

**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-20864 FOR THE SCULLY STATE
SWD NO. 1 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 Order No. R-20864. In support, Empire states as follows:

1. Goodnight Midstream Permian, LLC (“Goodnight”) is the operator of record for the Scully State SWD No. 1, API# 30-025-46398 (“Well”), a produced water disposal well located approximately 1,724 feet from the North line and 1,607 feet from the West line of Section 4, Township 22 South, Range 36 East, NMPM, in Lea County, NM.

2. The Well is disposing of water into the San Andres formation, at a distance of approximately 8,818 feet from the Arrowhead Grayburg Unit (“AGU”) and approximately 12,355 feet 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 Well disposes into the San Andres formation through a perforated interval from approximately 4,624 to 5,750 feet with permitted interval of 4,450 to 5,750 feet below surface.

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 Order No. R-20864 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 Order No. R-20864.

Respectfully submitted,

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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. Applicant in the above-styled cause seeks an order revoking the injection authority granted by Order No. R-20864, to dispose of produced water in the Scully State SWD No. 1 Well, API# 30-025-46398 (“Well”), a produced water disposal well located approximately 1724 feet from the North line and 1607 feet from the West line of Section 4, Township 22 South, Range 36 East, 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 6.8 miles west-southwest of Eunice, New Mexico.