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**VIA HAND DELIVERY**

William V. Jones, Hearing Examiner  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**Re: 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. Order No. R-12809.**

Dear Mr. Jones:

Targa Resources, LLC, hereby requests that a nunc pro tunc order be entered by the Division to correct the following provisions of Order No. R-12809:

1. Finding 1 of Order No. R-12809 provides that the purpose of injection is to dispose of natural gas processing wastes from Versado's South Eunice Gas Plant. The South Eunice facility is not a gas plant but rather a compressor station and the acid gas will come from the Eunice Plant. This sentence should provide that the purpose of injection is to dispose of natural gas processing wastes from Versado's Eunice Gas Plant and South Eunice Compressor Station. The next sentence should be revised by replacing the reference to the "Eunice Gas Plant SWD Well No. 1" with the "South Eunice Compressor Station SWD Well No. 1". This finding should then read:

(2) The applicant, Versado Gas Processors, LLC as operated by Targa Resources, LLC (hereinafter collectively referred to as "Targa"), seeks authority to inject waste water and acid gas (hydrogen sulfide and carbon dioxide) into the San Andres formation, at a depth interval approximately 4500 feet to 5000 feet below the surface, through its proposed Versado AGI Well No. 1 (API No. 30-045-NA) which it proposes to drill at a location 2250 feet from the South line and 1200 feet from the West line (Unit L) of Section 27, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. The purpose of the injection is to dispose of natural gas processing wastes from Versado's Eunice Gas Plant and South Eunice Compressor Station. This well will replace the South Eunice Compressor Station SWD Well No. 1 (API No. 30-025-21497) which is located 2580 feet from the South line and 1200 feet from the West line of said Section 27.

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2. Finding 19 of Order No. R-12809 should be revised by the deletion of the word "South" in the second line. This Finding should read:

(19) The proposed operation is an environmentally superior means of disposing of wastes generated at the Eunice Gas Plant because it will provide for the sequestration of greenhouse gases: hydrogen sulfide and carbon dioxide.

3. In Order Paragraph 8, the name "Gandy" should be replaced with "Targa." This paragraph should read:

(8) Targa shall notify the District of the time of the setting of the tubing and packer and of any mechanical integrity test ("MIT") so such operations can be witnessed or inspected.

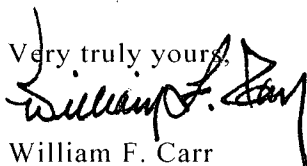
Targa will need to increase this injection pressure to approximately 1200 psi to keep the wastes it plans to inject in a liquid phase.

Finding (7)(f) provides:

(f) The wellhead will be equipped with a back pressure valve designed to maintain pressure on the waste stream in order to keep the wastes in a liquid phase. The maximum surface injection pressure will be 750 psi or as permitted by the Division."

We therefore request clarification from the Division on the intent of this finding. Is it the intention of the Division to permit higher injection pressures in this well upon a showing that the higher pressure will not part the confining strata by witnessed step rate tests? If not, should Targa request an additional hearing to address this pressure issue?

Your attention to this matter is appreciated.

Very truly yours,  
  
William F. Carr

cc: Cary Loughman, Esq.  
Calvin W. Wrangham