RECEIVED
MAR 23 2011
HOBBS OCD

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

5. Lease Serial No. 871184
6. If Indian, Allottee or Tribe Name NA
7. If Unit or CA/Agreement, Name and/or No. NA
8. Well Name and No. Eunice Gas Plant SWD #1
9. API Well No. 30-025-21497
10. Field and Pool, or Exploratory Area San Andres
11. County or Parish, State Lea, NM

1. Type of Well: ☐ Oil Well ☐ Gas Well ☒ Other
2. Name of Operator: Targa Midstream Services, LP
3a. Address: 1000 Louisiana, Suite 4300 Houston, TX 77002-5036
3b. Phone No. (include area code): 713-584-1000
4. Location of Well (Footage, Sec., T., R., M., or Survey Description): 2580' FSL and 1200' FWL in Lea County
S-29-22S-37E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☒ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Convert to acid gas injection
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

This well is to be deepened in the San Andres zone. It will be used as an acid gas disposal well. Application to dispose of gas by injection into a porous formation not productive of oil and gas has been approved by the OCD - case #14575. We plan to begin work on this well 04-01-2011 and should complete the work by 04-15-2011. Please find attached a copy of our bond - RLB0013711, and a copy of our prognosis.

R-12806-C

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) Denise Jones
Title Regulatory Analyst
Signature Denise Jones
Date 2-25-11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
Title
Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Office

ACCEPTED FOR RECORD
MAR 15 2011
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

03/29/11

MAR 29 2011

Cambrian
MANAGEMENT, LTD.

P.O. Box 272
Midland, Texas 79702
Off: 432-620-9181
Fax: 432-570-0102

Emergency Sheet

Well: Eunice Gas Plant SWD Well No. 1
Location: 2580' FSL 1200' FWL of Section 27, T22S, R37E, Lea County, New Mexico
Operator: Targa Midstream Services, LP
TD: 4,850'

Drilling Contractor:

Lat. 32.362642" N / Long 103.155547" W

Sheriff and EMS Lea Co.	**(575)396-3611**
Lea Co. Hospital (Hobbs)	**(575)396-8521**
MedTrans Care Star Helicopter	**(888) 624-3571**

Directions to the Eunice Gas Plant SWD Well No. 1
From Eunice, NM go south on Loop 207 approximately 5 miles. Turn into Targa South Plant. Well is within plant facility.

Cambrian Management (Operations)

		Office	Cell
Alan Means	Project Manager	(432) 620-9181	(432) 664-7052
Joe Goodrich	Wellsite Consultant		(575) 746 7082

Cambrian Management - Emergency Notification Chart

EMERGENCY COORDINATION OFFICER

PRODUCTION	DRILLING AND COMPLETIONS
Mike Anthony	Alan Means
O - 432-550-5245	O - 432-620-9181
C - 432-631-4398	C - 432-664-7052

[illegible]

Mike Anthony (Production)
O - 432-550-5245
C - 432-631-4398

Alan Means (Drilling)
O - 432-620-9181
C - 432-664-7052

[illegible]

Alan Means
O - 432-620-9181
C - 432-664-7052

Sal Pagano
O - 432-620-9181
C - 432-664-7077

[illegible]

Alan Means
O - 432-620-9181
C - 432-664-7052

EMERGENCY CONTACTS

Ambulance	911
Fire	911
Hospital	911
Poison Control	1-800-212-1222
Life Flight	911
Sheriff (Winkler)	915-586-6658
Sheriff (Midland)	432-688-4600
Sheriff (Ector)	432-335-3050
Sheriff (Gaines)	432-785-4023
Sheriff (Hockley)	806-894-3126
Sheriff (Martin)	432-756-3336
Sheriff (Glasscock)	432-354-2361
Sheriff (Terry)	806-637-2212
Sheriff (Lea)	575-396-3611
Homeland Security	800-237-3239
Cambrian Mgmt Emergency Number	432-334-4085 or 432-620-9181 Ext 9

