

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

**APPLICATION OF EMPIRE NEW MEXICO LLC TO  
REVOKE THE INJECTION AUTHORITY GRANTED  
UNDER ORDER NO. R-22027 FOR THE ERNIE BANKS  
SWD NO. 1 WELL OPERATED BY GOODNIGHT  
MIDSTREAM PERMIAN LLC,  
LEA COUNTY, NEW MEXICO**

**CASE NO. \_\_\_\_\_**

**APPLICATION**

Empire New Mexico LLC (“Empire”) respectfully applies for an order revoking the injection authority granted under Order No. R-22027 in Case No. 21570 (“Order”). In support, Empire states as follows:

1. Goodnight Midstream Permian, LLC (“Goodnight”) is the operator of record for the Ernie Banks SWD No. 1 well, API# 30-025-50633 (“Well”), a produced water disposal well located 395 feet from the North line and 1203 feet from the West line (Unit D) of Section 17, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

2. The Well is disposing of water within the unitized interval of the Eunice Monument South Unit (“Unit”), which is operated by Empire.

3. The unitized interval of the Unit extends from the top of the Grayburg formation to the bottom of the San Andres formation (“Unitized Interval”). The vertical limits of the Unitized Interval are the same as the vertical limits of the Eunice Monument Grayburg-San Andres Pool covering the Grayburg and San Andres formations.

4. The Well disposes into the San Andres formation through a perforated interval from 4312 feet to 5615 feet below surface.

5. At the time of the application, Goodnight misrepresented that the San Andres is a non-productive zone known to be compatible with formation water from the Bone Spring, Delaware, and Wolfcamp formations (“Produced Water”).

6. However, residual oil zones (“ROZ”) are found within the San Andres, and Empire has the right to recover hydrocarbons therein.

7. Moreover, the salinity levels of Produced Water are substantially greater than the salinity levels of water in the Unitized Interval, including the San Andres formation.

8. Further, Goodnight is in violation of the Order for failure to report disposal volumes.

9. Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the Unitized Interval and thereby adversely affects the correlative rights of Empire and other interest owners in the Unit and results in waste.

10. Empire has requested that Goodnight voluntarily cease disposal of produced water in the Well, but as of the date of filing this application, the Well remains an active salt water disposal well.

11. Revocation of the disposal authority granted by Order No. R-22027 will prevent the waste of recoverable hydrocarbons and will protect correlative rights.

WHEREFORE, Empire requests that this case be heard as a status conference on December 7, 2023 and, at that time, be set for a contested hearing on the same docket as Case No. 23775.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A

/s/ Sharon T. Shaheen

Sharon T. Shaheen  
Samantha H. Catalano  
P.O. Box 2307  
Santa Fe, NM 87504-2307  
(505) 986-2678  
sshaheen@montand.com  
scatalano@montand.com  
ec: wmcginnis@montand.com

Ernest L. Padilla  
PADILLA LAW FIRM  
P.O. Box 2523  
Santa Fe, NM 87504  
(505) 988-7577  
padillalawnm@outlook.com

and

Dana S. Hardy  
Jackie McLean  
HINKLE SHANOR LLP  
P.O. Box 2068  
Santa Fe, NM 87504-2068  
(505) 982-4554  
dhardy@hinklelawfirm.com  
jmclean@hinklelawfirm.com

*Attorneys for Empire New Mexico, LLC*

***Application of Empire New Mexico LLC to Revoke the Injection Authority Granted Under Order No. R-22027 for the Ernie Banks SWD #001 Operated by Goodnight Midstream Permian LLC, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order revoking the injection authority granted by Order No. R-22027, issued in Case No. 21570 on February 7, 2022, to dispose of produced water in the Ernie Banks SWD #1 well, API# 30-025-50633 (“Well”), a produced water disposal well located 395 feet from the North line and 1203 feet from the West line (Unit D) of Section 17, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. The approved injection zone is the San Andres formation, an interval which is potentially productive of hydrocarbons since the advent of horizontal drilling. The Well is located approximately 8.4 miles Northwest of Eunice City, New Mexico.