

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

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ADMINISTRATIVE ORDER SWD-1263 FOR THE
PENROC STATE E TR 27 SWD #2 WELL OPERATED BY
GOODNIGHT MIDSTREAM PERMIAN, LLC,
LEA COUNTY, NEW MEXICO**

CASE NO. 26255

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ORDER NO. R-20864 FOR THE SCULLY STATE
SWD NO. 1 WELL OPERATED BY GOODNIGHT
MIDSTREAM PERMIAN, LLC,
LEA COUNTY, NEW MEXICO**

CASE NO. 26264

**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. 26267

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ADMINISTRATIVE ORDER SWD-1500 FOR THE
PARKER ENERGY SWD #5 WELL OPERATED BY
PARKER ENERGY SUPPORT SERVICES INC.,
LEA COUNTY, NEW MEXICO**

CASE NO. 26269

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ORDER NO. R-3102 FOR THE EME SWD #021
WELL OPERATED BY RICE OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26273

**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, LLC,
LEA COUNTY, NEW MEXICO**

CASE NO. 26274

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ADMINISTRATIVE ORDER SWD-184 FOR
THE BLINEBRY DRINKARD SWD #018 WELL
OPERATED BY RICE OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26275

**APPLICATION OF EMPIRE NEW MEXICO LLC
TO REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ADMINISTRATIVE ORDER SWD-1052 FOR
THE BLINEBRY DRINKARD SWD #32 WELL OPERATED
BY RICE OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26277

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ORDER NO. R-1647 FOR THE EME SWD #033M
WELL OPERATED BY RICE OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26278

**APPLICATION OF EMPIRE NEW MEXICO LLC
TO REVOKE THE INJECTION AUTHORITY
GRANTED UNDER ORDER NO. R-1348 FOR THE
EME SWD #20 WELL OPERATED BY RICE
OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26279

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED UNDER
ADMINISTRATIVE ORDER SWD-1751 FOR THE N 7 #001
WELL OPERATED BY RICE OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26280

**APPLICATION OF EMPIRE NEW MEXICO LLC
TO REVOKE THE INJECTION AUTHORITY
GRANTED UNDER ADMINISTRATIVE ORDER
SWD-985-A FOR THE STATE E TRACT 27 #001 WELL
OPERATED BY RICE OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26281

**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. 26284

**EMPIRE NEW MEXICO LLC'S MOTION TO REFER CASES
TO NEW MEXICO OIL CONSERVATION COMMISSION**

Empire New Mexico LLC ("Empire") submits this motion requesting that the New Mexico Oil Conservation Division ("OCD" or "Division") refer the above-captioned cases to the New Mexico Oil Conservation Commission ("OCC" or "Commission") pursuant to 19.15.4.20(B) NMAC. In support of this motion, Empire states the following.

1. These applications arise from the injection of produced water by various operators into the San Andres formation both within and surrounding the Eunice Monument South Unit ("EMSU") and the Arrowhead Grayburg Unit ("AGU"), which is located approximately one mile to the southeast of the EMSU, both of which are operated by Empire.

2. The EMSU has existed since 1984, when it was approved by the Commission via Order Nos. R-7765, R-7766, and R-7767. *See* Self-Affirmed Statement of William West at ¶ 4, attached as Exhibit A.

3. Order No. R-7765 established the EMSU with the vertical limits including the San Andres formation ("EMSU Unitized Interval"). *See* Order No. R-7765 at 9, Ordering ¶ 3. Commission Order No. R-7766 approved the associated waterflood project and also recognized that the unitized interval included the San Andres formation. Commission Order No. R-7767 realigned the vertical limits of the shallower Eumont Gas pool and the deeper Eunice Monument Oil pool and reaffirmed the lower limit of the Eunice Monument Oil pool as the base of the San Andres formation. *See* Order No. R-7767 at 2, Ordering ¶¶ 1 and 2.