ACCIDENT INVESTIGATION

Dean Rippetoe
O - 432-632-6738

[illegible] AGENCY CONTACTS

TRRC - Austin	512-463-6788
TRRC - Midland	432-684-5581
General Land Office	800-832-8224
University Lands	432-684-4404
Texas DPS	512-424-2000
DPS Midland	432-498-2100
National Response Center	800-424-8802
Dig Tess	800-344-8377
NMOCD	575-393-6161

BUSINESS SUPPORT

Tiffany Grant - HR
O - 432-620-9181
C - 432-425-5165

Richard Davis - Legal
O - 432-684-3713

Cambrian
MANAGEMENT, LTD

P.O. Box 272
Midland, Texas 79702
Off: 432-620-9181
Fax: 432-570-0102

Eunice Gas Plant SWD Well No. 1
Drilling Program Contact List

Company	Contact	Description	Contact No.
Cambrian Management			
	Alan Means ameans@cambrianmgmt.com	**Project Manager**	(432) 664-7052 Cell (432) 620-9181 Office (432) 570-0102 Fax
Targa	Jim Lingnau		(575) 631-7095
Geolex	Alberto Gutierrez	**Hydrology Consultant**	(505)-259-4283 Cell
Geolex	David Lescinsky	**Hydrology Consultant**	(505)-918-7320 Cell (505)-842-8000 Office
EWC	Joe Goodrich	**Wellsite Supervisor**	(575) 746-7082 Cell
Key Energy Services		**Drilling Rig - 115** **Pusher** **Pusher**	
Ellison Fluid Calipers		**Fluid Caliper**	(432)-634-0500
Closed Loop Specialty		**Closed Loop Pit System**	(432)-296-0513
Halliburton		**Cementers**	(800)-416-6081 Office
Catalyst	Heidi	**Corrosion Chemicals**	(432)-664-8776
Targa	Jim Lingnau	**Casing/Tubing**	(505) 631-7095
T3 Energy Services	Tommy Miller	**Wellheads/Supplies**	(432)381-2354 Office
NMOCD		**Spud/Cementing Notices**	(575)393-6161
NOV		**Mud**	(575)392-4932 Cell
Knight Oil Tools		**Rental Tools**	(432) 684-8282
Weatherford		**Float Equipment**	(575) 391-9811 Office
		Bits	
Halliburton		**Packer**	(800) 844-8451
Halliburton		**SSSV**	(800) 844-8451

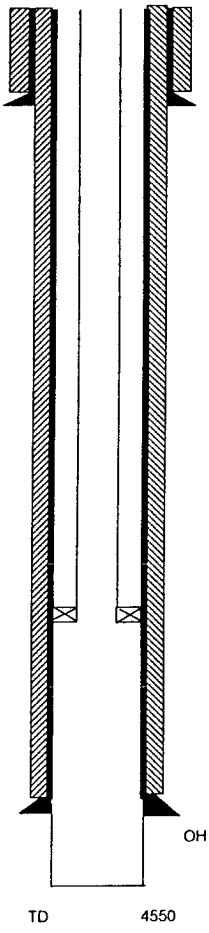
Eunice Gas Plant #1

	Location:
Footage:	2500 FSL & 1200 FWL
Section:	27
Survey:	T22S R37E
County:	Lea
Elevations:	
GR:	3345
TD:	4550
PBTD:	

History	
	Spud
	Completion
	Re-completion
1/1/1961	Well drilled and completed
?	Tubing and packer ran into well as disposal string.
1/1/1978	Metal in retuns at 3985' to 4005' during workover. Returned to SWD w/ packer at 3865'.
1/1/1991	Blew hole in 7" during compliance test. Details sketchy but casing was perforated at 550'. Unable to pump in. Perforated at 300'. Unable to pump in. Perforated at 100'. Hallib cmtd.
1/1/1995	Possible Workover. No records.
4/1/1997	Set CIBP @ 3925' & dump 20' cement on it. Dowell squeezed down 7" w/ 400 sxs + ? sxs (2 Jobs). Drilled cement from 291' to 355'. Repaired 10 3/4 & 7" @ 4' from GL. Drilled out cement and CIBP. Unable to c/o below 4430'. Pkr @ 3847'.
1/1/99	Pkr found unset during w/o. No records.
1/1/2000	Last time we pulled?

