

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company: Targa Midstream Services L P	Contact: James Lingnau 505.394.2534
Address: PO Box 1909 Eunice, NM 88231	Telephone No. (505) 394-2534
Facility Name: Eunice North Compressor Station	Facility Type: Natural Gas Compressor Station

Surface Owner: Versado Gas Processors, L.P.	Mineral Owner:	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	28	21S	37 E					Lea

Latitude 32.4508 N Longitude -103.1622W

NATURE OF RELEASE

Type of Release: Natural Gas leak on compressor ignited.	Volume of Release: Approximately 250 Mcf of Natural Gas leaked but was burned.	Volume Recovered: None
Source of Release: Natural Gas Compressor	Date and Hour of Occurrence: 10/09/07 12:15 PM MT	Date and Hour of Discovery Same
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Gary Wink Hobbs OCD	
By Whom? Cal Wrangham	Date and Hour 10/09/07 12:30 PM MT	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

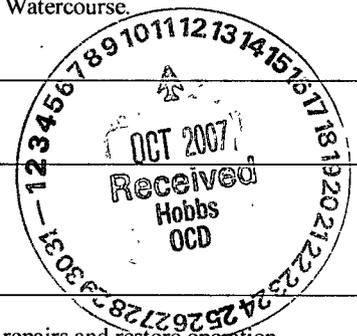
If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken. *
Natural Gas Leak on Natural Gas Compressor that found ignition source and started a fire.

Describe Area Affected and Cleanup Action Taken.*
North Compressor Station Engine Room. Incident investigation in progress and plans being made to make repairs and restore operation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Don Embrey</i>	OIL CONSERVATION DIVISION	
Printed Name: Don Embrey	<i>Johnson</i> Approved by District Supervisor:	
Title: Advisor	Approval Date: 10.11.07	Expiration Date: 12.10.07
E-mail Address: dembrey@targaresources.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10/10/07 Phone: (432) 688-0546	SUBMITTAL OF FINAL C-141 w/ DOCUMENTATION BY	



* Attach Additional Sheets If Necessary

RP#1617

News-Sun

JAL EUNICE HOBBS LOVINGTON TATUM SEMINOLE DENVER CITY

Gas plant fire prompts evacuation in Eunice

MICHELLE A. FOX
NEWS-SUN

Students from Eunice Holiness Academy had an unplanned field trip Tuesday from their school on 1901 N. Main when a fire ripped through a nearby gas plant and caused the evacuation of the school, six businesses and 30 homes.

"They made us come to the Community Center," said one of the school's teachers. "It (the fire) rattled the windows."

Some in the area reported hearing an explosion, but fire officials, as well as the Eunice mayor, could not say for sure whether the noise

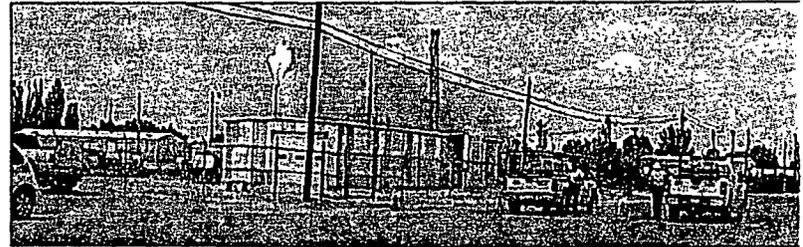
was an explosion or the sound of gas igniting and going up in flames. Whatever the sound was, people heard it and felt it.

"There was a large rattle of buildings," said Eunice Mayor Matt White. "We don't know whether that was an explosion or an ignition."

Rumors then started that one of the plant's two engine rooms had exploded and they were expecting the second to follow suit.

The Holiness students, however, didn't seem at all scared by the prospect of an explosion happening so close to their school. They just

SEE FIRE, Page 5



RENE LOPEZ/COL

The road at Avenue O and Main in Eunice was blocked off at noon Tuesday as dealt with a fire at a nearby gas plant.

Fire

from PAGE 1

wanted to know what it was.

"We were like, 'What was that?'" said one Holiness' student. "The whole building shook."

After spending at least an hour at the Eunice Community Center running back and forth across the gym floor, the Holiness students were sent home.

The fire started just north of Eunice at the North Eunice Compressor Station of Versado Gas Processors LLC, a company operated by Targa Midstream Services.

"I think the most important thing is the fire was contained on the property," said Joe Bob Perkins, president of Targa Resources Inc., parent company of the midstream operator.

"All employees and contractors are accounted for," Perkins said.

Cause unknown

The cause of the fire is not known yet, though Perkins said Targa would examine the compressor equipment that caught fire to determine the cause. Targa employees reported the fire to the Eunice Fire Department at 11:29 a.m., and evacuations had started within seven minutes, Perkins said.

Within minutes of the fire, Lea County Sheriff Deputies, members of the county's environmental department and New Mexico State Police had a section of Main Street blocked

'We were like,

'What was that?' The whole building shook.'

Eunice student

off. By 12:15 p.m., thick black smoke could be seen billowing in the sky over Eunice as fire crews from Hobbs, Monument, Knowles and Eunice fire departments worked to put out the blaze.

All the while sheriff's deputies told people coming into Eunice on the north loop they had to turn around and come into town from the Andrews Highway.

The fire was extinguished by 1:56 p.m., according to the Eunice Fire Department. By 2:15 p.m. Eunice residents were allowed to return to their homes.

Despite the potential danger posed by a gas fire at a compression station, no one, including the workers at the station, was injured. Within minutes of the report of the fire, Targa had shut off the gas in the line where the fire had started, which cut off the fire's fuel source and made combating the flames a little easier for firefighters.

"We shut off the gas and let it burn out," said Clark White, a representative with Targa.

Fire officials also dispelled rumors that there was not enough water to fight the fire so oilfield tankers full of water had to be brought in.

According to White, the firefighters had no issues with water. Two hydrants were used and water tankers from Key Energy and Russ Construction were brought in just in case but were not used.

Chris Williams, district manager of the Hobbs office of the Oil Conservation Division, said staff manager Gary Wink went to the emergency command center in an advisory capacity.

"We act as technical advisers," Williams said about oil and gas incidents.

New Mexico State Police are the first state agency to respond in hazardous situations that may affect the public health, he said.

Wearing down

The compressor that caught fire is designed to turn low-pressure natural gas into high-pressure gas for the purpose of gathering and processing. The compressor equipment is similar to a lawn mower, Perkins said, because it can wear down after awhile and stop functioning as it once did.

"It's too early to say what failed," Perkins said.

Formed in 2003, Targa Resources provides midstream services in natural gas and natural gas liquids. The company owns and operates more than 11,300 miles of natural gas gathering and NGL pipelines.

Targa has about 35 employees in the Eunice area and about 55 in the broader Hobbs area, including at a Monument facility.