

**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:**

CASE NO. 12885

**APPLICATION OF ARMSTRONG ENERGY
CORPORATION FOR APPROVAL FO A PRESSURE
MAINTENANCE PROJECT AND FOR
QUALIFICATION OF THE PROJECT AREA FOR THE
RECOVERED OIL TAX RATE PURSUANT TO THE
ENHANCED OIL RECOVERY ACT, LEA COUNTY,
NEW MEXICO.**

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PRE-HEARING STATEMENT

Holland & Hart LLP submits this Pre-Hearing Statement as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Armstrong Energy Corporation
Attention: Mr. Bruce Stubbs
Sunwest Centre, Suite 1000
Post Office Box 1973
Roswell, NM 88202

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988.4421

STATEMENT OF CASE

APPLICANT

Applicant seeks approval of a pressure maintenance project by the injection of water into the third sand interval of the Cherry Canyon formation of the Delaware Mountain group which is within the Northeast Lea-Delaware Pool, through its Mobil Lea State Well No. 8 to be drilled as an injection Well at a point 330 feet from the South line and 1650 feet from the West line of Section 2, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant also seeks to qualify this project for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act. Said lease is located approximately 24 miles SW of Hobbs, New Mexico.

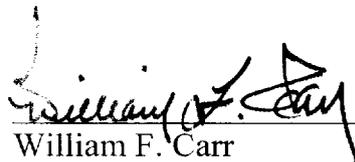
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Bruce Stubbs (Petroleum Engineer)	Approx. 15 Minutes	3

PROCEDURAL MATTERS

Armstrong Energy Corporation has none at this time.



William F. Carr
Attorney for Armstrong Energy Corporation