

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

RECEIVED
2007 JUN 14 PM 4 26

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:**

CASE NO. 13865

**APPLICATION OF VERSADO GAS PROCESSORS,
LLC OPERATED BY TARGA RESOURCES, LLC
FOR APPROVAL OF AN ACID GAS INJECTION
WELL, LEA COUNTY, NEW MEXICO**

**ENTRY OF APPEARANCE AND
PRE-HEARING STATEMENT**

This Entry of Appearance and Pre-Hearing Statement is submitted by the Oil Conservation Division (OCD).

APPEARANCES OF PARTIES

Applicant:

Versado Gas Processors, LLC
c/o Targa Resources, Inc.
Attn: Mr. Cary Loughman
1000 Louisiana, Suite 4300
Houston, TX 77002
(713) 584-1000

Attorney:

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

Respondent:

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Attorney:

Gail MacQuesten
EMNRD-OCD
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3451 (phone)
505-476-3462 (fax)
Gail.macquesten@state.nm.us

RESPONDENT'S STATEMENT OF CASE

The Applicant seeks an order to utilize its proposed Versado AGI Well No. 1 to inject acid gas into the San Andres Formation. The Respondent does not oppose entry of the order, but enters its appearance to provide information to the hearing examiner on issues

related to the construction and operation of the acid gas injection well, and to address issues related to environmental hazards and safety.

RESPONDENT'S PROPOSED EVIDENCE

Witnesses:

Estimated Time:

Wayne Price, Chief, OCD Environmental Bureau 30 minutes

Carl Chavez, OCD Environmental Bureau (UIC Quality Assurance/Quality Control Officer) 30 minutes

Mr. Price and/or Mr. Chavez will address environmental and safety issues, including the following:


1. The need for information on brine caverns the vicinity of the Targa South Eunice Gas Plant near the proposed disposal well, including sonar testing.
2. The need for a major modification to the Eunice Middle Gas Plant Discharge Plan (GW-005), and the need for a minor modification to the Eunice South Compressor Station Discharge Plan (GW-344), which must include Rule 118 H2S contingency plans.

Chris Williams, Supervisor, OCD Dist. I 15 minutes

Mr. Williams will address issues related to the construction of the well, including surface casing.

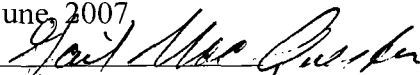
PROCEDURAL MATTERS

The OCD requests that the examiner resolve the issue of which entity should hold any permit issued pursuant to this application: Versado Gas Producers, LLC or Targa Resources LLC.


Gail MacQuesten
Attorney for the Oil Conservation
Division

CERTIFICATE OF SERVICE

I hereby certify that I served a copy of this Entry of Appearance and Pre-Hearing Statement on attorneys for the Applicant by telecopier at (505) 983-6043 this 14th day of June, 2007.


Gail MacQuesten