4. Empire operates the EMSU as a water flood project recovering hydrocarbons from the Grayburg formation. The EMSU waterflood currently produces approximately 593 BOPD; 51,688 BWPD; 358 MCFPD and injects approximately 53,400 BWPD into the EMSU Unitized Interval. Empire plans to further develop the EMSU through CO₂ injection to enhance recovery in

the EMSU Unitized Interval, including the recovery of oil within residual oil zones (“ROZ”) in the San Andres formation. By CO₂ flooding this San Andres ROZ formation, Empire estimates that 270 million barrels or more of this residual oil can be recovered, in addition to an estimated 300 million barrels of tertiary oil recovered from the Grayburg formation. Exhibit A at ¶ 5.

5. The AGU is a 5,922.26-acre unit that has existed since 1991, when it was approved by the Division via Order No. R-9482. *See* Exhibit A at ¶ 6. As set out in the order, the unitized interval of the AGU extends from -150’ subsea or the top of the Grayburg formation, whichever is shallower, to a depth of -1500’ subsea, which includes a majority of the San Andres formation (“AGU Unitized Interval”). Order No. R-9482 at 9, Ordering ¶ 3. The Division approved the AGU’s companion waterflood project via Order R-9483.

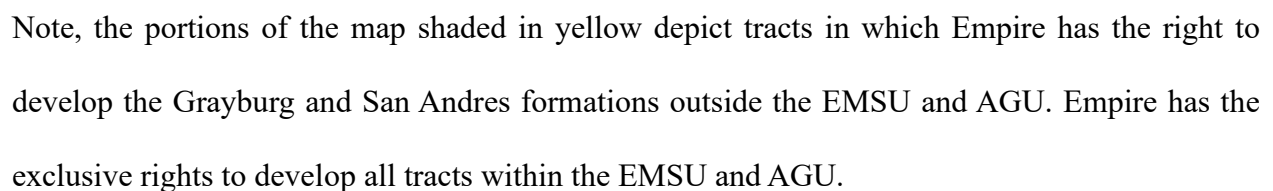
6. Empire operates the AGU as a water flood project recovering hydrocarbons from the Grayburg formation. The AGU waterflood currently produces approximately 137 BOPD; 25,983 BWPD; 181 MCFPD and injects approximately 25,983 BWPD into the AGU Unitized Interval. Exhibit A at ¶ 7.

7. In addition to operating the EMSU and AGU, Empire holds oil and gas interests outside of, but in proximity to, the EMSU and AGU. *See* Exhibit A at ¶ 8.

8. Empire’s applications involve injection wells owned by various operators that are injecting into the San Andres formation. Three of the wells (P 15 #001, EME SWD #021, and N 11 #001) are within the EMSU, one well (Blincy Drinkard #018) is within the AGU and has disposed of over 115 million barrels of water, and the remaining wells are in close proximity to the EMSU and AGU. The table below identifies the wells addressed by Empire’s applications:

Case	Operator and Well Name	Same Acreage as OCC Cases	Same Reservoir as OCC Cases
26255	Goodnight Penroc State E Tr 27 SWD #2	In Part – Outside EMSU	Yes – San Andres
26264	Goodnight Scully State #1	In Part – Outside EMSU	Yes – San Andres
26267	Owl P 15 #1	Yes – Inside EMSU – impacts OCC Cases #R- 7765 & R-7767	Yes – San Andres
26269	Parker Energy Parker SWD #5	In Part – Outside EMSU	Yes – San Andres
26273	Permian Line Service EME #21	Yes – Inside EMSU – impacts OCC Cases #R- 7765 & R-7767	Yes – San Andres
26274	Permian Line Service N 11 #1	Yes – Inside EMSU – impacts OCC Cases #R- 7765 & R-7767	Yes – San Andres
26275	Rice Operating Blinebry Drinkard #18	Inside AGU	Yes – San Andres
26277	Rice Operating Blinebry Drinkard #32	In Part – Outside EMSU & AGU	Yes – San Andres
26278	Rice Operating EME SWD #33M	In Part – Outside EMSU	Yes – San Andres
26279	Rice Operating EME SWD #20	In Part – Outside EMSU	Yes – San Andres
26280	Rice Operating N 7 #001	In Part – Outside EMSU	Yes – San Andres
26281	Rice Operating State E Tract 27 #001	In Part – Outside EMSU	Yes – San Andres
26284	Rice Operating Blinebry Drinkard #20	In Part – Outside EMSU & AGU	Yes – San Andres

