

**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-1263 FOR THE  
PENROC STATE E TR 27 SWD #2 WELL OPERATED BY  
GOODNIGHT MIDSTREAM PERMIAN, LLC,  
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-1263. In support, Empire states as follows:

1. Goodnight Midstream Permian, LLC (“Goodnight”) is the operator of record for the Penroc State E Tr 27 SWD #2, API# 30-025-26491, also known as the Piper #2 (“Well”), a produced water disposal well located approximately 330 feet from the South line and 880 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 formation, at a distance of approximately 5,608’ from the Arrowhead Grayburg Unit (“AGU”) and approximately 6,038’ from the Eunice Monument South Unit (“EMSU”), which are each operated by Empire.

3. The unitized interval of the EMSU extends from an upper limit described as 100 feet below mean sea level or at the top of the Grayburg formation, whichever is shallower, to the lower limit at the base of the San Andres formation (“EMSU Unitized Interval”). The vertical limits of the EMSU 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 unitized interval of the AGU 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 (“AGU Unitized Interval”).

5. The Wellbore diagrams indicate the well disposes into the San Andres formation through a perforated interval from approximately 4,100 to 4,675 feet below surface. The authorized permitted interval is 4100’ – 4650’ so the well could be disposing of water lower than its permitted interval.

6. Upon information and belief, Goodnight injects produced water from other formations, which is not compatible with the water in the Grayburg-San Andres formations.

7. Residual oil zones 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 EMSU and AGU Unitized Intervals, including the San Andres formation.

9. Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the EMSU and AGU Unitized Intervals and thereby adversely affects the correlative rights of Empire and other interest owners in the EMSU and AGU, resulting in waste.

10. Revocation of the disposal authority granted by Administrative Order SWD-1263 will prevent the waste of recoverable hydrocarbons and protect correlative rights.

WHEREFORE, Empire requests that this case be set for hearing on July 9, 2026, and that, after notice and hearing as required by law, the Division enter an order revoking the injection authority granted under Administrative Order SWD-1263.

Respectfully submitted,

SHAHEEN LAW NM LLC

/s/ Sharon T. Shaheen

Sharon T. Shaheen  
422 Medico Lane, Suite A  
Santa Fe, NM 87505  
(505) 469-1521  
[sharon@shaheenlaw.com](mailto:sharon@shaheenlaw.com)  
ec: [paralegal@shaheenlaw.com](mailto:paralegal@shaheenlaw.com)

Dana S. Hardy  
Jaclyn M. McLean  
Timothy B. Rode  
Jaime R. Fontaine  
**HARDY MCLEAN LLC**  
125 Lincoln Ave., Suite 223 Santa Fe, NM 87505  
(505) 230-4410  
[dhardy@hardymclean.com](mailto:dhardy@hardymclean.com)  
[jmclean@hardymclean.com](mailto:jmclean@hardymclean.com)  
[trode@hardymclean.com](mailto:trode@hardymclean.com)  
[jfontaine@hardymclean.com](mailto:jfontaine@hardymclean.com)

Corey F. Wehmeyer  
**SANTOYO WEHMEYER, P.C.**  
IBC Highway 281 N. Centre Bldg. 12400 San Pedro  
Avenue, Suite 300 San Antonio, Texas 78216  
(210) 998-4190  
[cwehmeyer@swenergylaw.com](mailto:cwehmeyer@swenergylaw.com)

*Attorneys for Empire New Mexico, LLC*

***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.*** Applicant in the above-styled cause seeks an order revoking the injection authority granted by Administrative Order SWD-1263, to dispose of produced water in the Penroc State E Tr 27 SWD #2 Well, API# 30-025-26491 (“Well”), a produced water disposal well located approximately 330 feet from the South line and 880 feet from the West line of Section 18, Township 21 South, Range 37 East, NMPM, in Lea County, NM, near the EMSU and AGU Unitized Intervals, which are operated by Applicant. The approved injection zone is within the San Andres formation, an interval that contains hydrocarbons in residual oil zones. The Well is located approximately 3.7 miles northwest of Eunice New Mexico.