

**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 formation at a distance of less than 8000’ from the Eunice Monument South Unit (“EMSU”), which is 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 Well disposes into the San Andres formation through a perforated interval from approximately 4,200 feet to 4,600 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 EMSU Unitized Interval, including the San Andres formation.

8. Disposal in the Well impairs the ability of Empire to recover hydrocarbons within the EMSU Unitized Interval and thereby adversely affects the correlative rights of Empire and other interest owners in the EMSU, resulting 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 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-985-A.

Respectfully submitted,

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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 EMSU Unitized Interval, which is 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 miles northwest of Eunice, New Mexico.