9. The wells at issue are also identified on the following map:



10. These applications are related to the following Commission proceedings:
 - a. On September 12, 2025, the OCC entered its Order in Case Nos. 24123, 23614-23617, 23775, 24018-24020, and 24025 (OCC Order R-24004), which involve Goodnight Midstream Permian, LLC's ("Goodnight") operations within the EMSU. The order denied Goodnight's applications to drill new disposal wells in Case No. 24123 (Piazza), Case No. 23614 (Gooden), Case No. 23615 (Hernandez), Case No. 23616 (Hodges), and Case No. 23617 (Seaver). Additionally, the order denied Goodnight's application to increase injection into the existing Dawson well in Case No. 23775. Finally, the order suspended permits associated with Goodnight's injection wells in Case No. 24018 (Dawson), Case No. 24019 (Banks), Case No. 24020 (Sosa), and Case No. 24025 (Ryno). These cases are currently on appeal before the district court.
 - b. Commission Case Nos. 24021-24024 and 24026-24027 are presently stayed. In those cases, Empire seeks to revoke injection authority for Goodnight's injection wells in Case No. 24021 (Rocket SWD No. 1), Case No. 24022 (Pedro SWD #001), Case No. 24023 (Verlander SWD #001), Case No. 24024 (Nolan Ryan SWD #001), Case No. 24026 (Ted 28 SWD No. 1), and Case No. 24027 (Yaz 28 SWD No. 1). These Goodnight wells are located outside of, but in proximity to, the EMSU. Empire filed a motion to lift the stay, which is currently pending. On July 16, 2026, following a hearing before the Commission, counsel for Empire inquired regarding a hearing on the motion. In response, Chairman Chang instructed Empire to obtain dates for a hearing on the motion and stated that a special hearing could be scheduled prior to the Commission's next regular meeting. 07/16/26 OCC Public

Meeting (OCC-YouTube), at 1:06:23 – 1:07:14. Empire has requested a hearing date and understands the hearing will likely be set in September.

- c. Lastly, Commission Case Nos. 24277 and 24278 involve Goodnight's applications to exclude the San Andres formation from the EMSU unitized interval. These applications are also stayed before the Commission.

11. Division Rule 19.15.4.20 NMAC authorizes the Division Director to direct the Commission to hear certain matters. In the past, the Director has referred cases to the Commission when they involve issues of substantial public importance and/or the referral will conserve resources of the parties and the Division. *See, e.g.*, Order No. R-21831 (referring application that involved an interstate well to the Commission). Indeed, Case Nos. 23614-23617, 23775, 24018-24020, and 24025 (referenced above and related to the applications at issue in this case) were referred to the Commission on the grounds the cases were related to Case No. 24123, which was pending before the Commission at the time, and that referring the cases was an efficient use of resources. Order No. R-23048.

12. These cases are of substantial public importance because they involve the injection of millions of barrels of produced water that will significantly impair hydrocarbon production within Commission-approved, 14,189.84-acre and 5,922.26-acre units, as well as other nearby minerals, in which the United States, State of New Mexico, working interest owners, and royalty owners hold an interest. Exhibit A at ¶¶ 11-14.

13. In addition, referring all of the cases directly to the Commission would promote administrative economy. The Commission is familiar with the underlying facts, and referral would avoid the need for multiple hearings. If the Division is required to hold an initial hearing on these cases, the party that does not prevail will certainly seek a *de novo* hearing before the Commission

due to the importance of the issues at stake, as demonstrated by Goodnight's application for a *de novo* hearing of the application that is the subject of Division Order No. R-22869-A. In this regard, referral to the Commission would conserve resources of the Division and the parties.

