



October 28, 2010

HAND DELIVERY

Ms. Florene Davidson
Commission Clerk
Oil Conservation Commission
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

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Re: **PRE-HEARING STATEMENT AND EXHIBITS:**
Case No. 14411: Application of Agua Sucia, LLC to reinstate Division
administrative Order SWD-559 for Salt Water Disposal, Lea County, New Mexico.

Dear Ms. Davidson:

Pursuant to Oil Conservation Division Rule 19.15.14.1211 NMAC, Armstrong Energy Corporation files herewith its pre-hearing statement and six copies of the exhibits it will present at the November 4, 2010 Oil Conservation Commission hearing on the above-referenced application. By copy of this letter, I am providing this pre-hearing statement and exhibits to all parties of record in this case.

Very truly yours,

William F. Carr
Attorney for Armstrong Energy Corporation

Enclosures

cc: Parties of record:

David K. Brooks, Esq.
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1200 South Saint Francis Drive
Santa Fe, New Mexico 87505

James Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504
Fax: (505) 982-2151

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

**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 DE NOVO

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.
Post Office Box 1056
Santa Fe, New Mexico 87504
Fax: (505) 982-2151

OPPONENT

Armstrong Energy Corporation
Robert G. Armstrong

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

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

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operated properties and will continue to damage these and other producing properties in the future.

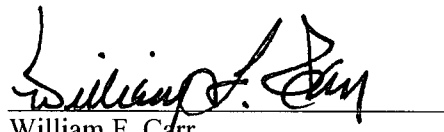
PROPOSED EVIDENCE

OPPONENT:

<u>WITNESSES</u> (Name and Expertise)	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Bruce Stubbs Reservoir Engineer	40 Minutes	Approx. 15
Jerry Guy Fact Witness	15 Minutes	Approx. 5
Gary Wink Fact Witness	20 Minutes	Approx. 5
Robert G. Armstrong Attorney and President of Armstrong Energy Corporation (MAY CALL)	15 Minutes	Approx. 4

PROCEDURAL MATTERS

None at this time.



William F. Carr
Attorney for Armstrong Energy Corporation

CERTIFICATE OF SERVICE

I certify that on October 28, 2010 I served a copy of the foregoing document to the following by Facsimile:

James Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504
Fax: (505) 982-2151

