

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-3102 FOR THE EME SWD #021 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 Order No. R-3102. In support, Empire states as follows:

1. Rice Operating Company (“Rice”) is the operator of record for the EME SWD #021, API# 30-025-21852, also known as the Eunice-Monument-Eunice SWD #L-21 (“Well”), a produced water disposal well located approximately 1520 feet from the South line and 440 feet from the West line of Section 21, Township 21 South, Range 36 East, NMPM, in Lea County, NM.

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 an open hole injection interval from approximately 4,515 feet to 5,100 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. At the time of the application, Rice identified approximately 16 wells producing from the San Andres formation within a 2-mile radius of the Well.

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

9. Further, Rice is in violation of the Order by regularly exceeding its maximum daily injection rate of 12,000 BWPD. Most recent violations of the maximum daily rates occurred in July, August, September, October, and November 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. Revocation of the disposal authority granted by Order No. R-3102 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 Order No. R-3102 for the EME SWD #021 Operated by Rice Operating Company, Lea County, New Mexico. Applicant in the above-styled cause seeks an order revoking the injection authority granted by Order No. R-3102, to dispose of produced water in the EME SWD #021, API# 30-025-21852 (“Well”), a produced water disposal well located 1520’ FSL and 440’ FWL (Unit L) of Section 32, Township 21 South, Range 36 East, NMPM, in Lea County, NM, within the unitized interval of the Eunice Monument South 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 7 miles west of Eunice, New Mexico.