



2006 DEC 27 PM 4 02

December 27, 2006

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13865

Re: Application of Versado Gas Processors, LLC operated by Targa Resources, LLC for approval of an acid gas injection well, Lea County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the application of Targa Resources, LLC in the above-referenced case as well as a copy of a legal advertisement. Targa requests that this matter be placed on the docket for the February 1, 2007 Examiner hearings.

Sincerely,

Ocean Munds-Dry
Ocean Munds-Dry

Enclosures

cc: Will Jones (w/o enclosures)
Alberto Gutierrez (w/o enclosures)

CASE 13865. Application of Versado Gas Processors, LLC operated by Targa Resources, LLC for approval of an acid gas injection well, Lea County, New Mexico. Applicant seeks approval to utilize its proposed Versado AGI Well No. 1, to be drilled 1200 feet from the West line and 2580 feet from the South line of Section 27, Township 22 South, Range 37 East, NMPM, to inject up to 2500 barrels of acid gas per day, at a maximum pressure of 2000 psi, into the San Andres Formation, at an approximate depth of 4500 feet to 5000 feet. This proposed well will replace Eunice Gas Plant SWD Well No. 1 (API No. 30-025-21497) at this location. Versado may be contacted through its representative, Mr. Alberto Gutierrez, 500 Marquette Ave NW, Suite 1350, Albuquerque, New Mexico 87102 or (505) 842-8000. Interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days. This well is located approximately 5 miles south of Eunice, New Mexico.

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Skelly Oil Company				Address Box 38 - Hobbs, New Mexico			
Lease Emice Gasoline Plant SWD	Well No. 1	Unit Letter L	Section 27	Township 22-S	Range 37-E		
Date Work Performed Nov. 8 thru 9, 1961	Pool Langlie Mattix			County Lea			

THIS IS A REPORT OF: (Check appropriate block)

- Beginning Drilling Operations
 Casing Test and Cement Job
 Other (Explain):
 Plugging
 Remedial Work
 Completing

Detailed account of work done, nature and quantity of materials used, and results obtained.

Drilled 4140'. Set 123 joints (4000') of new 7" OD 20# 8-R SS J-55 RT&C casing at 4010' and cemented with 1750 sacks by Halliburton Pump & Plug Process. Cement circulated to surface. Plug down at 8:30 A.M. November 8, 1961. W. O. C. 36 hours. Pressured up to 1500# for 30 minutes and casing tested OK. Drilled out cement plug and pressured up to 1500# for 30 minutes and casing shut off tested OK.

Reached total depth of 4550' on November 12, 1961. Treated open hole section 4010-4550' with 3000 gals. 15% Reg. Acid by Halliburton Company. Well completed as a Salt Water Disposal Well.

SWD-29

Witnessed by R. L. Calhoun	Position Dist. Foreman	Company Skelly Oil Company
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FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

D F Elev.	T D	P B T D	Producing Interval	Completion Date
Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth	
Perforated Interval(s)				
Open Hole Interval		Producing Formation(s)		

RESULTS OF WORKOVER

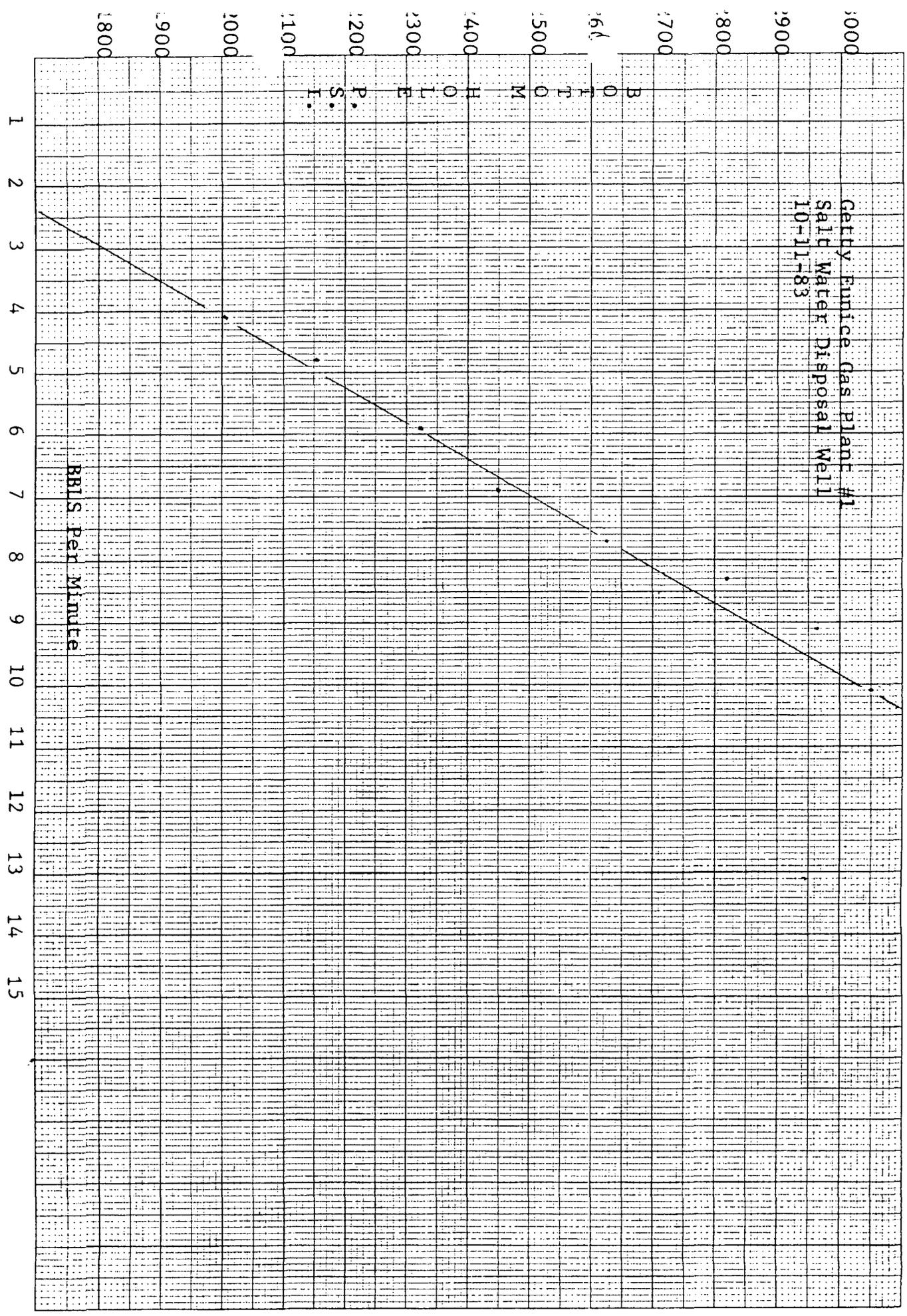
Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION

