

Jones, William V., EMNRD

From: Phillips, Dorothy, EMNRD
Sent: Friday, March 09, 2007 2:53 PM
To: Jones, William V., EMNRD
Subject: FW: Targa Resources, Inc. Surety Bond (Blanket Plugging Bond No. 5872667)

We have processed the change of name for Dynegy Midstream Services LP to Targa Midstream Services LP. Targa has a blank Dynegy's old OGRID and now all records are under Targa.

From: Jones, William V., EMNRD
Sent: Friday, February 02, 2007 2:57 PM
To: Phillips, Dorothy, EMNRD
Cc: aag@geolex.com; Brooks, David K., EMNRD; Bradshaw, David, EMNRD; William F Carr (wcarr@hollandhart.com)
Subject: RE: Targa Resources, Inc. Surety Bond (Blanket Plugging Bond No. 5872667)

Dorothy:
Thank you for the thorough reply. I am copying the parties on this.

Alberto: Below is Dorothy's reply. Please read and forward to the appropriate officials with Targa. They can work directly with Dorothy as needed, or you could have Bill Carr make sure it goes well.

Will

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: Phillips, Dorothy, EMNRD
Sent: Friday, February 02, 2007 2:20 PM
To: Jones, William V., EMNRD
Subject: RE: Targa Resources, Inc. Surety Bond (Blanket Plugging Bond No. 5872667)

Will, first they have to be registered with the Secretary of State under new name. Then they have to submit paperwork to David Brooks to see if this indeed a name change. If so, the OGRID remains the same and a rider to the existing bond changing the name of principal must be submitted. We need an original signed copy. If he determines this to be a change of operator, then a new OGRID will be issued and a rider or a new bond will have to be submitted for Targa. They can contact David Brooks at (505) 476-3450 or by email at david.brooks@state.nm.us to see what exactly he needs to make his determination.

Once, David determines which it is, then Dynegy will have to do the change of name or operator online. They can contact me or David Bradshaw and we can walk them through the process. If it is a name change then the corporate documentation will also have to be submitted to SLO and Tax and Rev for their permission to change the name on the OGRID. If it is a change of operator, then SLO and Tax and Rev to do not have to be advised. It is treated as a new entity. Please let your contact know of these procedures or have them call me. Thanks.

3/9/2007

From: Jones, William V., EMNRD
Sent: Friday, February 02, 2007 1:45 PM
To: Phillips, Dorothy, EMNRD
Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD; Chavez, Carl J, EMNRD; Price, Wayne, EMNRD
Subject: FW: Targa Resources, Inc. Surety Bond (Blanket Plugging Bond No. 5872667)
Importance: High

Hello Dorothy:

Please check this attachment out and let me know if it is already filed in the correct place in our records - if not, here it is?

Let me know if it looks OK as a bond to cover Targa Midstream Services, LP for another newly drilled Acid Gas Injection well to be located near Eunice.

Thank You,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: Alberto A. Gutierrez, RG [mailto:aag@geolex.com]
Sent: Friday, February 02, 2007 12:13 PM
To: Jones, William V., EMNRD
Cc: Brooks, David K., EMNRD; 'White, Clark'; 'Wrangham, Calvin W.'; 'William Carr'
Subject: Targa Resources, Inc. Surety Bond (Blanket Plugging Bond No. 5872667)
Importance: High

Dear Hearing Examiner Jones,

Pursuant to your request yesterday at the hearing on Case Number 13865, we have located the appropriate plugging bond that you could not locate in the Division files. Attached you will find a scanned copy of the name change rider that should have been filed with the OCD in December 2005. Perhaps the bond name was never changed in the Division files from Dynegy to Targa. In any case, I believe this is the document you were searching for yesterday. Please advise if the Division's records don't show this as having been filed so we can make sure it is corrected.

Furthermore, in response to your question regarding the actual correct name for the operator of record; that would be Targa Midstream Services, LP.

Also please advise if you need any additional information from us to prepare the order.

Thanks for your careful attention at yesterday's hearing. Please let me know if we can be of any further assistance in this matter.

Regards,

Alberto A. Gutierrez, RG
Geolex, Inc.⁹ on behalf of Targa Resources, Inc. and Targa Midstream Services LP

Enclosure (1)

3/9/2007



**Targa
Resources, Inc.**

Memorandum

To: Cal Wrangham
From: Laura DeLeon
Date: 12/21/2005
Re: Name Change Rider

Enclosed is the Name Change Rider for each of the following bond. Please include with other name change documents to be file with the state.

Bond No. 5872667

Blanket Plugging Bond

If you have any questions, please do not hesitate to contact me at extension 4-1117.

Thank you

SURETY RIDER

MILLENNIUM CORPORATE PARK
BLDG. C
18400 NE UNION HILL ROAD
REDMOND, WA 98052

To be attached to and form a part of

Bond No. 5872667

Type of

Bond: Blanket Plugging Bond

dated
effective 08/20/1996
(MONTH-DAY-YEAR)

executed by DYNEGY MIDSTREAM SERVICES, LIMITED PARTNERSHIP, as Principal,
(PRINCIPAL)

and by SAFECO INSURANCE COMPANY OF AMERICA, as Surety,

in favor of the STATE OF NEW MEXICO, OIL CONSERVATION DIVISION
(OBLIGEE)

In consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing
the name of the Principal

From: DYNEGY MIDSTREAM SERVICES, LIMITED PARTNERSHIP

To: TARGA MIDSTREAM SERVICES LIMITED PARTNERSHIP

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider
is effective 11/29/2005
(MONTH-DAY-YEAR)

Signed and Sealed 11/29/2005
(MONTH-DAY-YEAR)

TARGA MIDSTREAM SERVICES LIMITED PARTNERSHIP

By: William E. Pulos AMY
(PRINCIPAL)
(PRINCIPAL)

SAFECO INSURANCE COMPANY OF AMERICA

(SURETY)
By: Janie Cermeno
(ATTORNEY-IN-FACT) Janie Cermeno



SAFECO

POWER
OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. 6485

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

PHYLLIS RAMIREZ; JANIE CERMENO; PHILIP N. BAIR; VICIE COLEMAN; JIMMYE LANGFORD; MILDRED L. MASSEY; ERIC S. FEIGHL; JOYCE A. JOHNSON; Houston, Texas**

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 27th day of November, 2002

CHRISTINE MEAD, SECRETARY

MIKE MCGAVICK, PRESIDENT

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Christine Mead, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 29th day of November, 2005



CHRISTINE MEAD, SECRETARY

**IMPORTANT NOTICE TO SURETY BOND CUSTOMERS REGARDING
THE TERRORISM RISK INSURANCE ACT OF 2002**

As a surety bond customer of one of the SAFECO insurance companies (SAFECO Insurance Company of America, General Insurance Company of America, First National Insurance Company, American States Insurance Company or American Economy Insurance Company), it is our duty to notify you that the Terrorism Risk Insurance Act of 2002 extends to "surety insurance". This means that under certain circumstances we may be eligible for reimbursement of certain surety bond losses by the United States government under a formula established by this Act.

Under this formula, the United States government pays 90% of losses caused by certified acts of terrorism that exceed a statutorily established deductible to be paid by the insurance company providing the bond. The Act also establishes a \$100 billion cap for the total of all losses to be paid by all insurers for certified acts of terrorism. Losses on some or all of your bonds may be subject to this cap.

This notice does not modify any of the existing terms and conditions of this bond, the underlying agreement guaranteed by this bond, any statutes governing the terms of this bond or any generally applicable rules of law.

At this time there is no premium change resulting from this Act.