14. Referral to the Commission would also expedite a final decision on these matters, which is important due to the impact of ongoing injection impairing Empire's ability to produce hydrocarbons within its acreage.

15. Referral is also appropriate because all of the cases pending before the Division involve similar facts and circumstances to those at issue in the cases discussed above, which are pending before the Commission. Exhibit A at ¶ 15. As discussed above, Empire's evidence will demonstrate that injection within and adjacent to the EMSU and AGU will impair production within Empire's acreage. To that end, Empire will present similar geological and engineering evidence in all of the cases, and all of the cases involve injection that is impairing, or will impair, the production of hydrocarbons. *Id.* Thus, again, referral of all cases would conserve resources of the parties.

16. For the reasons discussed above, all of the cases should be referred to the Commission. Referral is appropriate and necessary to address the public interest issues at stake, conserve resources of the parties and the Division, and facilitate an expedient decision.

17. Empire consulted with counsel for the parties regarding this motion, and their positions are as follows: Goodnight - opposes; Pilot Water Solutions SWD/Owl Operating - oppose; Rice Operating Company and Permian Line Service LLC - oppose; Parker Energy Services - opposes.

Respectfully submitted,

By: /s/ Dana S. Hardy

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Attorneys for Empire New Mexico, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served upon the following counsel/parties of record by electronic mail on July 22, 2026.

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EXHIBIT A

**STATE OF NEW MEXICO
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**APPLICATION OF EMPIRE NEW MEXICO LLC TO
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LEA COUNTY, NEW MEXICO**

CASE NO. 26269

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WELL OPERATED BY RICE OPERATING COMPANY,
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**APPLICATION OF EMPIRE NEW MEXICO LLC TO
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ADMINISTRATIVE ORDER SWD-1754 FOR THE N 11 #001
WELL OPERATED BY PERMIAN LINE SERVICE, LLC,
LEA COUNTY, NEW MEXICO**

CASE NO. 26274

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ADMINISTRATIVE ORDER SWD-184 FOR
THE BLINEBRY DRINKARD SWD #018 WELL
OPERATED BY RICE OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26275

**APPLICATION OF EMPIRE NEW MEXICO LLC
TO REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ADMINISTRATIVE ORDER SWD-1052 FOR
THE BLINEBRY DRINKARD SWD #32 WELL OPERATED
BY RICE OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26277

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED
UNDER ORDER NO. R-1647 FOR THE EME SWD #033M
WELL OPERATED BY RICE OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26278

**APPLICATION OF EMPIRE NEW MEXICO LLC
TO REVOKE THE INJECTION AUTHORITY
GRANTED UNDER ORDER NO. R-1348 FOR THE
EME SWD #20 WELL OPERATED BY RICE
OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26279

**APPLICATION OF EMPIRE NEW MEXICO LLC TO
REVOKE THE INJECTION AUTHORITY GRANTED UNDER
ADMINISTRATIVE ORDER SWD-1751 FOR THE N 7 #001
WELL OPERATED BY RICE OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26280

**APPLICATION OF EMPIRE NEW MEXICO LLC
TO REVOKE THE INJECTION AUTHORITY
GRANTED UNDER ADMINISTRATIVE ORDER
SWD-985-A FOR THE STATE E TRACT 27 #001 WELL
OPERATED BY RICE OPERATING COMPANY,
LEA COUNTY, NEW MEXICO**

CASE NO. 26281

**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. 26284

SELF-AFFIRMED STATEMENT OF WILLIAM WEST

1. I am over the age of 18. I am a Petroleum Engineer employed as Senior Vice President of Operations for Empire Petroleum Corporation (“Empire”) and have personal knowledge of the matters stated herein. I have previously testified before the New Mexico Oil Conservation Commission (“Commission”), and my credentials as an expert in petroleum engineering were accepted as a matter of record. In short, I graduated from Marietta College with a Bachelor of Science Degree in Petroleum Engineering in May 1999. I began my career with Marathon Oil Company and have been employed in the oil and gas industry since graduation. I have been the Senior Vice President of Operations for Empire Petroleum Corporation since May 2023. I am a Certified Professional Engineer in the State of Wyoming - WY ID # 12599. I have over 25 years of oil and gas experience and have worked in most of the major oil and gas producing basins and States, including New Mexico, during my career.