	Tubing Detail (top to bottom)
Joints	Description
125	3 1/2" IPC tbg
1	X-over
1	Halliburton R-4 packer @ 3814

	Rod Tally
Joints	Description
	#
Total	



API No:	30-025-21497

Hole Size: 15
Surf csg 10 3/4
Set @ 300
Cement w/ 300 sxs
Circ: Surface

Hole Size: 8 3/4
Inter. csg 7" 20#
Set @ 4010
Cement w/ 1750 sxs
Circ: Surface

Eunice Gas Plant #1

	Location:
Footage:	2500 FSL & 1200 FWL
Section:	27
Survey:	T22S R37E
County:	Lea
Elevations:	
GR:	3345
TD:	4550
PBTD:	

History	
	Spud
	Completion
	Re-completion
1/1/1961	Well drilled and completed
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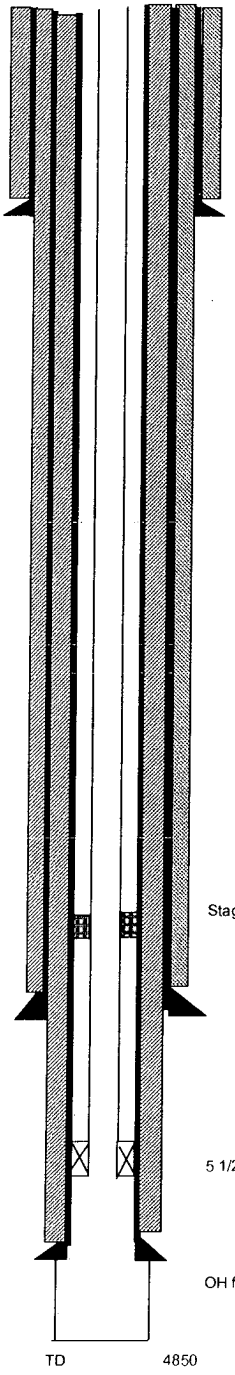
4/1/1997	Set CIBP @ 3925' & dump 20' cement on it. Dowell squeezed down 7" w/ 400 sxs + ? sxs (2 Jobs). Drilled cement from 291' to 355'. Repaired 10 3/4 & 7" @ 4' from GL. Drilled out cement and CIBP. Unable to c/o below 4430'. Pkr @ 3847'.
1/1/99	Pkr found unset during w/o. No records.
1/1/2000	Last time we pulled?

Joints	Tubing Detail (top to bottom) Description
	2 7/8 FG lined tbg
	Halliburton SSSV
	2 7/8 FG lined tbg
	Halliburton pkr @ 4200

Joints	Rod Tally Description



API No:	30-025-21497

Hole Size: 15
Surf csg 10 3/4
Set @ **300**
Cement w/ 300 sxs
Circ: Surface

Hole Size: 8 3/4
Inter. csg 7" 20#
Set @ **4010**
Cement w/ 1750 sxs
Circ: Surface

Stage tool @ 3950'

Hole Size: 6 1/4
Prod. Csg 5 1/2" 17# J-55
Set @ **4250**
Cement w/ 220 sxs
Circ: Surface
Stage tool @ 3950'

5 1/2" alloy csg @ 4187'-4207'

OH from 4250-4850

Cambrian
MANAGEMENT, LTD.

