

**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-1750  
FOR THE P 15 #001 WELL OPERATED BY OWL SWD  
OPERATING, LLC, LEA COUNTY, NEW MEXICO.**

**Case No. 24432**

**APPLICANT EMPIRE NEW MEXICO LLC'S OPPOSED MOTION TO DISMISS**

Empire New Mexico LLC ("Empire") hereby requests that the application in the above-referenced case be dismissed. This Motion is opposed by Pilot Water Solutions, LLC and by Goodnight Midstream, LLC. The Division has not provided its position on the Motion.

In support of this Motion, Empire states as follows:

1. On April 2, 2024, Empire filed the above-referenced application.
2. On May 9, 2024, Pilot Water Solutions, LLC ("Pilot") entered an appearance and objected to presentation of the case by affidavit.
3. Upon information and belief, Pilot is affiliated with OWL SWD Operating, LLC ("OWL"), which is the operator of the subject well.
4. On May 15, 2024, the Oil Conservation Division entered an appearance in this matter and in similar applications filed by Empire to revoke permits for wells operated by Rice Operating Company and Permian Line Service (together, "Rice"), Case Nos. 24433-24439, for purposes of monitoring. Hearing Tr. at 76:5-10. This case and Case Nos. 24433-24439 are collectively referred to herein as the "OWL/Rice Cases."
5. The OWL/Rice Cases were heard at a status conference on May 16, 2024.
6. At the status conference, Goodnight Midstream Permian LLC moved to intervene and intervention was allowed. Hearing Tr. at 82:2-5, 96:10-11. Empire objects to Goodnight's intervention and will be filing a motion to request reconsideration.

7. The OWL/Rice Cases were continued to the July 11 docket, to allow the parties and the Division the opportunity to take into consideration the Commission's ruling anticipated on June 20, 2024, on the scope of hearing for other similar cases previously filed by Empire seeking to revoke certain permits held by Goodnight, Case Nos. 24018-24027, and related cases filed by Goodnight in Case Nos. 23614-23617, 23775, and 24277-24278 (collectively, "Goodnight Cases").

8. In its motion on scope in the Goodnight Cases, Goodnight seeks to consolidate three of the Rice/OWL Cases with the Goodnight Cases for purposes of hearing set for September 23-27.

As explained below, the instant case, No. 24432, should be dismissed because the magnitude of Goodnight's operations, as compared to OWL's operations, is exponential. It cannot be disputed that Goodnight's operations dwarf any injection by OWL in the subject well. Further, Goodnight's efforts to consolidate the instant matter with the numerous Goodnight cases will simply prejudice Empire and obfuscate the significant issues caused by Goodnight if this case is consolidated before the Commission with the Goodnight and Rice Cases. Finally, additional delay that may arise as a result of Goodnight's efforts will simply result in additional adverse impact to the correlative rights of Empire and others, including the State of New Mexico, and exacerbate the waste already occurring as a result of Goodnight's operations.

### **ARGUMENT**

Empire has been seeking relief for Goodnight's injection of salt water into Empire's minerals since it first entered an appearance in Goodnight's Case No. 22626 in March 2022. Two and one-half years later, on September 24-27, 2024, Empire will be able to present its case on Goodnight's excessive injection of salt water that is adversely impacting Empire's correlative rights. Goodnight apparently seeks to delay and obfuscate the issues by demanding that wells

operated by third parties be included in the evidentiary hearing. In an abundance of caution, to avoid further undue delay, Empire filed the Rice/OWL applications. However, it has become apparent that Goodnight intends to use the Rice/OWL applications to cause further expense and delay in the evidentiary hearing and avoid a speedy and just resolution to the issues raised by Goodnight's operations. For this reason, and in light of the circumstances described below, Empire now seeks to dismiss the above-referenced application.