I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved by <i>[Signature]</i>	Name <i>J. E. Aub</i>
Title <i>[Signature]</i>	Position Dist. Supt.
Date	Company Skelly Oil Company

Getty Fumice Gas Plant #1
 Said Water Disposal Well
 10-11-83



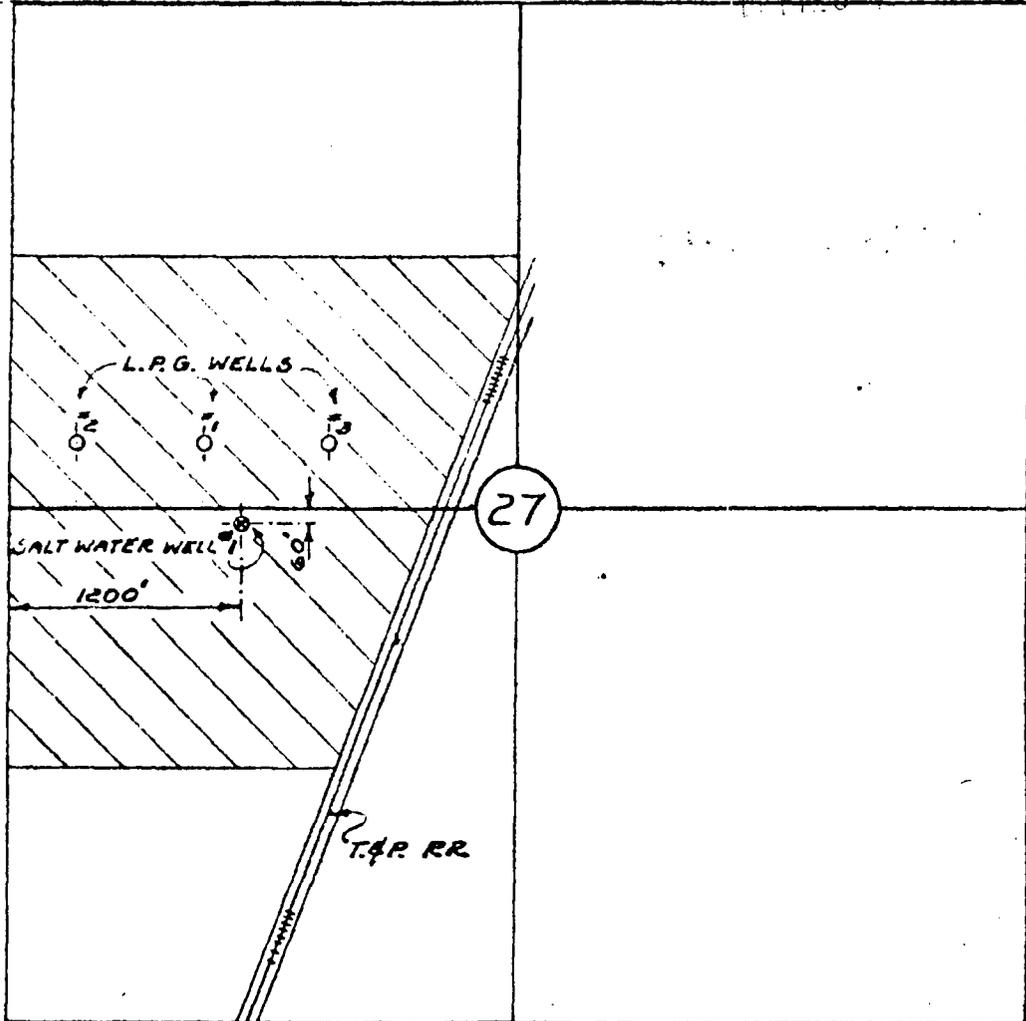
BBLs Per Minute

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

0231 94

K^oΣ 10 X 10 TO 1/2 INCH 7 X 10 INCHES
 KEUFFEL & ESSER CO. MADE IN U.S.A.

