

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
Regular Meeting
May 9, 2024
Meeting Minutes

The Oil Conservation Commission meeting was a hybrid meeting with both in person and virtual participation options. The meeting was held in the Pecos Hall Hearing Room at the Wendell Chino Building, First Floor, 1220 South St. Francis Drive, Santa Fe, New Mexico.

MEMBERS PRESENT:

Dylan Fuge	Chair, Oil Conservation Division [remote attendance <i>via</i> Cisco Webex on previously noticed meeting link]
Greg Bloom	Designee, New Mexico State Land Office Commissioner
William Ampomah	Designee, Energy, Minerals and Natural Resources Department

OTHERS PRESENT:

Daniel Rubin, Commission Counsel
Sheila Apodaca, Law Clerk
Sara Griego, Law Clerk

The meeting was called to order by Chair Fuge at 9:00 a.m.

Item 1. Roll Call.

Action: Roll was taken; a quorum was present.

Item 2. Approval of the Agenda.

Action: Commissioner Bloom made a motion to move Case No. 23655 to the top of the agenda. Commission Chair Fuge seconded the motion. A roll call vote was taken. Commissioners Bloom and Ampomah voted affirmatively in person and Chair Fuge voted affirmatively remotely.

Commissioner Bloom moved to approve the Agenda as revised. Commissioner Ampomah seconded the motion and it carried unanimously with Chair Fuge voting remotely.

Item 3. Approval of the April 11, 2024 Meeting Minutes.

Action: Commissioner Bloom motioned for approval of the April 11, 2024 Meeting Minutes and Commissioner Ampomah seconded the motion. A roll call vote was taken. The motion carried unanimously, with Chair Fuge voting remotely.

Item 4. Pending cases

Case 23655: Application of the Joint Industry Technical Committee to Amend Order No. R-111-P, Lea and Eddie Counties, New Mexico. Applicant in the above-styled cause seeks to amend Commission Order R-111-P, adopted in 1988 under Case 9316, to add anti-collision measures, to modify the well casing and cementing requirements, to provide additional notification requirements to potash operators, to provide for subsidence

monitoring, and to adopt other proposed changes for oil and gas development in the Known Potash Leasing Area located in Eddy and Lea Counties, New Mexico.

Purpose of status conference was to present consensus edits to the proposed Order of the Commission. Michael Feldewert appeared on behalf of the Joint Industry Technical Committee; Jesse Tremaine appeared on behalf of the Oil Conservation Division.

Action: Commission Counsel Rubin has reviewed the Order and it meets with legal sufficiency. Parties and Chair Fuge identified and confirmed version of the Order which the Commission is acting on. No further questions, edits or comments by the Commission. Attorney Feldewert identified revisions that need to be made regarding the date of hearing. The corrections were made.

Commissioner Bloom moved to approve combined party edits to the draft Order. Commissioner Ampomah seconded the motion. A roll call vote was taken. The Motion was approved unanimously with Chair Fuge voting remotely.

Case 23580: Application of WildEarth Guardians to Consider the Proposed Amendments to the Commission's rules to address Perfluoroalkyl and Polyfluoroalkyl Substances and their use in oil and gas extraction, 19.15.2, 19.15.16, 19.15.31, and 19.15.32 NMAC.

Jesse Tremaine appeared on behalf of the Oil Conservation Division; Michael Feldewert appeared on behalf of the Oil and Gas Association; Tim Davis appeared on behalf of WildEarth Guardians; and Deanna Benett appeared on behalf of EOG Resources. Purpose of the status conference was to present an updated scheduling order.

Most recent version of the Order was circulated by Jesse Tremaine. Commission Counsel Rubin reviewed and the Order meets with legal compliance.

Commissioner Bloom moved to authorize Dylan Fuge, as the Chair, to finalize the procedural order to fill in the missing information and to designate a hearing officer in the final Order. Commissioner Ampomah seconded the motion. Roll call taken and the motion was unanimously approved, with Chair Fuge voting remotely.

Chair Fuge proposed adjusting the deadline for filing a revised Petition to Friday August 23rd, and to leave the technical testimony as currently proposed for October 21st. Commissioner Bloom moved to approve these deadlines. Commissioner Ampomah seconded the motion. A roll call was taken and the motion was unanimously approved, with Chair Fuge voting remotely.

Case Nos. 24277, 24278, 23755, 24123: Goodnight Midstream Permian, LLC Applications to Amend Orders R-7767, R-7765, R-23048, and R-22869-A; along with **Case Nos. 23614, 23615, 23616 and 23617:** Goodnight Midstream Permian, LLC's Applications for Approval of a Saltwater Disposal Well, Lea County; and **Case Nos. 24018-24027:** Empire New Mexico's Applications to revoke Goodnight's existing permits to inject produced water into the San Andres Formation.

Action: Adam Rankin appeared on behalf of Goodnight Midstream Permian, LLC; Dana Hardy appeared on behalf of Empire New Mexico; Sharon Shaheen appeared on behalf of Empire

New Mexico; Ernest Padilla appeared on behalf of Empire New Mexico; and Chris Moander appeared on behalf of the Oil Conservation Division.

Status Conference to discuss Scheduling Order, Empire New Mexico's proposed Subpoena and Motion to Quash Goodnight Midstream's Subpoena.

Proposed Scheduling Order. Scheduling Order submitted for Commission's review was a consensus order. Parties have agreed to all dates in the proposed Order.

Action: Chair Fuge stated his belief that the Commission should designate a hearing examiner and would look at selecting one of the two that are already on contract with the Energy, Minerals, Natural Resources Department.

Chair Fuge sought a motion for approval from the Commission to issue a scheduling order under his signature as Chair, with the only edits being information necessary to facilitate remote participation in the hearings and designation of a hearing examiner. Commissioner Bloom motioned for approval. Commissioner Ampomah seconded the motion. A roll call was taken and the motion was approved unanimously, with Chair Fuge voting remotely.

Attorney Rankin informed the Commission that Empire New Mexico has filed eight additional applications to revoke the injection authority of other operators. Goodnight's position is that all the injection operations within the unit ought to be heard together. Those eight cases are pending before the division and are scheduled for status conference before OCD on May 16, 2024. The Commission suggests the parties to these newly filed cases appear at the June 20, 2024 OCC Meeting to see what the parties can consent to with respect to consolidation. Parties will confer after the OCD status conference on May 16, 2024 and provide the Commission with a status update no later than May 17, 2024.

Proposed Subpoena from Empire and a Motion to Quash Goodnight Midstream's Subpoena.

Action: These matters tabled for today. Pursuant to OCC rules, Chair Fuge can rule on them as Chair and Acting Division Director after conferring with Commission Counsel Rubin, with the option of scheduling a special meeting for deliberations or oral argument if necessary.

Motions to Dismiss in 24277 and 24278. Attorney Sharon Shaheen notified Commission that the pending Motions to Dismiss in Case Nos. 24277 and 24278 are fully briefed and ready for hearing.

Action: The Motions to Dismiss will be placed on the June 20, 2024 OCC Meeting.

Item 5. Other business

Action: There was no other business.

Item 6. Pending Litigation


Action: Commission Counsel Rubin announced that extensive oral argument was held in the *Atencio* matter several weeks ago and we are awaiting a decision from Judge Matthew Wilson. He will circulate it upon receiving it.

Item 7. Next meeting

The next meeting will be held on June 20, 2024.

Item 8. Adjournment

Chair Fuge adjourned the meeting at 10:22 a.m.



Dylan Fuge
Chair