No. R-22506 (SWD-2392) to allow a one-year extension to commence injection operations at the Rocket SWD #1 well.

2. Prior Stay and Lifting Order.

Proceedings in Case No. 24491 were previously stayed pending entry of a final order by the Oil Conservation Commission (“Commission”) in consolidated cases

concerning the same parties and formation. After the Commission entered Order R-24004, the Division lifted the stay to allow Case 24491 to proceed to contested hearing on the issue of “good cause” to extend the original order.

3. **Commission Rehearing Order.**

On October 17, 2025, the Commission entered an **Order Partially Granting Goodnight’s Motion for Rehearing, denying Empire New Mexico, LLC’s (“Empire”) rehearing motion, and granting Goodnight’s motion for stay.**

The Commission’s rehearing is **limited to two legal questions** regarding:

(a) the Commission’s authority to suspend Goodnight’s existing injection wells to allow Empire’s proposed CO₂ EOR pilot project; and

(b) whether Commission Order R-24004 grants the Division discretion in managing such suspensions.

The Commission retained jurisdiction and **granted a stay of its prior order pending resolution of the rehearing.**

4. **Overlap of Issues.**

The Commission’s rehearing concerns the scope of the Division’s discretion in managing Goodnight’s injection wells, which bears directly on the legal and administrative framework governing Goodnight’s request in Case 24491 for an extension of injection authority under SWD-2392. Proceeding with a contested hearing at this time risks inconsistency with the Commission’s continuing jurisdiction.

5. Reconsideration of Prior Lifting Order.

Pursuant to 19.15.4.16(C) NMAC, the Division may, on its own motion, reconsider prior procedural orders to ensure orderly docket management. Good cause exists to reconsider and vacate the prior order lifting the stay and to place this case back on administrative stay pending the Commission's final action on rehearing.

6. Intervention of Empire New Mexico, LLC.

Empire is not a person entitled to notice as of right under 19.15.4.10 NMAC, but as operator of the Eunice Monument-South Unit producing from the same San Andres formation, Empire has demonstrated that its participation may contribute substantially to the protection of correlative rights. The Division therefore exercises its discretion under 19.15.4.11(C) NMAC to permit Empire's intervention as a party in this matter.

ORDER

IT IS THEREFORE ORDERED THAT:

A. The Division's prior order dissolving the administrative stay in **Case No.**

24491 is **RECONSIDERED AND VACATED**.

B. **Case No. 24491** is hereby placed back 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.

C. Upon 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.

D. **Empire New Mexico, LLC is permitted to intervene** in Case No. 24491 pursuant to 19.15.4.11(C) NMAC. Empire shall have all rights of a party to receive service of pleadings, participate in conferences, and present evidence when the case resumes.

E. This order does not adjudicate the merits of Goodnight's application or Empire's protest, which remain reserved pending further order of the Division.

By: _____
GREGORY CHAKALIAN,
HEARING EXAMINER

**STATE OF NEW MEXICO
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