Submit 1 Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave , Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD
JUL 31 2012
RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
October 13, 2009

WELL API NO. 30-025-21497	
5. Indicate Type of Lease STATE ☐ FEE ☐	
6. 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.)	7. Lease Name or Unit Agreement Name: Eunice Gas Plant SWD
1. Type of Well: Oil Well ☐ Gas Well ☐ Other Acid Gas Injection ☒	8. Well Number #1
2. Name of Operator: Targa Midstream Services, LP	9. OGRID Number: 24650
3. Address of Operator: 1000 Louisiana, Suite 4300, Houston, TX 77002-5036	10. Pool name or Wildcat: SWD: San Andres
4. Well Location: Unit Letter L : 2580 feet from the South line and 1200 feet from the West line; Section 27 Township 22S Range 37E NMPM County Lea	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER. ☐		OTHER: MIT TEST RESULTS ☒	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

We arrived at TARGA's middle Eunice Plant at approximately 12:15pm and proceeded to get the plant safety orientation and discuss the activity for the day and associated operational and safety procedures. After sign in and safety meeting, we proceeded to the south Eunice plant where the well is located to rig up for and conduct the first part of the two part MIT. Mark Whitaker and E.L Gonzales of OCD were on site for the first part of the MIT test and M.Whitaker only for part two of the MIT. The well had been on a steady flow of approximately 3MMCFD of acid gas and 25gpm of water since at least 6pm Sunday 7/29/12 and was stable. This represents the well's normal operating condition. The following test procedure was followed for part one of the test:

1. Record starting annular space pressure in 5 ½" casing and tubing injection pressure-- Surface injection pressure: 862psig, Surface Bradenhead: 0psig, Intermediate casing pressure: 0psig, Annular space pressure: 62psig.
2. Bleed off annular fluid as needed to reduce observed annular space pressure to 0 psig. (bled to 0psig removing less than 3 gal packer fluid, no residual pressure noted.
3. Slowly raised annular pressure by introducing inhibited packer fluid to annulus to 540 psig by introducing approx. 12 gal inhibited packer fluid
4. Placed chart on well to record annular space pressure for 32 minutes. All four pressures recorded at 5 minute intervals during charting by visual readings on digital gauges. Pressures recorded are on attached sheet.
5. Removed chart and bled off approximately 15 gallons of packer fluid to reduce observed pressure to 0 psig.
6. Add well data and signatures to chart (A. Gutierrez and Mark Whitaker) and complete test.
7. Instruct operators to shut off water to well and inject only acid gas after sunset for second part of test to be conducted 7/31/12 07:30am

Part Two (Start at 8:10am 7/31/2012 after steady injection of acid gas only from at least 8pm on 7/30/12)

1. Record starting annular space pressure in 5 ½" casing and tubing injection pressure-- Surface injection pressure: 972psig, Surface Bradenhead: 0psig, Intermediate casing pressure: 0psig, Annular space pressure: 371psig.
2. Bleed off annular fluid as needed to reduce observed annular space pressure to 0 psig (bled to 0psig removing less than 1 gal packer fluid, no residual pressure noted.
3. Slowly raised annular pressure by introducing inhibited packer fluid to annulus to 644 psig by introducing less than 2 gal inhibited packer fluid
4. Placed chart on well to record annular space pressure for 32 minutes. All four pressures recorded at 5 minute intervals during charting by visual readings on digital gauges. Pressures recorded are on attached sheet.
5. Removed chart and bled off less than 2 gallons of packer fluid to reduce observed pressure to 1.6 psig.
6. Add well data and signatures to chart (A. Gutierrez and Mark Whitaker) and complete test.

Test was successful on both parts and shows no leak or lack of integrity in tubing, packer, seals or casing Plan to retest in one year.

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

SIGNATURE TITLE: Consultant to Targa Midstream Services DATE: 07/31/2012

Type or print name Alberto A. Gutiérrez E-mail address: aag@geolex.com PHONE: 505-842-8000

For State Use Only

APPROVED BY: TITLE Dist. Mgr DATE 7-31-2012

Conditions of Approval (if any):

JUL 31 2012

Targa South CS Eunice SWD #1 API#3002521497 Unit L Sec.27 T22S R37E, Lea County, NM