16



SECTION 27-225-37E
 LEA COUNTY, NEW MEXICO

SKELLY OIL COMPANY		MANUFACTURING DEPARTMENT	
LOCATION OF SALT WATER DISPOSAL WELL #1.			
PLANT EUNICE #1	DRAWN JCK	A.F.E. 7926	GA-935
DATE 7-20-61	SCALE 1"=1000'	CH'K'D F.M.	

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Skelly Oil Company				Address Box 38 - Hobbs, New Mexico			
Lease Eunice Gasoline Plant SWD	Well No. 1	Unit Letter 1L	Section 27	Township 22 S	Range 37 E		
Date Work Performed	Pool Langlie Mattix			County Lea			

THIS IS A REPORT OF: (Check appropriate block)

- Beginning Drilling Operations
 Casing Test and Cement Job
 Other (Explain):
 Plugging
 Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

Well spudded October 26, 1961. Set 10 joints of (288') new 10-3/4" OD 32.7# SS H-40 RT&C casing at 300' and cemented with 300 sacks by Halliburton Pump & Plug Process. Cement circulated to surface. Plug down at 8:00 A.M. October 27, 1961. W.O.C. 24 hours. Pressure up to 600# for 30 minutes and casing tested OK. Drilled out cement plug and pressured up to 600# for 30 minutes and casing shut off tested OK.

Witnessed by Robert L. Calhoon	Position Dist. Foreman	Company Skelly Oil Company
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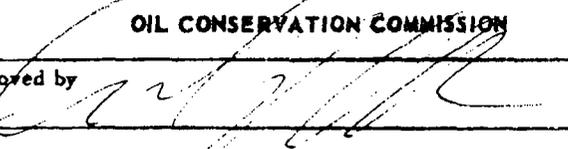
FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

ORIGINAL WELL DATA

D F Elev.	T D	P B T D	Producing Interval	Completion Date
Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth	
Perforated Interval(s)				
Open Hole Interval			Producing Formation(s)	

RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION		I hereby certify that the information given above is true and complete to the best of my knowledge.	
Approved by 	Name J. E. Aub		
Title	Position Dist. Supt.		
Date	Company		

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U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL
	GAS
PRODUCTION OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Form O-101
Revised (12/1/55)

NOTICE OF INTENTION TO DRILL

Notice must be given to the District Office of the Oil Conservation Commission and approval obtained before drilling or recompletion begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in QUINTUPLICATE. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission. If State Land submit 6 Copies Attach Form O-128 in triplicate to first 3 copies of form O-1

Box 1650, Tulsa, Oklahoma

August 23, 1961

(Place)

(Date)

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Gentlemen:

You are hereby notified that it is our intention to commence the Drilling of a well to be known as

Skelly Oil Company

(Company or Operator)

Eunice Gasoline Plant SWD

(Lease)

Well No. **1**, in **L** (Unit) The well

located **1200** feet from the **West** line and **60** feet from the

North line of the SW/4

of Section **27**, T. **22-S**, R. **37-E**, NMPM.

(GIVE LOCATION FROM SECTION LINE)

Langlie-Mattix Pool, **Lea** County

If State Land the Oil and Gas Lease is No. **-**

If patented land the owner is **Skelly Oil Company**

Address **Box 1650, Tulsa, Oklahoma**

We propose to drill well with drilling equipment as follows: **Rotary Tools**

The status of plugging bond is **On File**

Drilling Contractor **Not selected**

We intend to complete this well in the **San Andres**

formation at an approximate depth of **4,000** feet

CASING PROGRAM

We propose to use the following strings of Casing and to cement them as indicated:

Size of Hole	Size of Casing	Weight per Foot	New or Second Hand	Depth	Sacks Cement
13"	10-3/4"	32.75#	New	300'	250 <i>X</i>
8-3/4"	7"	20#	New	3,985'	750*

If changes in the above plans become advisable we will notify you immediately.

ADDITIONAL INFORMATION (If recompletion give full details of proposed plan of work.)

This well is to be drilled for a Salt Water Disposal Well. Application to dispose of salt water by injection into a porous formation not productive of oil and gas will be filed with the Commission at Santa Fe.

