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

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

OLD
See amended of c)

CASE NO.

APPLICATION

TARGA MIDSTREAM SERVICES LP ("Targa"), 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 Monument AGI No. 1 well for acid-gas injection operations. In support, Applicant states:

1. Applicant proposes to drill and complete the following well for acid-gas injection operations in Lea County, New Mexico:

Monument AGI No. 1
662' FSL and 2,513' FWL
Section 36: SW/4 SE/4 (Unit O)
T-19-S, R-36-E, NMPM

2. Applicant proposes injection of acid gas and water through a closed system into the Devonian and Fusselman formations through perforations at depths of 8,350' to 9,200' at an anticipated injection pressure of 0 psi. Applicant proposes injection at average daily rates of approximately 3,500 bbls and 2.66 mmcf of acid gas and water and at maximum daily rates of approximately 5,000 bbls and 3.38 mmcfpd. The source of the injected fluids will be Versado Gas Processors, L.L.C.'s ("Versado") Monument Gas Plant. Targa is the operator and majority owner of Versado assets, including the Monument Gas Plant.

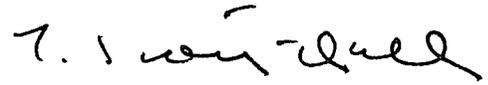
3. Applicant's proposed injection operation can be conducted in a safe and responsible manner without causing waste, impairing correlative rights or endangering fresh water, public health or the environment.

WHEREFORE Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 7, 2008 and that after notice and hearing as required by law, the Division enter its Order approving the drilling and operation of the Monument AGI No. 1 well for acid-gas injection operations, for the injection of acid-gas fluids into the Devonian and Fusselman formations at the intervals and at the pressures, volumes and rates indicated, and making such other and further provisions as the Division determines appropriate.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: _____



J. Scott Hall

Attorneys for Targa Midstream Services LP
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