

May 5, 2017

Mr. Phillip Goetze
Petroleum Engineer
NMOCD
1220 South St. Francis Drive
Santa Fe, NM 87501

Via Email and 1st Class Mail

RE: NMOCD ORDER # SWD-1654 TARGA MONUMENT AGI D WELL #2 REQUEST FOR
APPROVAL OF IMMEDIATE NOTIFICATION PARAMETERS

Dear Mr. Goetze:

Pursuant to the requirement found on page 3 paragraph 3 of the above-referenced order, Targa Midstream LP (Targa) has discussed the immediate notification parameters for the Monument AGI D#2 with the Hobbs District NMOCD and with your office and are proposing to use identical immediate notification parameters on what we have already successfully implemented on the Monument AGI #1 under NMOCD order SWD-1654 at this site and which are commonly practiced at other AGI facilities in SE NM. These proposed parameters have been implemented prior to and during the workover when the well was initially put into service and reviewed after the well was put back into service after the workover over the last month. That review indicates that no change in the originally implemented parameters is warranted. Therefore, Targa proposes the parameters detailed below to become the approved final immediate notification parameters..

The intent of immediate notification parameters is to provide NMOCD with an immediate notification (within four hours of detection of variance or exceedance) of a condition that indicates that the integrity of the well is threatened or has resulted in a violation of the operating conditions approved under NMOCD order SWD-1654. The monitoring of injection conditions required by the order provide the basis for determining if any of these parameters are outside of an acceptable or approved range that indicates further investigation is needed to ascertain the condition of the well.

The proposed immediate notification parameters are as follows:

1. Exceedance of the approved MAOP of 3000 psig surface for a period greater than two hours.
2. Failure of a mechanical integrity test (MIT) of the well.
3. Confirmation of any condition that indicates a tubing, packer or casing leak.
4. Any increase of the annular pressure to a value that is more than 80% of the injection pressure.
5. Any release of H₂S at the well which results in an activation of the facility's approved Rule 11 H₂S contingency plan.
6. Any workover or maintenance activity that requires intrusive work in the well.

Targa proposes that if any of the immediate notification parameters are triggered, Targa will notify the Hobbs District Office of the NMOCD by telephone within 12 hours followed by an email notification within 24 hours to both the District and Santa Fe offices of NMOCD. Depending on the nature of the situation, Targa and NMOCD will jointly determine the appropriate steps to be undertaken to resolve the issue. This immediate notification and coordination procedure worked well during the workover after the initial attempt to place the well into operation and is the reason why we have waited until a month of normal operations to confirm the appropriateness of the immediate notification parameters defined above.

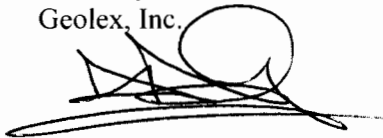
Mr. Phillip Goetze
May 5, 2017
Page 2

Alberto A. Gutiérrez, C.P.G.

Targa commissioned the well (including injection of TAG into the well) the last week in March, 2017 following completion and testing of all surface facilities. Targa will begin the required quarterly reporting of continuously recorded injection data from AGI D#2 well with the brief period it was operating during the first quarter of 2017.

Please advise if these proposed conditions, which are fully consistent with the previously-approved immediate notification parameters at Targa's Monument AGI#1 (now P&A) and numerous other AGI facilities in SE NM, will be acceptable for the Monument AGI D#2. Thank you in advance for your prompt attention to this matter.

Sincerely,
Geolex, Inc.



Alberto A. Gutierrez, RG
President
Consultant to Targa Midstream LP

cc: via email only: Maxey Brown, NMOCD Hobbs
 James Lingnau, Targa Midland
 Bill Little, Targa Monument
 Edgar Gonzales, Targa Monument

H:\Projects\17-012\Immediate Notification Parameters\Goetze001.ltr.docx