2. My area of responsibility for Empire includes Lea County, New Mexico. I am responsible for secondary waterflood operations in the Eunice Monument South Unit (“EMSU” or “Unit”) and am working on developing Empire’s tertiary recovery CO₂ Project there. I submit the following information in support of Empire’s Motion to Refer Cases to New Mexico Oil Conservation Commission.

3. These applications arise from the injection of produced water by various operators into the San Andres formation both within and surrounding the Eunice Monument South Unit (“EMSU”) and the Arrowhead Grayburg Unit (“AGU”), which is located approximately one mile to the southeast of the EMSU, both of which are operated by Empire.

4. The EMSU has existed since 1984, when it was approved by the Commission via Order Nos. R-7765, R-7766, and R-7767. Order No. R-7765 established the EMSU with the

vertical limits including the San Andres formation (“EMSU Unitized Interval”). *See* Order No. R-7765 at 9, Ordering ¶ 3. Commission Order No. R-7766 approved the associated waterflood project and also recognized that the unitized interval included the San Andres formation. Commission Order No. R-7767 realigned the vertical limits of the shallower Eumont Gas pool and the deeper Eunice Monument Oil pool and reaffirmed the lower limit of the Eunice Monument Oil pool as the base of the San Andres formation. *See* Order No. R-7767 at 2, Ordering ¶¶ 1 and 2.

5. Empire currently operates the EMSU as a water flood project recovering hydrocarbons from the Grayburg formation. The EMSU waterflood currently produces approximately 593 BOPD; 51,688 BWPD; 358 MCFPD and injects approximately 53,400 BWPD into the EMSU Unitized Interval. Empire plans to further develop the EMSU through CO₂ injection to enhance recovery in the EMSU Unitized Interval, including the recovery of oil within residual oil zones (“ROZ”) in the San Andres formation. By CO₂ flooding this San Andres ROZ formation, Empire estimates that 270 million barrels or more of this residual oil can be recovered, in addition to an estimated 300 million barrels of tertiary oil recovered from the Grayburg formation.

6. The AGU is a 5,922.26 acre unit that has existed since 1991, when it was approved by the Division via Order No. R-9482. As set out in the order, the unitized interval of the AGU extends from -150’ subsea or the top of the Grayburg formation, whichever is shallower, to a depth of -1500’ subsea, which includes a majority of the San Andres formation (“AGU Unitized Interval”). Order No. R-9482 at 9, Ordering ¶ 3. The Division approved the AGU’s companion waterflood project via Order R-9483.

7. Empire operates the AGU as a water flood project recovering hydrocarbons from the Grayburg formation. The AGU waterflood currently produces approximately 137 BOPD;

25,983 BWPD; 181 MCFPD and injects approximately 25,983 BWPD into the AGU Unitized Interval.

8. In addition to operating the EMSU and AGU, Empire holds oil and gas interests outside of, but in proximity to, the EMSU and AGU.

9. Residual oil zones are found within the San Andres and the Grayburg, and Empire has the right to recover hydrocarbons within the EMSU, the AGU, and the surrounding acreage. More than 900 million barrels of oil exists in the San Andres ROZ.

10. Empire's applications involve injection wells owned by various operators that are injecting into the San Andres formation. Three of the wells (P 15 #001, EME SWD #021, and N 11 #001) are within the EMSU, one well (Blinebry Drinkard #018) is within the AGU and has disposed of over 115 million barrels of water, and the remaining wells are in close proximity to the EMSU and AGU. These applications are related to the following Commission proceedings:

