

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-184 FOR THE BLINEBRY  
DRINKARD SWD #018 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 SWD-184. In support, Empire states as follows:

1. Rice Operating Company (“Rice”) is the operator of record for the Blinebry Drinkard SWD #018 well, API# 30-025-25616, also known as the Blinebry-Drinkard SWD System Well No. N-18 (“Well”), a produced water disposal well located approximately 1,100 feet from the South line and 2,250 feet from the West line of Section 18, Township 22 South, Range 37 East, NMPM, in Lea County, NM.
2. The Well is disposing of water into the unitized interval of the Arrowhead Grayburg Unit (“Unit”), 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 interval from approximately 3,900 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-184 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-184 for the Blinebry Drinkard SWD #018 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-184, to dispose of produced water in the Blinebry Drinkard SWD No. 18, API# 30-025-25616 (“Well”), a produced water disposal well located 1,100’ FSL and 2,250’ FWL of Section 18, Township 22 South, Range 37 East, NMPM, in Lea County, NM, within 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.