Approved....., 19.....
Except as follows:

Sincerely yours,

Skelly Oil Company

(Company or Operator)

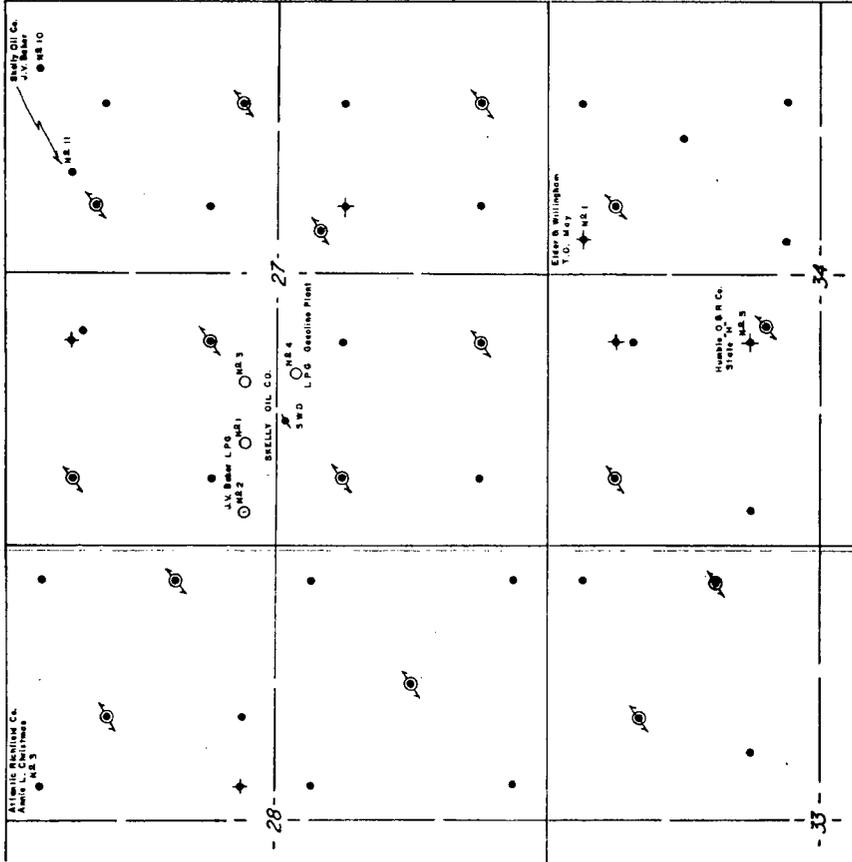
By *[Signature]*

Position **Manager of Conservation**

Send Communications regarding well to

OIL CONSERVATION COMMISSION

R 37 E



LEGEND

- PRODUCER
- INJECTION WELL
- SWD WELL
- L P G STORAGE WELL
- + PLUGGED & ABANDONED

NOTE: ALL OTHER WELLS SHOWN ON THIS PLAT OTHER THAN THE ONES WITH THE OPERATOR AND WELL NO. ARE ANADARKO PRODUCTION COMPANY LANGLETT MATTHEW PENROSE SAND UNIT WELLS.

I HEREBY CERTIFY THAT THE LOCATION FOR THE PROPOSED L P G STORAGE WELL NO. 4 WAS SURVEYED UNDER MY SUPERVISION AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THE OTHER WELLS SHOWN ON THE PLAT WERE LOCATED ACCORDING TO THE WELL RECORDS IN THE OFFICE OF THE NEW MEXICO OIL CONSERVATION COMMISSION IN HOBBS, NEW MEXICO.



WEST ENGINEERING COMPANY
 BY *John W. West*
 JOHN W. WEST P.E. & L.S. NO. 676
 LANGLEY OIL COMPANY

PLAT SHOWING WELLS IN AREA AROUND PROPOSED L P G STORAGE WELL NO. 4 LOCATED 2471 FEET FROM SOUTH AND 1658 FEET FROM WEST LINES OF SECTION 27, TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

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LAND OFFICE	
OPERATOR	

Form C-105
Revised 1-1-65

NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

1a. TYPE OF WELL
OIL WELL GAS WELL DRY OTHER **LPG Storage**

b. TYPE OF COMPLETION
NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESVR. OTHER

7. Unit Agreement Name

8. Farm or Lease Name
Skelly Gasoline Plant No. 1

2. Name of Operator
Skelly Oil Company

3. Address of Operator
P. O. Box 1351, Midland, Texas 79701

4. Location of Well

9. Well No.
LPG #4

10. Field and Pool, or Wildcat

UNIT LETTER **K** LOCATED **2471** FEET FROM THE **South** LINE AND **1658** FEET FROM

THE **West** LINE OF SEC. **27** TWP. **22S** RGE. **37E** NMPM

12. County
Lea

15. Date Spudded **9-6-71** 16. Date T.D. Reached **9-12-71** 17. Date Compl. (Ready to Prod.) **---** 18. Elevations (DF, RKB, RT, GR, etc.) **Unknown** 19. Elev. Casinghead **---**

20. Total Depth **2075'** 21. Plug Back T.D. **---** 22. If Multiple Compl., How Many **---** 23. Intervals Drilled By: Rotary Tools **0 - 2075'** Cable Tools **---**