P.O. Box 272
Midland, Texas 79702
Off: 432-620-9181
Fax: 432-570-0102

Well: Eunice Gas Plant SWD Well No. 1
Location: 2580' FSL & 1200' FWL, Section 27, T22S, R37E, Lea County, New Mexico
Elevation: 3345' GL
AFE No.:
Permit No.:
API No.: 30-025-21497
Operator: Targa Midstream Services, LP
TD: 4850'

Drilling Contractor: Key Energy Services Rig No. 115 KB:

Directions to the Eunice Gas Plant SWD Well No. 1: From Eunice, New Mexico go south on Loop 207 approximately 5 miles. Turn into Targa South Plant. Well is within plant facility.

RE-ENTRY & DRILLING PROGNOSIS
(Steps 1-8 have been completed)
E-mail reports by 7AM (Midland Time) to reports@cambrianmgmt.com

1. MI&RU Pulling unit.
2. NU BOP, set pipe racks and catwalk.
3. Unseat Halliburton R-4 packer and POH LD 3 ½" tbg. Move tubing to edge of location.
4. RU wireline company. Run GR and junk basket to 3800'. Set CIBP @ 3800'.
5. Load hole with clean water.
6. ND BOP's. RDMO pulling unit.
7. Remove old wellhead. Prep to install new wellhead equipment.
8. Install new T3 Energy wellhead equipment. Test same.
9. NU and test BOP's with 250/3000 psi test.
10. Install cellar. Repair location for Key 24 hr rig.

11. MI & RU Key Rig No. 115 & closed loop pit system.

- Notify OCD of intent to spud well.

12. PU 6 ¼" bit, 4 ¾" DC's on 2 7/8" DP. TIH to CIBP @ 3800'.
13. Drill out CIBP.
14. TIH with bit to original TD of 4550'.
    - Mud up as necessary.
    - Circulate clean.
15. Drill new 6 ¼" hole to 4850' utilizing closed loop system.
16. Circulate hole clean to run open hole logs.
17. Strap out of hole to run logs.
18. RU Loggers and run open hole logs
    - Sidewall cores to be taken. Geolex will pick depths.
    - Adjust cement volumes based on caliper log.
19. TIH w/ bit and condition to run casing.
20. Circulate hole clean. Spot clean water from TD back to bottom of 7" casing.
21. TOH with bit. LDDC's.
22. TIH open ended with DP to bottom of casing.
23. Spot sand on bottom to PB to 4250'.
24. PUH to 3500' & wait for sand to settle out.
25. TIH & tag sand. Respot as necessary.
26. POH. LD DP.
27. Change BOP rams to 5 ½".
28. Run casing as below.
    - Notify OCD of upcoming cement job.

1.5'	Float Shoe
40'	1 jt. 5 ½" 17# J-55 SJ-2 casing
1.5'	Float collar
20'	5 ½" 17# alloy SJ-2 casing
237'	5 ½" 17# J-55 SJ-2 casing
1.5'	5 ½" LTC x 5 ½" SJ-2 crossover
5'	5 ½" Weatherford stage tool
3945'	5 ½" 17# J-55 LTC (turned down couplings) casing.

Install centralizers at 10' above shoe, middle of alloy casing, 5 on the steel casing above alloy in open hole, and 2 on casing just inside of 7" casing.

- **Limit running speed to 1200 fph. Use cementing swedge to fill casing. KEEP PIPE MOVING IN THE OPEN HOLE – EVEN WHILE FILLING UP CASING.**
- **Make sure cementing company has proper swedge for casing. (Need 5 ½" LTC and 5 ½" SJ-2 swedges)**
- **Limit pipe tension at surface to 75,000 lbs. (Pipe Tension = Weight Indicator – Traveling block/hook weight).** Air weight of casing = 72,250 lbs. Do not exceed without discussing with engineer.
- Use thread lock on casing shoe and on pin end of 2nd and 3rd joints.
- **Use Best-O-Life 2000 pipe dope**

29. Circulate 1.5 casing volumes. Mix and pump 1st stage cement per attached 2 stage cementing proposal. **Do not reciprocate casing.** Catch wet and dry surface samples of all slurries. Drop wiper plug. Flush cement lines.