In the acreage at issue, Goodnight is currently injecting over 250,000 barrels ("bbls") per day with the authorization to drill two additional saltwater disposal ("SWD") wells for an additional 37,500 bpd, which totals over 287,500 bpd. Affirmation of Jack Wheeler, ¶ 2, *attached hereto* as Exhibit 1. This is over three times the amounts that Rice/Permian and OWL/Pilot are injecting in their SWD Wells. *Id.* For example, according to Goodnight, the subject well in this application drilled in 2020, **OWL's P 15 #001** (30-025-46579), which is the only well operated by OWL in this area, has a **total cumulative injection** of only **2,160 bbls**. *See* Case Nos. 23614, *et al.*, Goodnight's Motion to Limit the Scope of the Commission Hearing at 2 (May 23, 2024), Exhibit C attached thereto ("Exhibit C to Scope Motion"). In contrast, during a similar time period, **Goodnight** injected approximately **13,350,000 bbls** into the nearby **Nolan Ryan SWD #001** (30-025-43901). *See id.*; *see also* Exhibit 2, attached hereto, also *available at* <https://wwwapps.emnrd.nm.gov/OCD/OCDPermitting/Data/WellDetails.aspx?api=30-025-45349>.

Moreover, Goodnight's applications to drill four new SWD Wells within the EMSU and one new SWD within two miles of the EMSU totals another 208,000 bpd. *See* Exhibit 1, ¶ 3. Combined, Goodnight's wells will inject over five (5) times what Rice/Permian and OWL/Pilot combined are injecting.

This difference in the sheer magnitude of injection highlights the differences between the two operators, Goodnight and OWL, and illustrates that Goodnight's injection rates and total volumes in its subject wells simply cannot be compared to OWL's operations in the area. For this reason alone, the application in this case, regarding OWL's P 15 #001, should be dismissed.

As a prudent Operator, Empire must focus on the injection that is causing the most damage to its unitized interval and correlative rights. As a small Operator with limited staff, Empire does not have the resources to have a contested hearing where it must defend its position against five different corporations and sets of attorneys, all at the same time. By limiting the hearing to the Goodnight cases, Empire is respecting the time and resources available to the Commission to have a hearing on such a significant issue and ensure that the issues arising from Goodnight's extensive injection are fully evaluated.

With the number of expert witnesses and volume of testimony that is currently being prepared for hearing, it would be impossible to conclude the hearing during the time currently allotted, from September 23<sup>rd</sup> through September 27<sup>th</sup>, 2024, if additional parties and cases are added.

The delay of over a year since the applications for the Goodnight Cases were first filed has allowed Goodnight to inject an additional 91,250,000 bbls based on their maximum allowable rates. Exhibit 1, ¶ 4. It is imperative and critical that these Goodnight cases be heard without any further delay to stop the damages caused by the water disposal.

**WHEREFORE**, for all the reasons stated herein, Empire respectfully requests that the application in this matter be dismissed.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on the following  
by electronic mail on June 20, 2024:

*/s/ Sharon T. Shaheen*

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

APPLICATIONS OF EMPIRE NEW MEXICO  
LLC TO REVOKE THE INJECTION AUTHORITY  
FOR WELLS OPERATED BY RICE OPERATING  
COMPANY, LEA COUNTY, NEW MEXICO.

Case Nos. 24433-24435, 24437-24439

APPLICATION OF EMPIRE NEW MEXICO LLC  
TO REVOKE THE INJECTION AUTHORITY GRANTED  
UNDER ADMINISTRATIVE ORDER SWD-1754  
FOR THE N 11 #001 WELL OPERATED BY PERMIAN  
LINE SERVICE, LEA COUNTY, NEW MEXICO.

Case No. 24436

**AFFIRMATION OF JACK WHEELER IN SUPPORT OF MOTION TO DISMISS**

I, Jack E. Wheeler state as follows:

1. I am over the age of 18. I am employed by Empire Petroleum Corporation as Vice President-Land & Legal and have personal knowledge of the above-referenced case and the facts contained in Empire New Mexico LLC's ("Empire") Motion to Dismiss the above-referenced applications.

2. In the acreage at issue in these applications and related applications filed in Case Nos. 24277-24278, 23614-23617, and 23775 (collectively, "Goodnight Cases") and in Case No. 24432, Goodnight is currently injecting over 250,000 barrels of saltwater per day with the authorization to drill two additional saltwater disposal ("SWD") wells for a total of an additional 37,500 bpd that totals over 287,500 bpd. This is over three times what Rice/Permian and OWL/Pilot are injecting in their SWD Wells.

3. Included within the Goodnight cases are Goodnight's applications to drill four new SWD Wells within the EMSU and one new SWD within two miles of the EMSU, which totals another 208,000 bpd. Combined, Goodnight's wells will total over five (5) times what Rice and OWL are injecting.

