

**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-965 FOR  
THE BLINEBRY DRINKARD SWD #020 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-965. In support, Empire states as follows:

1. Rice Operating Company (“Rice”) is the operator of record for the Blinebry Drinkard SWD #020, API# 30-025-37168 (“Well”), a produced water disposal well located approximately 330 feet from the North line and 660 feet from the West line of Section 20, Township 22 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 794 feet from the Arrowhead Grayburg Unit (“AGU”), which is operated by Empire.

3. 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”).

4. The Well disposes into the San Andres formation through an open hole injection from approximately 3,906 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 AGU Unitized Interval, including the San Andres formation.

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

9. Revocation of the disposal authority granted by Administrative Order SWD-965 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-965.

Respectfully submitted,

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***Application of Empire New Mexico LLC to Revoke the Injection Authority Granted Under Administrative Order SWD-965 for the Blinebry Drinkard SWD #020 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-965, to dispose of produced water in the Blinebry Drinkard SWD #020 well, API# 30-025-37168 (“Well”), a produced water disposal well located 330’ FNL and 660’ FWL of Section 20, Township 22 South, Range 37 East, NMPM, in Lea County, NM, near the AGU 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 4 miles southwest of Eunice, New Mexico.