30. Monitor returns throughout the job. **Note estimated percentage of returns on the morning reports.** Reduce displacement rate to 2 bpm for the last 10 bbls. Calculate exact displacement volume on location. Verify floats are holding. If floats do not hold, rock floats in an attempt to get them to hold. If floats still do not hold, shut-in casing for 6 hours while WOC to prevent U-tubing. Check surface samples prior to releasing pressure. Calculate U-tube pressure and apply to casing if float does not hold.

31. Open stage tool @ 3950'.

32. Circulate 4 hours between stages.

33. Pump 2nd stage cement per attached cementing proposal.

34. Close stage tool.

Note the number of sacks of cement used, slurry recipe, slurry yield, slurry density, and number of centralizers on the morning report. If there is problem on cement job discuss running a temperature survey with operations coordinator.

35. Verify annulus is static. PU BOP. Set slips on 5 ½" casing. Hang off full string weight on slips. Record hanging weight on the morning report.

36. Cut off 5 1/2" casing. Install and test head.

37. RD&MO Key 115.

Completion Procedure

1. MI&RU completion unit.
    - WOC at least 72 hours prior to commencing completion work
2. NU BOP's with 2 7/8" and blind rams. Test with 1500 psi.
3. PU 4 3/4" bit and 3 1/8" DC's on 2 7/8" work string and TIH.
4. Tag cement on stage tool. Test casing with 1500 psi. Drill out cement and stage tool.
5. Circ clean and TIH to cement on float collar. Test casing with 1500 psi.
6. Drill out cement and float equipment. Continue in hole washing circulating out sand from open hole.
7. Circ hole clean. PUH into 5 ½" casing. Trip back to TD to check for fill.
8. Circ hole clean. Spot 10% acetic acid cross open hole interval.
9. TOH LD workstring & DC's.
10. RU Halliburton wireline truck. Run GR/CCL/CBL from bottom of 5 ½" casing to surface.
11. Run and set Halliburton packer approximately 5' from bottom of alloy casing.
    - Notifiy OCD of intent to set packer and run tubing.
12. RU and run packer seal assembly on 2 7/8" fiberglass lined tubing.
    - Run SSSV at 250'±
13. Space out seals in packer. Set with 10,000# weight on packer displace with packer fluid.
14. Set in packer. Test packer with 1500#. Remove BOP's and install tree.
15. RD & MO completion rig.
16. Clean and level location.
17. RU pump truck. Pump 200 bbl of water into well.
18. Stimulate additionally if required.
19. Notify OCD and run MIT, step rate test, and injection survey per injection permit.
    - Testing to be conducted prior to injecting H_2S or CO_2.
20. Await installation of disposal lines.

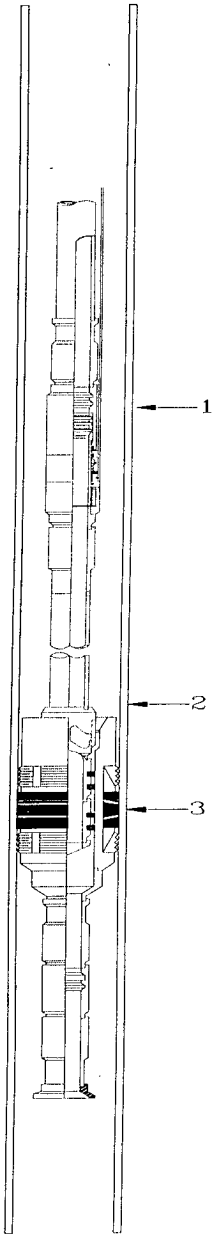
HALLIBURTON

Proposed Completion Data Guide

Original Date Prepared: July 16, 2008
Date Revised: February 15, 2011

Customer Information

Prepared For: TARGA RESOURCES INC
Field Name: Widcat
Well Number: Versado "AGI" #1
Location: Lea County, New Mexico
Attention of: Mr. W.A. Baker
Direct Phone: 432-620-9181
E-Mail: wbaker@cambrianmgmt.com



