

RECEIVED OCD

2011 SEP 12 P 11:57



MODRALL SPERLING  
LAWYERS

September 9, 2011

William C. Scott  
505.848.1824  
Fax: 505.449.2024  
bscott@modrall.com

Jami Bailey, Director  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Targa Midstream Services Ltd. Partnership, n/k/a  
Targa Midstream Services LLC  
Monument AGI Well #1  
662' FSL and 2513' FEL ("O") Sec. 36, T-19-S, R-36-E NMPM  
Lea County, New Mexico  
OCD Order No. R-13052

Dear Ms. Bailey:

On behalf of Targa Midstream Services Ltd. Partnership, n/k/a Targa Midstream Services LLC ("Targa"), as operator of the Versado Gas Processors, LLC, we are writing to request an extension of time through and including January 15, 2012, to drill the Monument AGI Well No. 1 and to commence injection operations as authorized by the Oil Conservation Division's Order No. R-13052 (the "Order"). The Oil Conservation Division issued the Order on November 18, 2008. Paragraph 15 of the Order provides that the "injection authority herein granted shall terminate one year after the effective date of this Order if the operator has not commenced injection operations pursuant hereto; provided however, the Division Director, upon written request of the operator received by the Division prior to the end of the one-year period of that injection, may extend this time for good cause."

On September 9, 2010, we submitted a written request to you for an extension of time pursuant to Paragraph 15 of the Order. We requested that extension on behalf of Targa allow Targa time to obtain all permits and approvals required under the terms of the Order and a January 5, 2010 settlement agreement between the New Mexico Environment Department and Targa. The settlement agreement with NMED requires Targa to install and commence operation of an acid gas injection well at its Monument plant by January 15, 2012. Targa has since worked diligently and has obtained the necessary permits and approvals from the NMED for the Monument well.

On July 12, 2011, Targa filed its application with Oil Conservation Division (the "Division") to amend Division Order No. R-13052 to (1) delete the requirement to re-enter and replug NMGSAU Well No. 285 (API 30-025-12481), and (2) retain the Graham State NCT-F Well No. 7 (API 30-025-12482) as an active saltwater disposal

Modrall Sperling  
Roehl Harris & Sisk P.A.

Bank of America Centre  
500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
www.modrall.com

Ms. Jami Bailey  
September 9, 2011  
Page 2

well into the San Andres formation per Division Order Nos. SWD-561 and SWD-561-A. The Division originally set that application for hearing on the Division's August, 18, 2011 docket. Subsequently, Ms. Florene Davidson contacted me to advise that you had determined that the application should be heard by the Oil Conservation Commission (the "Commission"), not the Division and that the application therefore had been transferred to the Commission's September 22, 2011 docket.

Targa thus requests an extension of time under through and including January 15, 2012 to allow time for (i) completion of the hearing and issuance of a decision on its pending application, (ii) any post hearing filings or work that may be necessary, and (iii) completion of any other preconditions to finalizing construction of and commencing operation of the Monument AGI Well.

Thank you for your consideration of this request. If you should require any additional information or should have any questions, please feel free to contact me.

Sincerely,



William C. Scott

WCS/ndm

cc: Targa Midstream Services LLC