

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

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

CASE NO. 14342

APPLICATION OF ARMSTRONG ENERGY  
CORPORATION FOR APPROVAL OF A  
WATERFLOOD PROJECT FOR ITS ROUND TANK-  
QUEEN WATERFLOOD UNIT AREA AND  
QUALIFICATION OF SAID PROJECT FOR THE  
RECOVERED OIL TAX RATE PURSUANT TO THE  
ENHANCED RECOVERY ACT, CHAVES COUNTY,  
NEW MEXICO.

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 ITS Round Tank-Queen Waterflood Unit comprised of 1922.72 acres, more or less of State of New Mexico and Federal lands located in Chaves County, New Mexico, more particularly described as follows:

**TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM**

Section 24: E/2, E/2 W/2  
Section 25: E/2

**TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM**

Irregular Section 19: Lots 1 through 4, E/2 W/2  
(W/2 Equivalent), SE/4  
Irregular Section 30: Lots 1 through 4, E/2 W/2  
(W/2 Equivalent), E/2

Applicant seeks authorization to inject water into the Queen formation, round Tank-Queen pool, through its proposed round Tank Federal Well No. 1 to be drilled 715 feet from the North line and 825 feet from the East line of Section 30, Township 15 South, Range 29 East, NMPM. Applicant proposes to inject up to 200 barrels of water per day at a maximum injection pressure of 300 psi, into the Queen formation, at an approximate depth of 1575 feet to 1590 feet.

The applicant requests that the Division establish procedures for administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

**PROPOSED EVIDENCE**

**APPLICANT**

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Bruce Stubbs (Petroleum Engineer)	Approx. 20 Minutes	10

Tom King  
Geologist  
(May Call)

**PROCEDURAL MATTERS**

Armstrong Energy Corporation will request that this case be consolidated for hearing with Case No. 14341.



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William F. Carr  
Attorney for Armstrong Energy

Corporation

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