4. The delay of over a year since the applications for the first set of Goodnight Cases were filed has allowed Goodnight to inject an additional 91,250,000 barrels based on their maximum allowable rates.

**EXHIBIT 1**

5. The Rice SWD systems are owned by operators of nearby wells and disposal in the Rice SWD wells is limited to such wells, which are located in the same area as the SWD wells. Thus, the composition of the source water is similar to the water found in the injection formation. Moreover, volumes of water disposed of in the Rice SWD wells is limited as a result.



I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.



Jack E Wheeler  
Vice President Land and Legal  
Empire Petroleum Corporation



Date

Searches

Operator Data

Hearing Fee Application

# OCD Permitting

Home Searches Wells Well Details

## 30-025-45349 NOLAN RYAN SWD #001 [322861]

### General Well Information

Operator:	<a href="#">[372311]</a> GOODNIGHT MIDSTREAM PERMIAN, LLC		
Status:	New	Direction:	Vertical
Well Type:	Salt Water Disposal	Multi-Lateral:	No
Work Type:	New	Mineral Owner:	Private
		Surface Owner:	Private
Surface Location:	O-13-21S-36E 779 FSL 1995 FEL		
Lat/Long:	32.473834,-103.216927 NAD83		
GL Elevation:	3547		
KB Elevation:		Sing/Mult Compl:	Single
DF Elevation:		Potash Waiver:	False

### Proposed Formation and/or Notes

### Depths

Proposed:	5700	True Vertical Depth:	0
Measured Vertical Depth:	0	Plugback Measured:	0

### Formation Tops

Formation	Top	Producing	Method Obtained
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### Event Dates

Initial APD Approval:	11/09/2018		
Most Recent APD Approval:	11/09/2018	Current APD Expiration:	11/09/2020
APD Cancellation:			
APD Extension Approval:			
Spud:	10/01/2019	Gas Capture Plan Received:	
Approved Temporary Abandonment:		TA Expiration:	
Shut In:			
Plug and Abandoned Intent Received:		PNR Expiration:	
Well Plugged:		Last MIT/BHT:	12/14/2023
Site Release:			
Last Inspection:	12/14/2023		

### History

Effective Date	Property	Well Number	Operator	C-101 Work Type	Well Type	Well Status	Apd Cancelled	Plug Date
11/09/2018	[322861] NOLAN RYAN SWD	#001	[372311] GOODNIGHT MIDSTREAM PERMIAN, LLC	New	Salt Water Disposal	New		

### Comments

**EXHIBIT 2**

### Quick Links

- [General Well Information](#)
- [History](#)
- [Comments](#)
- [Operator](#)
- [Pits](#)
- [Casing](#)
- [Well Completions](#)
- [Financial Assurance](#)
- [Compliance](#)
- [Reported Releases](#)
- [Orders](#)
- [Production](#)
- [Transporters](#)
- [Points of Disposition](#)
- [Action Status](#)

### Associated Images

- [Well Files \(11\)](#)
- [Well Logs \(6\)](#)
- [Well Admin Orders](#)

### New Searches

- [New Facility Search](#)
- [New Incident Search](#)
- [New Operator Search](#)
- [New Pit Search](#)
- [New Spill Search](#)
- [New Tank Search](#)
- [New Well Search](#)

Searches Operator Data Hearing Fee Application

**Casing**

String/Hole Type	Taper	Date Set	Boreholes, Strings and Equipment Specifications			Specifications for Strings and Tubing			Strings Cemented and Intervals			Cement and Plug Description		
			Diameter	Top	Bottom (Depth)	Grade	Length	Weight	Bot of Cem	Top of Cem	Meth	Class of Cement	Sacks	Pressure Test (Y/N)
Hole 1	1	10/04/2019	12.250	0	1344		0	0.0	0	0			0	No
Surface Casing	1	10/04/2019	9.625	0	1344	J-55	1344	36.0	1344	0	Circ	Class C Cement	500	Yes

**Well Completions**

**[96121] SWD; SAN ANDRES**

Status: New, Not Drilled Last Produced: 05/01/2024  
 Bottomhole Location: O-13-21S-36E 779 FSL 1995 FEL  
 Lat/Long: 32.473834,-103.216927 NAD83  
 Acreage:  
 DHC: No Consolidation Code:  
 Production Method:

