

**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.**

**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.

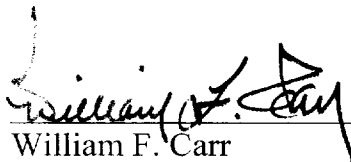
## **PROPOSED EVIDENCE**

### **APPLICANT**

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

## **PROCEDURAL MATTERS**

Armstrong Energy Corporation has none at this time.

  
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William F. Carr  
Attorney for Armstrong Energy Corporation