Formation Information

Zone Of Interest Number 1: 4500 Zone
Service (Std,H2S,CO2): Acid Injection
Open Hole: 4250' - 4850'
Plug Back T.D. 4,850 Ft.
BHT: 110° F
Injection Pressure: 2500 Psi
Completion Fluid: Treated Fresh Water

Well Bore Information

Casing: 5.5" 17# J-55 (ID: 4.892"/ Drift: 4.767") @ 0-4250'
LS Upper Production Tubing: 2.875" 6.5# J-55 Duo-Lined EUE(ID: 1.950" / Drift: ")

Completion Equipment

Job Description: Permanent Packer
Packer Material: Incoly 725
Packer Elastomer: Aflas
Seal Mandrel Material: Incoloy 725
Seal Elastomer: Aflas

Sales Information

HBD File Name 170658
Option Number: Version 8/ Option A
Version Name: 170658V8A
Submitted By: Mike Larpenter - 121949
Location: Houston, Texas
Main Phone: (281) 988-2500
Direct Phone: (713) 420-5169
E-Mail: mike.larpenter@halliburton.com

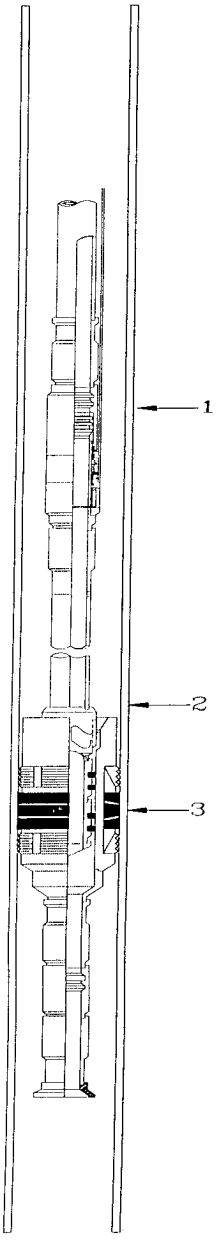
Field Information

Halliburton Service Contact: Steve Engleman - 104368
Halliburton Service Location: Odessa, Tx -
Main Phone: (800) 844-8451
Direct Phone: (432) 580-2960
Fax: (432) 337-0751

HALLIBURTON

Permanent Packer

Prepared For: **TARGA RESOURCES INC**	*HBD File Name*
Field Name: **Widcat**	170658
Lease:	Version 8/ Option A
Well Number: **Versado "AGI" #1**	170658V8A
Well Location: **Lea County, New Mexico**	