**Well Test Data**

Production Test: Test Length: 0 hours  
 Flowing Tubing Pressure: 0 psi Flowing Casing Pressure: 0 psi  
 Choke Size: 0.000 inches Testing Method:  
 Gas Volume: 0.0 MCF Oil Volume: 0.0 bbls  
 Gas-Oil Ratio: 0 Kcf / bbl Oil Gravity: 0.0 Corr. API  
 Disposition of Gas: Water Volume: 0.0 bbls

**Perforations**

Date	Top Measured Depth (Where Completion Enters Formation)	Bottom Measured Depth (End of Lateral)	Top Vertical Depth	Bottom Vertical Depth
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**Notes**

**Event Dates**

Initial Effective/Approval: 11/09/2018  
 Most Recent Approval: 11/09/2018  
 Confidential Requested On:  
 Test Allowable Approval:  
 TD Reached:  
 Deviation Report Received: No  
 Directional Survey Run: No  
 Directional Survey Received: No  
 First Oil Production:  
 First Injection:  
 Ready to Produce:  
 C-104 Approval:  
 Plug Back:  
 Authorization Revoked Start:  
 TA Expiration:  
 Confidential Until:  
 Test Allowable End:  
 DHC:  
 Rig Released:  
 Logs Received: Yes  
 Closure Pit Plat Received:  
 First Gas Production:  
 Completion Report Received:  
 New Well C-104 Approval:  
 Revoked Until:

**Well Completion History**

**Financial Assurance**

Please login to review the financial assurance associated with this well.

**Compliance**

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports ([Inactive Well Report](#), [Financial Assurance Report](#)).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

**Reported Releases**

The reported release volumes are sourced from C-141 submissions.

Earliest Reported Release in OCD Records: 09/14/2020 Last: 08/09/2022 [Show All Reported Releases](#)

	Release Volumes				Additional Details			
	BBLs	LBS	MCF	UNK	Type	Product	Severity	Status
2022 (1)	2,778	0	0	0				
2020 (1)	0	0	0	0				
Grand Total:	2,778	0	0	0				

**Orders**

Please login to review the orders associated with this well.

**Production / Injection**

The production & injection volumes are sourced from monthly production reports (C-115) submissions.

Earliest Production in OCD Records: 10/2019 Last: 5/2024 [Show All Production](#) [Export to Excel](#)

Time Frame	Production				Injection				
	Oil (BBLs)	Gas (MCF)	Water (BBLs)	Days P/I	Water (BBLs)	Co2 (MCF)	Gas (MCF)	Other	Pressure
2019									
SWD;SAN ANDRES									
Oct	0	0	0	0	2,541	0	0	0	0
Nov	0	0	0	0	194,650	0	0	0	0
Dec	0	0	0	0	109,675	0	0	0	0
Pool Total:	0	0	0	0	306,866	0	0	0	N/A
Annual Total:	0	0	0	0	306,866	0	0	0	N/A
2020									
SWD;SAN ANDRES									
Jan	0	0	0	0	382,577	0	0	0	65
Feb	0	0	0	0	239,173	0	0	0	102

Searches Operator Data Hearing Fee Application

Apr	0	0	0	0	452,348	0	0	0	58
May	0	0	0	0	353,929	0	0	0	0
Jun	0	0	0	0	428,240	0	0	0	0
Jul	0	0	0	0	165,651	0	0	0	11
Aug	0	0	0	0	308,414	0	0	0	0
Sep	0	0	0	0	311,777	0	0	0	0
Oct	0	0	0	0	376,108	0	0	0	13
Nov	0	0	0	0	325,873	0	0	0	20
Dec	0	0	0	0	306,312	0	0	0	0
Pool Total:	0	0	0	0	3,937,656	0	0	0	N/A
Annual Total:	0	0	0	0	3,937,656	0	0	0	N/A
2021	0	0	0	0	1,658,531	0	0	0	N/A
2022	0	0	0	0	3,923,501	0	0	0	N/A
2023	0	0	0	0	4,735,038	0	0	0	N/A
2024	0	0	0	0	2,395,809	0	0	0	N/A
Grand Total:	0	0	0	0	16,957,401	0	0	0	N/A

**Transporters**

Transporter	Product	Most Recent for Property
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**Points of Disposition**

ID	Type	Description	Pool(s)
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