- a. On September 12, 2025, the OCC entered its Order in Case Nos. 24123, 23614-23617, 23775, 24018-24020, and 24025 (OCC Order R-24004), which involve Goodnight Midstream Permian, LLC's ("Goodnight") operations within the EMSU. The order denied Goodnight's applications to drill new disposal wells in Case No. 24123 (Piazza), Case No. 23614 (Gooden), Case No. 23615 (Hernandez), Case No. 23616 (Hodges), and Case No. 23617 (Seaver). Additionally, the order denied Goodnight's application to increase injection into the existing Dawson well in Case No. 23775. Finally, the order suspended permits associated with Goodnight's injection wells in Case No. 24018 (Dawson), Case No. 24019 (Banks), Case No. 24020 (Sosa), and Case No. 24025 (Ryno). These cases are currently on appeal before the district court.

- b. Commission Case Nos. 24021-24024 and 24026-24027 are presently stayed before the Commission. In those cases, Empire seeks to revoke injection authority for Goodnight's injection wells in Case No. 24021 (Rocket SWD No. 1), Case No. 24022 (Pedro SWD #001), Case No. 24023 (Verlander SWD #001), Case No. 24024 (Nolan Ryan SWD #001), Case No. 24026 (Ted 28 SWD No. 1), and Case No. 24027 (Yaz 28 SWD No. 1). These Goodnight wells are located outside of, but in proximity to, the EMSU.
- c. Lastly, Commission Case Nos. 24277 and 24278 involve Goodnight's applications to exclude the San Andres formation from the EMSU unitized interval. These applications are also stayed before the Commission.

11. There is communication between the Grayburg and San Andres intervals through natural fractures and breaches in this area, which allows San Andres water to enter the Grayburg interval. This influx of San Andres water has been documented by water production maps of wells prior to unitization, increased sulfate ion content of the EMSU produced water, and the pressure drop in the San Andres interval, which occurred before water supply well production. Wells in the central portion of the field produced abnormal volumes of water prior to the waterflood, water which could not have originated from edge water drive and could therefore be only San Andres bottom water. The San Andres water contained sulfate ions not present in the Grayburg water at discovery of the field; the Grayburg water contained barium ions. When these two waters mixed barium sulfate was formed in the wells and facilities prior to the use of San Andres water supply wells for the waterflood. The natural fractures have been demonstrated by oriented fracture studies on core in the Grayburg and San Andres.

12. There is no effective barrier between the Grayburg and San Andres within the EMSU, the AGU, or the surrounding area, as demonstrated by the sulfate ion increase, water production increase in portions of the field, and drop in San Andres reservoir pressure. The high salinity disposal water will move over large distances and find a natural fracture or breach in the barrier and begin interfering with EMSU production.

13. The corrosive disposal water injected into the San Andres will travel long distances over a 1, 5, 10, and 20-year period, thus allowing corrosive disposal saltwater to enter the Grayburg interval through natural fractures and breaches between the two intervals. This corrosive water will then be produced by Empire's oil wells and San Andres water supply wells located at EMSU and AGU. This disposal will not only increase failure rates in wells and facilities but will also prematurely water out Empire's wells.

14. These cases are of substantial public importance because they involve the injection of millions of barrels of produced water that will significantly impair hydrocarbon production within a Commission-approved, 14,189.84-acre unit, as well as other nearby minerals, in which the United States, State of New Mexico, working interest owners, and royalty owners hold an interest. Disposal in these wells is impairing Empire's ability to recover hydrocarbons within the Unitized Interval and thereby adversely affect the correlative rights of Empire and other interest owners in the Unit and result in waste.

15. All of the cases pending before the Division involve similar facts and circumstances to those at issue in the cases discussed above, which are pending before the Commission. As discussed above, Empire's evidence will demonstrate that injection within and adjacent to the EMSU and AGU will impair production within Empire's acreage. To that end, Empire will present similar geological and engineering evidence, and all of the cases involve injection that is impairing,

or will impair, the production of hydrocarbons. For these reasons, referral of the cases to the Commission would conserve resources of the parties.

16. I understand this Self-Affirmed Statement will be used as written testimony in this case. 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 next to my electronic signature below.

/s/ William West
WILLIAM WEST

July 22, 2026
DATE