24. Producing Interval(s), of this completion - Top, Bottom, Name
LPG Storage Well

25. Was Directional Survey Made
No

26. Type Electric and Other Logs Run
None

27. Was Well Cored
No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
20"	---	30'	---	---	None
13-3/8"	54.5# & 61#	1850'	17-1/2"	2400 sacks	None
7"	23#	2065'	12-1/4"	Not Cemented	None

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

30. TUBING RECORD

SIZE	DEPTH SET	PACKER SET

31. Perforation Record (Interval, size and number)
None

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	None

33. PRODUCTION

Date First Production **LPG Storage Well** Production Method (Flowing, gas lift, pumping - Size and type pump) Well Status (Prod. or Shut-in)

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)	

34. Disposition of Gas (Sold, used for fuel, vented, etc.) Test Witnessed By

35. List of Attachments

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED **(Signed) D. R. Crow** TITLE **Lead Clerk** DATE **Sept. 29, 1971**

NO. OF COPIES RECEIVED	
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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> LPG Storage	7. Unit Agreement Name
2. Name of Operator Skelly Oil Company	8. Name of Lease Name Skelly Gasoline Plant No. 1
3. Address of Operator P. O. Box 1351, Midland, Texas 79701	9. Well No. LPG #4
4. Location of Well: UNIT LETTER K 2471 FEET FROM THE South LINE AND 1658 FEET FROM THE West LINE, SECTION 27 TOWNSHIP 22S RANGE 37E N.M.P.M.	10. Field and Pool, or Wildcat
11. Elevation (Show whether DF, RT, GR, etc.) Unknown	12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK
TEMPORARILY ABANDON
PULL OR ALTER CASING
OTHER _____

PLUG AND ABANDON
CHANGE PLANS

REMEDIAL WORK
COMMENCE DRILLING OPERATIONS
CASING TEST AND CEMENT JOB
OTHER _____

ALTERING CASING
PLUG AND ABANDONMENT

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 1) Drilled to 30'. Set 30' of 20" OD conductor casing and cemented to surface.
- 2) Drilled to 1850'. Ran 46 joints (1841') of 13-3/8" OD 54.5# and 61# 8R J-55 casing and set at 1850' with 1400 sacks Light Weight and 1000 sacks Chem-Comp cement. Cement circulated to surface. WOC.
- 3) Tested casing to 1000# for 30 minutes, held OK.
- 4) Drilled out cement inside 13-3/8" OD casing 1804' - 1855'.
- 5) Drilled to TD 2075'.
- 6) Ran 50 joints (2056') of 7" OD 23# J-55 casing set at 2065' with 6' perforated nipple 2059' - 2065', bull plugged on bottom.
- 7) Turned well over to Skelly Manufacturing Department on September 13, 1971, to wash out storage cavity.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED (Signed) D. R. Crow TITLE Lead Clerk DATE Sept. 29, 1971

APPROVED BY Chris Turney TITLE _____ DATE OCT 1 1971

CONDITIONS OF APPROVAL, IF ANY:

