

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF LOURAY OIL COMPANY TO
REINSTATE ADMINISTRATIVE ORDER SWD-559
FOR A SALT WATER DISPOSAL WELL, LEA
COUNTY, NEW MEXICO.**

Carr 8-20-09
Case No. 14,3445

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Louray Oil Company
P.O. Box 2081
Lovington, New Mexico 88260

Attention: Ben Stone
(903) 488-9850

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

Armstrong Energy Corp.

OPPONENT'S ATTORNEY

William F. Carr

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order reinstating Division Administrative Order SWD-559 for a salt water disposal well, approving disposal into the Bone Spring formation in the Government E Well No. 1, located 610 feet from the south line and 1880 feet from the west line of Section 25, Township 19 South, Range 34 East, NMPM, at depths of 9716-10240 feet subsurface.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|--------------------------|------------------|-----------------|
| Ben Stone | 20 min. | Approx. 2 |
| Robert Lee/Jim Nicholson | 20 min. | Approx. 4 |

OPPONENT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
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PROCEDURAL MATTERS

Applicant requests that this case be continued to the August 20, 2009 docket. This request is unopposed.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Louray Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 15th day of July, 2009 by facsimile transmission:

William F. Carr
Holland & Hart LLP
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James Bruce