ITEM	DESCRIPTION	I.D.	O.D.	LENGTH	DEPTH
A	Production Tubing,2 7/8 6.5# Eue J-55 Duo-Lined W 2.44 ID	1.950	2.875	244.00	**0.00**
1	**Safety Valve Assembly**				
a	X over Pup W/Clp, 2 7/8"6.5# Eue x 2 7/8" 6.4# Vam-Top J-55 Duo-Lined Targa Resources	1.950	3.660	6.00	244.00
b	Halliburton "NE" Tubing Retrievable Safety Valve, **10,000#** Pressure Rating, Equalizing Type,Nickel Alloy 725, "X" Profile, 2 7/8" Vam-Top Box x Pin (781HXE23704-U) (101918658)	2.313	4.650	4.00	**250.00**
c	Xover Pup with Clp, 2 7/8"6.4# Vam-top x 2 7/8" 6.5# Eue J-55 Targa Resources	1.950	3.222	6.00	254.00
d	Control Line, .065" Wall. Incoloy 825, 1/4" x 400' (22SNS54040) (101309359) Customer Stock				
B	Production Tubing,2 7/8 6.5# Eue J-55 Duo-Lined W 2.44 ID	1.950	2.875	3,940.00	260.00
2	**Seal Assembly**				
a	Loc J-Slot 2 7/8 API-Eue x 2 11/16 12UNS B-P 725 Material (212J30034-Z) (101914095)	2.330	3.430	0.50	**4,200.00**
b	Seal Assy,3.00 X 2 11/16 12UNS (8in makeup) 725 material Molded Aflas seal, Pressure rating 8000psi (212MSA3009-Z)(101914392) Qty (2)	2.330	3.000	1.33	4,200.50
c	MS Guide,2 11/16 12UNS 725 Material (212G30013-Z)(101913527)	2.330	2.970	0.50	4,201.83 **4,202.33**
3	**Packer Assembly**				
a	Halliburton "TWB" Perma-Series™ Packer 5 1/2" 14-20#,3.00 ,2 7/8 Eue Pin 725 Material (AFLAS Elements) Pressure Rating 9,800psi (212TWB5502-Z) (101922999)	3.000	4.540	3.00	**4,200.00**
b	Coulpling 2 7/8" 6.5# EueJ-55 Targa Resources		3.660	0.44	4,203.00
c	Pup Joint, 2 7/8"6.5# Eue J-55 Duo-Lined Targa Resources	2.440	2.875	6.00	4,203.44
d	Landing Nipple 1.875 X 2 7/8" Eue BXP 725 Material (711X18875) (102003377)	1.875	3.705	1.50	4,209.44
e	Pup Joint, 2 7/8"6.5# Eue J-55 Duo-Lined Targa Resources	2.440	2.875	6.00	4,210.94
f	WL-Rentry Guide, 2 7/82" Eue 6.5# 725 Material (212M950) (101913511)	2.440	3.705	0.50	4,216.94 **4,217.44**

HALLIBURTON

Proposed Completion Data Guide

Original Date Prepared: ***July 16, 2008***
Date Revised: ***February 15, 2011***

Permanent Packer

Prepared For:	TARGA RESOURCES INC	*HBD File Name*	
Field Name:	Widcat	170658	
Lease:		Version 8/ Option A	
Well Number:	Versado "AGI" #1	170658V8A	
Well Location:	Lea County, New Mexico		

ITEM	DESCRIPTION	I.D.	O.D.	LENGTH	DEPTH	PRICE	Qty.
1	Safety Valve Assembly					$99,400.00	
2	Seal Assembly					$ 24,512.03	
3	Packer Assembly					$ 44,691.56	

Personnel and Mileage:

CPS-Retrievable Packer - BOM -20474 / Land Alternate			
Completion Serviceman (Land) - 8 Hr. Min. / Per Day (16328)	$	1,096.20	1
Use of Hydraulic Setting Tool - Per Packer - 5 Day (16320)	$	1,468.60	1
Assembly Make Up - Per Unit (21097)	$	1,108.80	11
Completion Assy. Test /Unit (18701)	$	378.00	3
Environmental Clean-Up (2311) $ 250.00 Max	$	100.00	1
Brass Ball (1.312") (93B108) (101014253)	$	244.30	1
Steel Ball (.875") (93B4) (100006745)	$	68.60	2
Control Line Test - Per Test (72113)	$	74.90	1
Hydraulic Hand Pump and Manifold - Use / First Day (3539)	$	132.30	1
Completion Tool Box - Per Job (3438)	$	281.40	1
Safety Valve Toolbox - Use / 3 Days (72118)Over 10K Valves	$	1,488.20	1
9/16-18UNF Autoclave Fitting with Anti-Vibration Gland (78Q6329) (101365964)	$	1,162.00	2
TRSV Fitting Kit - 374431	$	315.70	1
Nylon Tie Wraps (50761)	$	266.00	100
Buckles - Min. 1 Box (100 Each Buckles) (94S102) (101087308)	$	497.00	1
Bands per 1200 in. Roll (94S98) (101087320)	$	144.20	1

Estimated Sub Suface Safety Total		$99,400.00
Estimated Packer and Seal Assembly Total	$	69,203.59
Estimated Service and Rental Total	$	8,826.20
Estimated Mercandise Total for Job		168,603.59