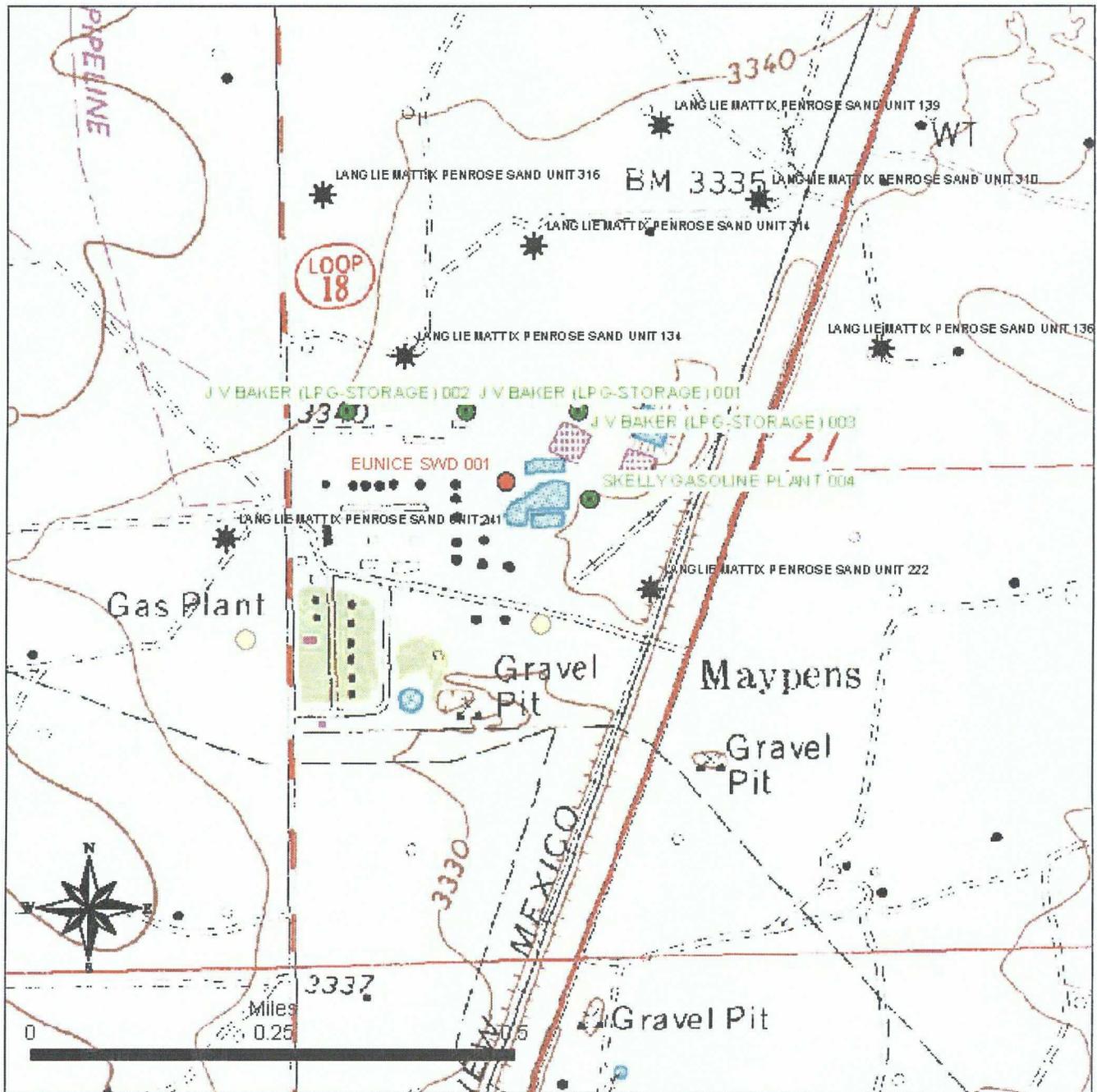


Figure 2: Locations of Shallow Gas Storage Wells and Targa Deep SWD Well

- Targa SWD Well
- Shallow Gas Storage Wells
- ★ Shallow Producing Well



Figure 1: 2007 Satellite Photograph Showing Locations of Existing and Proposed Wells

