

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 SWD-965 FOR THE BLINEBRY
DRINKARD SWD #020 WELL OPERATED BY RICE
OPERATING COMPANY, 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 SWD-965. In support, Empire states as follows:

1. Rice Operating Company (“Rice”) is the operator of record for the Blinebry Drinkard SWD #020, API# 30-025-37168 (“Well”), a produced water disposal well located approximately 330 feet from the North line and 660 feet from the West line of Section 20, Township 22 South, Range 37 East, NMPM, in Lea County, NM.

2. The Well is disposing of water into the San Andres interval which is correlatable to the unitized interval of the Arrowhead Grayburg Unit (“Unit”) less than 1000 feet west, which is operated by Empire.

3. The unitized interval of the Unit extends from -150 feet subsea or the top of the Grayburg formation (if shallower), down to -1500 feet subsea which includes a majority of the San Andres formation (“Unitized Interval”).

4. The Well disposes into the San Andres formation through an open hole injection from approximately 3,906 feet to 5,000 feet below surface.

5. Upon information and belief, Rice injects produced water from other formations, which is not compatible with the water in the Grayburg-San Andres formations.

6. Residual oil zones are found within the San Andres, and Empire has the right to recover hydrocarbons therein.

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

8. Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the Unitized Interval, and within the San Andres formation wherein Empire also has mineral interests, and thereby adversely affects the correlative rights of Empire and other interest owners in the Grayburg and San Andres formations and results in waste.

9. Revocation of the disposal authority granted by Administrative Order SWD-965 will prevent the waste of recoverable hydrocarbons and protect correlative rights.

WHEREFORE, Empire requests that this case be heard as a status conference on May 2, 2024 and, at that time, be set for a consolidated contested hearing with other applications filed contemporaneously by Empire relating to other wells operated by Rice.

Respectfully submitted,

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Application of Empire New Mexico LLC to Revoke the Injection Authority Granted Under Administrative Order SWD-965 for the Blinebry Drinkard SWD #020 Well Operated by Rice Operating Company, Lea County, New Mexico. Applicant in the above-styled cause seeks an order revoking the injection authority granted by Administrative Order SWD-965, to dispose of produced water in the Blinebry Drinkard SWD #020 well, API# 30-025-37168 (“Well”), a produced water disposal well located 330’ FNL and 660’ FWL of Section 20, Township 22 South, Range 37 East, NMPM, in Lea County, NM, near the unitized interval of the Arrowhead Grayburg Unit, which is operated by Applicant. The approved injection zone is within the San Andres formation, an interval which is potentially productive of hydrocarbons since the advent of horizontal drilling. The Well is located approximately 4 miles southwest of Eunice, New Mexico.