

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-985-A FOR THE STATE E
TRACT 27 #001 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-985-A. In support, Empire states as follows:

1. Rice Operating Company (“Rice”) is the operator of record for the State E Tract 27 Well #001, API# 30-025-26317 (“Well”), a produced water disposal well located approximately 430 feet from the South line and 1,980 feet from the West line of Section 18, Township 21 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 Eunice Monument South Unit (“Unit”) less than 8000 feet west, 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 from approximately 4,200 feet to 4,700 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 thereby adversely affects the correlative rights of Empire and other interest owners in the Unit and results in waste.

9. Revocation of the disposal authority granted by Administrative Order SWD-985-A 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,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

P.O. Box 2307

Santa Fe, NM 87504-2307

(505) 986-2678

sshahen@montand.com

ec: wmcginnis@montand.com

and

Ernest L. Padilla

Padilla Law Firm, P.A.

P.O. Box 2523

Santa Fe, NM 87504

(505) 988-7577
padillalawnm@outlook.com

Attorneys for Empire New Mexico, LLC

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. Applicant in the above-styled cause seeks an order revoking the injection authority granted by Administrative Order SWD-985-A, to dispose of produced water in the State E Tract 27 #001 well, API# 30-025-26317 (“Well”), a produced water disposal well located 430’ FSL and 1,980’ FWL of Section 18, Township 21 South, Range 37 East, NMPM, in Lea County, NM, near 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 3 miles northwest of Eunice, New Mexico.