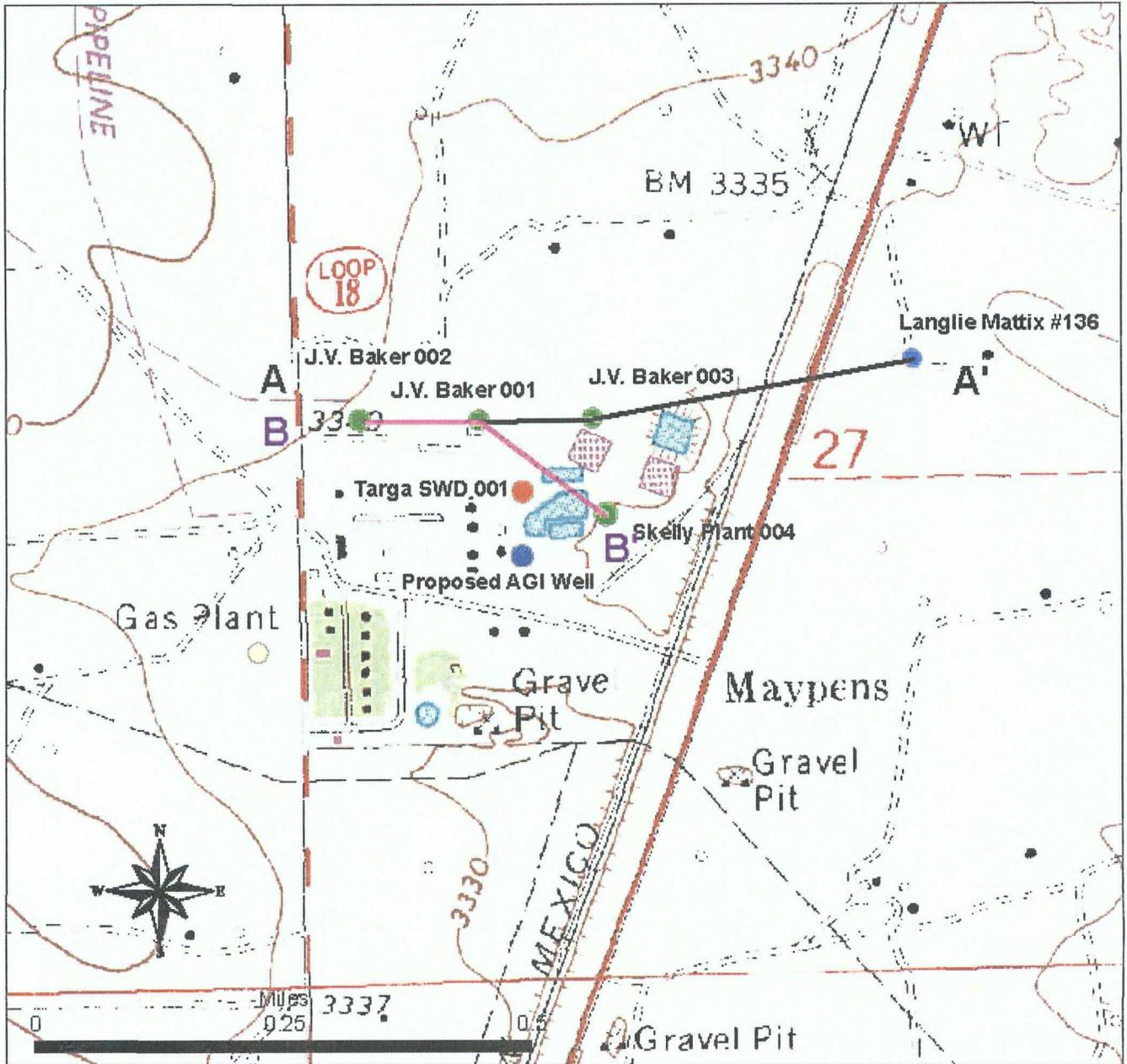
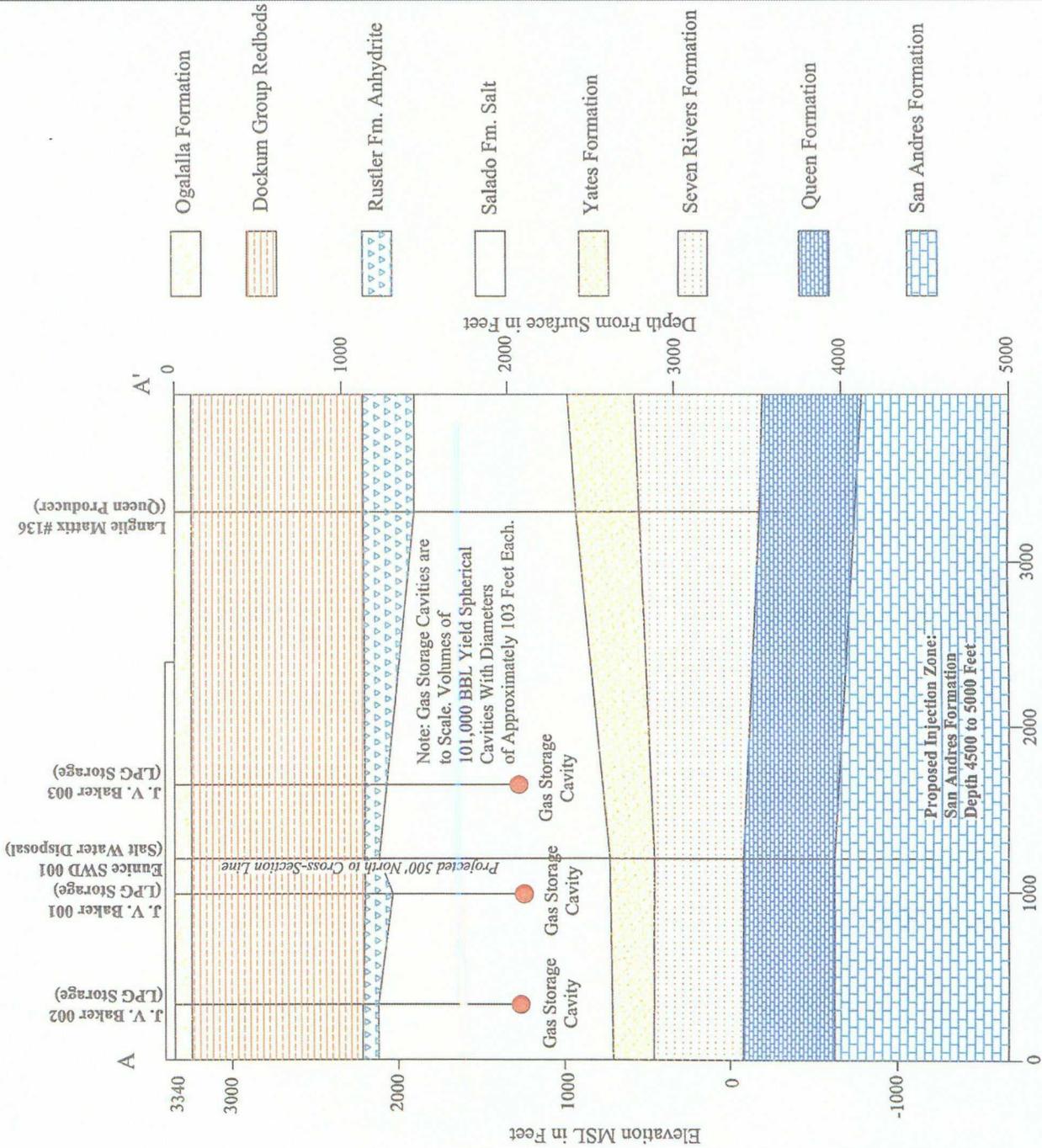


