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April 15, 2008

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Reply to Santa Fe Office

Hand-Delivered

Ms. Florene Davidson
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Case 14120

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Re: *NMOCD Case No. 14120: Application of Targa Midstream Services
L.P. for Approval of and Acid Gas Injection Well, Lea County, New
Mexico*

Dear Ms. Davidson:

Enclosed for filing are the original and two copies of the Application in the above-referenced matter. On behalf of Targa Midstream Services L.P., we request that this Application be set for hearing on the May 15, 2008 examiner hearing docket.

Enclosed in hard-copy and on disk is a proposed advertisement for the case.

Thank you.

Very truly yours,

Montgomery & Andrews, P. A.

J. Scott Hall

J. Scott Hall

JSH/kfh

Enclosures: As stated

cc: Cary Loughman, Esq.
Michael L. Pierce

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
TARGA MIDSTREAM SERVICES L.P.
FOR APPROVAL OF AN ACID GAS INJECTION WELL
LEA COUNTY, NEW MEXICO

CASE NO. 14/20

APPLICATION

TARGA MIDSTREAM SERVICES L.P. by its undersigned attorneys,
Montgomery and Andrews, P.A., (J. Scott Hall) hereby makes application pursuant to,
inter-alia, Division Rule 701 for an order approving the use of the Graham State NCT-F
Well No. 7 for acid-gas injection operations. In support, Applicant states:

1. Applicant is the operator of the following well, (the "Subject Well"),
in Lea County, New Mexico:

Graham State NCT-F Well No. 7

API No. 30-025-12482
330' FSL and 1,650' FEL
Section 36: SW/4 SE/4
T-19-S, R-36-E, NMPM

2. The Subject Well is currently operated by Applicant as a salt water disposal well
pursuant to Division Permit No. SWD-561. Applicant proposes to convert the disposal
well to acid-gas injection operations.

3. Applicant proposes injection of acid gas and water through a closed system into
the lower San Andres formation, Eunice Monument Pool, through perforations at depths
of 4,285' to 4,800' at an anticipated injection pressure of 0 psi. Applicant proposes
injection at average daily rates of approximately 3,500 bbls and 2.66 mmcf/d of acid gas
and water and at maximum daily rates of approximately 5,000 bbls and 3.38 mmcf/d.

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The source of the injected fluids will be the Targa Midstream Services L.P. Monument Gas Plant.

4. Applicant's proposed injection operation can be conducted in a safe and responsible manner without causing waste, impairing correlative rights or endangering fresh water, public health or the environment.

WHEREFORE Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on May 15, 2008 and that after notice and hearing as required by law, the Division enter its Order approving the conversion of the Graham State NCT-F Well No. 7 for acid-gas injection operations, for the injection of acid-gas fluids into the Lower San Andres formation at the intervals and at the pressures, volumes and rates indicated, and making such other and further provisions as the Division determines appropriate.

MONTGOMERY & ANDREWS, P.A.

By: J. Scott Hall

J. Scott Hall
Attorneys for Targa Midstream Services L.P.
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Case 14120: *Application of Targa Midstream Services L.P. for Approval of an Acid-Gas Injection Well, Lea County, New Mexico.* Applicant seeks approval to convert the following salt water disposal well for use for acid-gas injection operations:

Graham State NCT-F Well No. 7

API No. 30-025-12482

330' FSL and 1,650' FEL

Section 36: SW/4 SE/4

T-19-S, R-36-E, NMPM

Applicant proposes the injection of acid gas and water through a closed system into the lower San Andres formation, Eunice Monument Pool, through perforations at depths of 4,285' to 4,800' at average daily rates of approximately 3,500 bbls and 2.66 mmcfpd with maximum daily rates of approximately 5,000 bbls and 3.38 mmcfpd at an injection pressure of 0 psi. The subject well is located approximately 4 miles west of Monument, New Mexico.

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