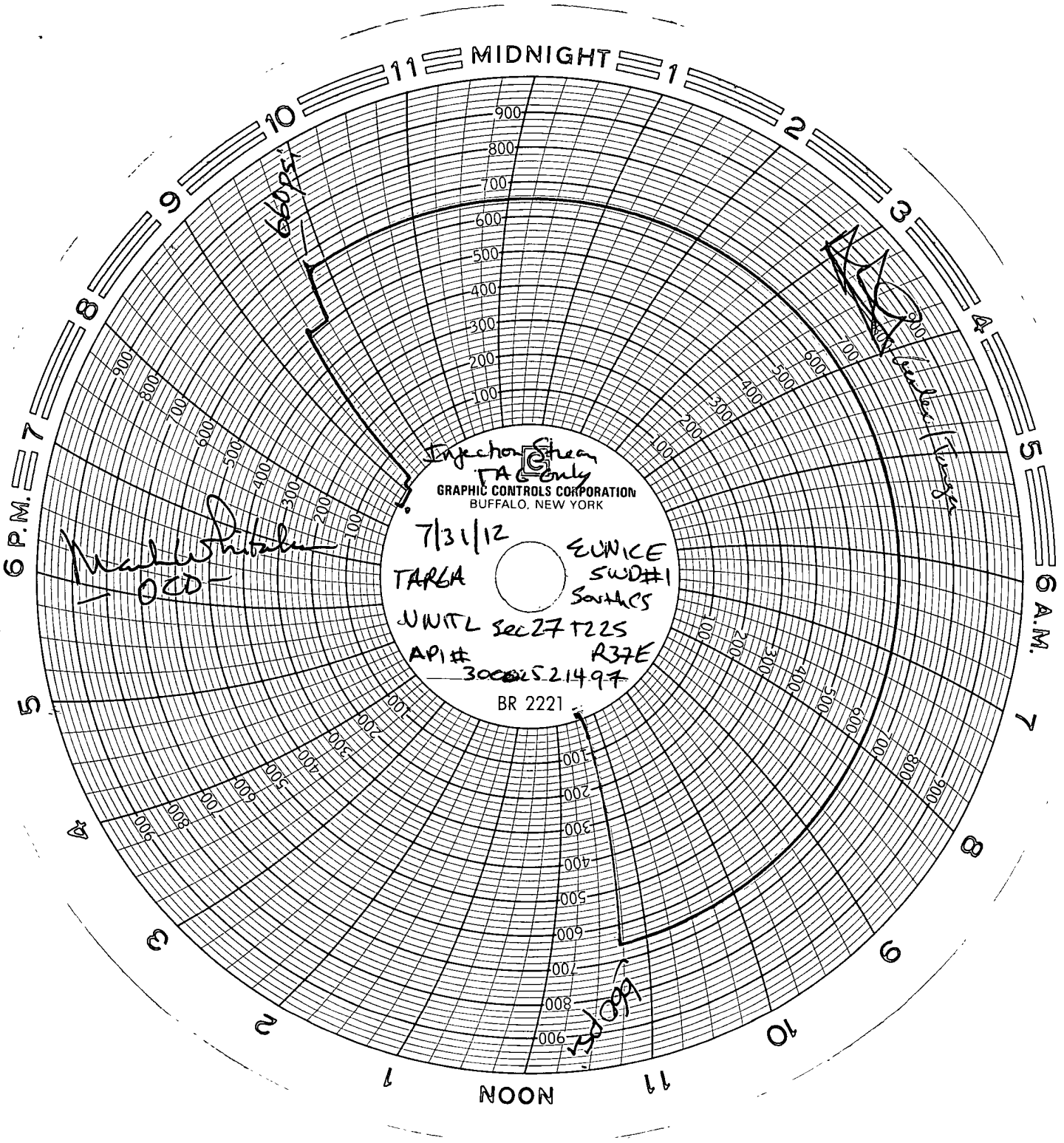
TWO PART MIT TEST CONDUCTED 7/30-31/2012 WITNESSED BY MARK WHITAKER, OCD

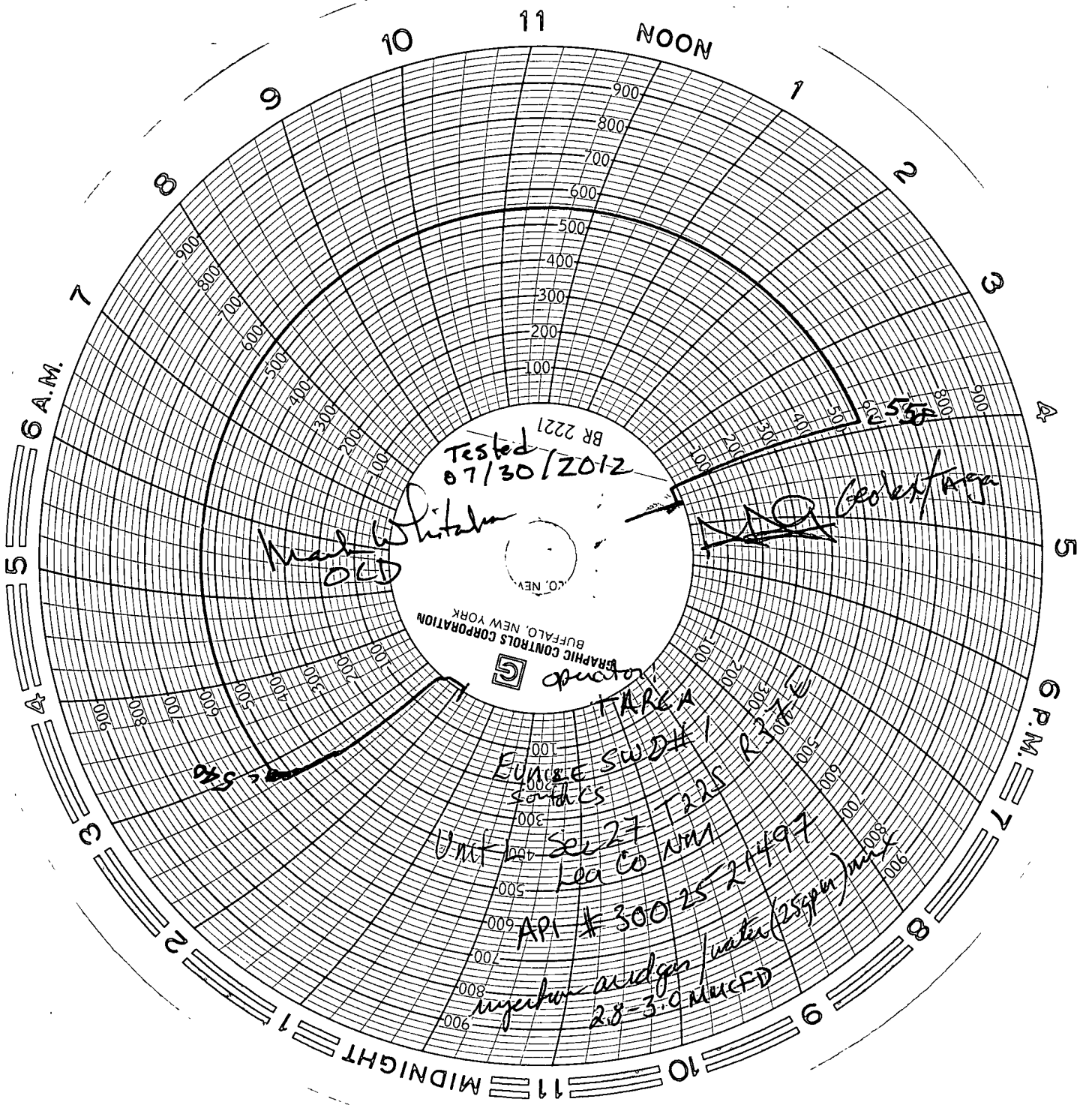
PART ONE

TIME	SURFACE BRADENHEAD PRESSURE (psig)	INTERMEDIATE CASING PRESSURE (psig)	ANNULAR SPACE PRESSURE (psig)	SURFACE TUBING INJECTION PRESSURE (psig)	NOTES
13:22	0	0	67	862	arrive on site initial well condition
13:40	0	0	0	865	bled approx 3 gal annular packer fluid
13:42	0	0	534	866	added approx 12 gal annular packer fluid
13:45	0	0	534	876	begin charting of well
13:50	0	0	534	878	5min
13.55	0	0	536	876	10min
14:00	0	0	537	884	15min
14:05	0	0	543	886	20min
14:10	0	0	546	887	25min
14:15	0	0	548	892	30min
14:17	0	0	549	892	32min
14:20	0	0	0	894	disconnect chart bled approx 15gal packer fluid
14:22	0	0	0	894	end test

PART TWO

TIME	SURFACE BRADENHEAD PRESSURE (psig)	INTERMEDIATE CASING PRESSURE (psig)	ANNULAR SPACE PRESSURE (psig)	SURFACE TUBING INJECTION PRESSURE (psig)	NOTES
8:10	0	0	371	972	arrive on site initial well condition
8:20	0	0	1.6	966	bled less than 1 gal annular packer fluid
8:24	0	0	644	965	added approx 1 gal annular packer fluid
8:25	0	0	647	965	begin charting of well
8:30	0	0	641	964	5min
8:35	0	0	640	965	10min
8:40	0	0	640	964	15min
8.45	0	0	640	960	20min
8:50	0	0	639	992	25min
8:55	0	0	640	998	30min
8:57	0	0	647	988	32min
9:00	0	0	1.6	988	disconnect chart bled less than 1 gal packer fluid
9 00	0	0	1.6	988	end test


MIDNIGHT
NOON
6 P.M.
6 A.M.
GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK
Injection Stream
TAG Only
7/31/12
EUNICE
SWD#1
TARGA
SouthCS
UNIT L Sec 27 T22S
R37E
API # 30025 21497
BR 2221
OCD


NOON
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MIDNIGHT
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BR 2221
GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK
Tested
07/30/2012
Mountain States
OCD
Operator
TAREA
Eunice SWD #1
Unit Sec 27 T22S R37E
Lea Co NM
API # 30025-21497
Injection gas/water (25gpm) mix
2.8-3.0 MMCFD
Coolest/Area
550
570