

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 AGUA SUCIA, LLC TO REINSTATE ADMINISTRATIVE ORDER
SWD-559 FOR A SALT WATER DISPOSAL WELL, LEA, EDDY COUNTY, NEW
MEXICO.

CASE NO. 14411

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted on behalf of Armstrong Energy Corporation by Holland & Hart LLP as required by the rules of the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Agua Sucia, LLC

ATTORNEY

James Bruce, Esq.
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Santa Fe, New Mexico 87504
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OPPONENT

Armstrong Energy Corporation
Robert G. Armstrong

ATTORNEY

William F. Carr, Esq.
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STATEMENT OF CASE

APPLICANT:

Applicant in the above-styled cause 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 24, Township 19 South, Range 34 East, NMPM, at depths of 9716 through 10240 feet subsurface.

OPPONENT:

Armstrong Energy Corporation opposes the application. There has been substantial activity at this well under the current and prior operator. Armstrong believes that past and proposed injection operations at this well, have damaged offsetting Armstrong Energy Corporation

operated properties and will continued to damage these properties in the future.

PROPOSED EVIDENCE

OPPONENT:

<u>WITNESSES</u> (Name and Expertise)	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Bruce Stubbs Reservoir Engineer	30 Minutes	Approx. 15
Robert G. Armstrong Practical Oil man and President of Armstrong Energy Corporation (MAY CALL)	15 Minutes	Approx. 4
Jerry Guy Fact Witness	15 Minutes	Approx. 5
Gary Wink Fact Witness	15 Minutes	Approx. 5

PROCEDURAL MATTERS

Armstrong Energy Corporation has an outstanding subpoena to compel the attendance and testimony of Louis Edgett. If Mr. Edgett appears, Armstrong will call him as an adverse witness.

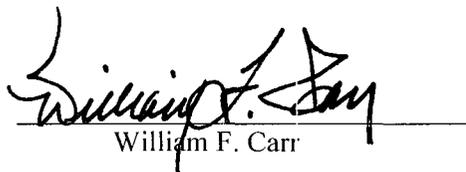


William F. Carr
Attorney for Armstrong Energy Corporation

CERTIFICATE OF SERVICE

I certify that on February 25, 2010 I served a copy of the foregoing document to the following by Facsimile:

James Bruce, Esq.
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William F. Carr