Figure 3: Locations of Cross-Sections

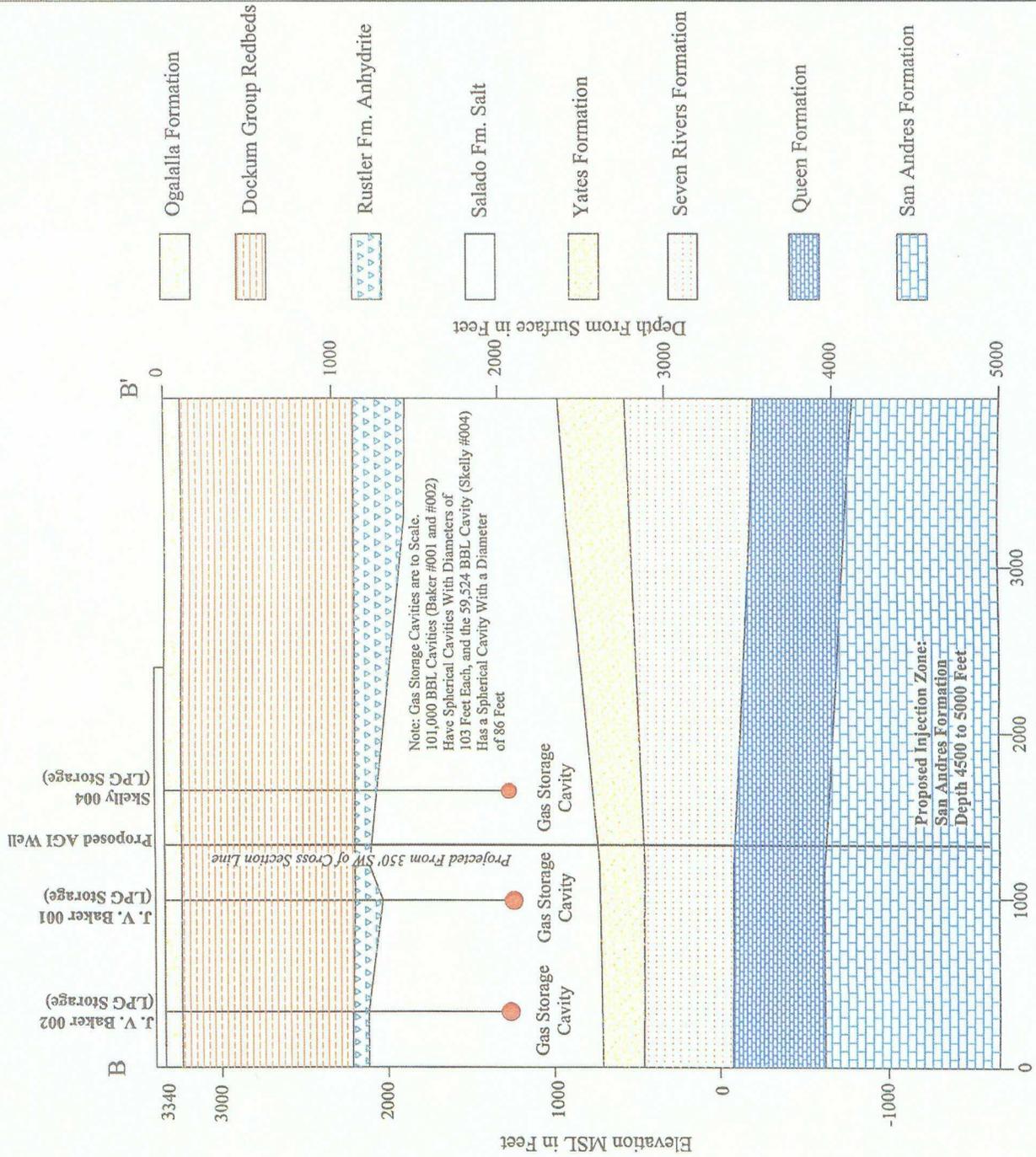
————— Cross-Section A - A'
————— Cross-Section B - B'

Figure 4:
Cross-Section A-A' Showing Underground
Gas Storage Facilities,
Targa South Eunice Gas Plant
Section 27, T22S, R37E



Note: Locations of Formation Contacts are Approximate, Based on Available Logs

Figure 5:
Cross-Section B - B' Showing Underground
Gas Storage Facilities,
Targa South Eunice Gas Plant
Section 27, T22S, R37E



Note: Locations of Formation Contacts are Approximate, Based on Available Logs



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

BRUCE KING
GOVERNOR

June 12, 1992

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Texaco Exploration & Production Inc.
Box 1065A
Eunice, NM 88231

Attn: Jerry Brittain

RE: J.V. Baker - #1-LPG Storage
Unit E, Sec. 27, T22S, R37E (2310/N & 990/W)

J. V. Baker - #2-LPG Storage
Unit E, Sec. 27, T22S, R37E (2310/N & 330/W)

Gentlemen:

The above-referenced wells were drilled by Skelly Oil Company as LPG wells prior to the time the Oil Conservation Division started issuing LPG Storage permits. They were properly permitted through the Hobbs District office at the time they were drilled.

Your J.V. Baker #3 LPG was our first well to be issued an LPG order.

Very truly yours,

OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "Jerry Sexton".

Jerry Sexton
Supervisor, District I

JS/ed

