

**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 ADMINISTRATIVE ORDER NO. SWD-2075 FOR
THE TED 28 SWD WELL NO. 1 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 Administrative Order No. SWD-2075. In support, Empire states as follows:

1. Goodnight Midstream Permian, LLC (“Goodnight”) is the operator of record for the Ted 28 SWD Well No. 1, API# 30-025-44386 (“Well”), formerly known as the Snyder SWD 28 No. 1, a produced water disposal well located 2,402 feet from the North line and 1,911 feet from the West line (Unit F) of Section 28, Township 21 South, Range 36 East, NMPM, in Lea County, NM.

2. The Well is disposing of water into the San Andres formation, at a distance of approximately 2,402’ from the Eunice Monument South Unit (“Unit”), which is operated by Empire.

3. Upon information and belief, water disposed of in the Well is migrating into the unitized interval of the Unit.

4. 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.

5. The Well disposes into the San Andres - Glorieta formations through a perforated interval from 4,630 feet to 6,245 feet below surface.

6. 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”).

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

8. 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.

9. Further, Goodnight is in violation of their requested maximum daily injection rate of 20,000 BWPD, with 4 months of disposal averaging more than 20,000 BWPD based on their monthly reported volumes. Most recent violations of the maximum daily rates occurred in July, August, and September 2023.

10. 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.

11. 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 saltwater disposal well.

12. Revocation of the disposal authority granted by Administrative Order No. SWD-2075 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 consolidated contested hearing with 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

sshhaheen@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 Administrative Order No. SWD-2075 for the Ted 28 SWD Well No. 1 Well 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 Administrative Order No. SWD-2075, issued on Feb. 24, 2020, to dispose of produced water in the Ted 28 SWD Well No. 1, API# 30-025-44386 (“Well”), a produced water disposal well located 2,402’ FNL and 1,911’ FWL (Unit F) of Section 28, Township 21 South, Range 36 East, NMPM, in Lea County, NM. The approved injection zone includes the San Andres formation, an interval which is potentially productive of hydrocarbons since the advent of horizontal drilling. The Well is located approximately 7 miles Northwest of Eunice, New Mexico.