



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

RECEIVED OCD  
2010 OCT 28 P 3:45

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 NOV09**

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**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

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

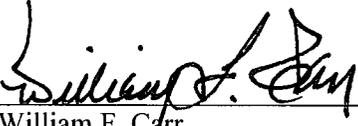
**PROPOSED EVIDENCE**

**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**

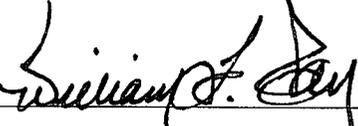
None at this time.

  
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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

  
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