

December 18, 2007

Mr. Carl Chavez
Environmental Engineer
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

VIA FEDERAL EXPRESS
PRIORITY OVERNIGHT

RE: AMENDMENT TO APPLICATION BY SOUTHERN UNION GAS SERVICES FOR
RENEWAL OF DISCHARGE PLAN GW-010 - JAL #3 NATURAL GAS PLANT

Dear Mr. Chavez:

Pursuant to our conversation a couple of weeks ago regarding Southern Union Gas Services, Ltd. (SUGS) plans for replacing the existing Class II disposal well at the Jal #3 Plant with a combined acid gas/Class II wastewater disposal well, we hereby submit the enclosed amendment to the Discharge Plan Application submitted in August 2007 (which is still in completeness review) for renewal of a discharge plan for the Jal #3 Natural Gas Processing Plant. The Jal #3 Natural Gas Processing Plant, located in the West Half of the West Half of Section 33, Township 24 South, Range 37 East in Lea County, New Mexico (32°10'27" North, 103°10'27" West). The proposed injection well is the subject of a separate C-108 application being submitted to NMOCD which will be set for hearing in February 2008. The C-108 application is being noticed this week and is also being submitted to NMOCD this week.

The amendment to the discharge plan renewal application is attached. The Table of Contents in the amendment references the portions of the pending discharge plan application which will be affected by the proposed change in the disposal well. Since the plan is for the new well to be completed only about 200' east of the existing well on the Jal #3 plant and the well will continue to take all the plant wastewater, the wastewater piping changes are minimal. The other waste streams at the plant, as described in the original application, will not change. The details of the proposed acid gas/wastewater injection system are included in the C-108 application. I have also enclosed a copy of the entire C-108 application and Draft R118 plan revision for your reference as Appendix I.

Also included for your review is a revised draft of the public notice required in NMWQCC section 20.6.2.3108 (which was included as Appendix H to the August discharge plan renewal application). Following NMOCD review and acceptance, we propose to post this notice using a 2'x3' sign, in English and Spanish, at the gate of the above-named facility. Identified adjacent land owners will be provided with copies of this notice by mail, and any owners other than SUGS within 1/3 mile of the proposed discharge site will be notified by certified, receipt-requested mailing. The notice will also be advertised, in English and Spanish, in a 3" by 4" display advertisement in the *Hobbs News-Sun*.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 14080..... Exhibit No. 3

Submitted by:


SOUTHERN UNION GAS SERVICES, LTD.

Hearing Date: February 7, 2008

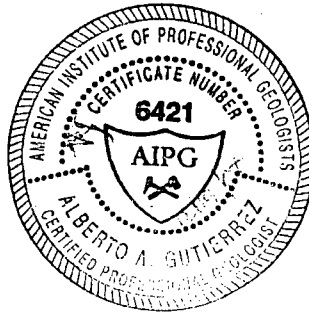
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Please contact me in this matter, Alberto A. Gutierrez, RG (Geolex, Inc.) at (505) 842-8000, if you have any questions or require additional information regarding this submittal. I look forward to speaking with you regarding this in January. Have a happy holiday.

Sincerely,
Geolex, Inc.®



Alberto A. Gutierrez, CPG
President



Enclosures

Amendment to Renewal Application for NMOCD DP GW-010
C-108 Application for SUGS Jal #3AGI #1 (Appendix I in amendment)

cc: Will Jones, NMOCD – Santa Fe, NM
Bruce Williams, SUGS-Ft. Worth, TX
Tony Savoie, SUGS – Jal, NM
Herb Harless, SUGS – Ft. Worth, TX
Ross Boyd, SUGS – Midland, TX
Dwight Bennett, SUGS – Jal, NM
William Carr, Holland & Hart, Santa Fe, NM