Note: Items below will be charged as used

Completion Serviceman (Land) - Add'l. Hours, after 8 hr min (16328)	$	137.20	1
Serviceman Mileage - Per Mile/Round Trip, from nearest Halliburton camp (3327)	$	4.03	1
Fuel Surcharge - Per Mile (87098)	$	0.11	1

HALLIBURTON

Company:	*Targa*	*Well No.:*	*AGI 1*
Phone No:	*432-557-0120*	*Contact:*	*Mr. WA Baker*
Well API No.:		*Lease Name:*	

CYBERSTRING™

OVERVIEW

PURPOSE:

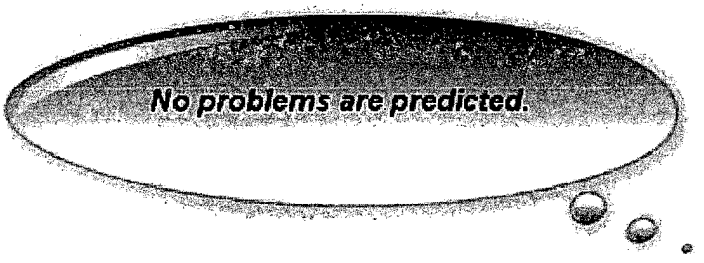
This Tubing Movements report analyzes the effects of movements, forces, temperatures, and stresses occurring in the tubing string and down-hole tools during the specified operating scenarios. CyberString utilizes EnerTech engineering technology.

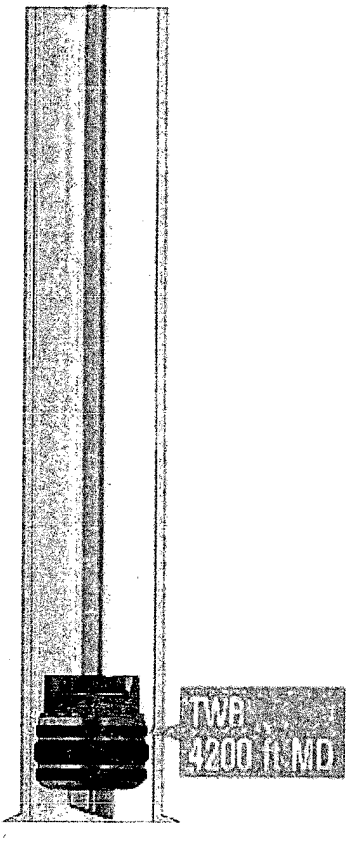
PROJECT:

Name: Targa Resources
Date: Feb 15, 2011

Field location:
Versado AGI 1
New Mexico, USA

Comments:
Injection





HALLIBURTON

Company:	***Targa***	***Well No.:***	***AGI 1***
Phone No:	***432-557-0120***	***Contact:***	***Mr. WA Baker***
Well API No.:		***Lease Name:***	

CYBERSTRING™

Parameter	Unit	Injection
Maximum Stress	psi	10720.41
Max. Stress Location	ft	0.10
Buckling Length	ft	0.00
Force on Shear Pins/Lug	lb	21922.00

Sign Conventions:

Movement: + Elongation, - Contraction

Force: + Tension (Upward), - Compression (Downward)

INITIAL CONDITION

Packer (TWB) :
Seal Bore Packer - tubing is tied to packer.
Bore diameter is 3.00 in
Latch rating of 60000.00 lb
Slackoff Force: 10000.00 lb
Packer Depth: 4200.00 ft

Measured Depth		Tubing				
From	To	OD	ID	WT	Min. Yield	fluid Frictior
ft	ft	in	in	lb/ft	psi	psi/100ft
0	4200	2.875	1.950	6.500	55000	0.00

Measured Depth		Casing			
From	To	OD	ID	WT	Min. Yield
ft	ft	in	in	lb/ft	psi
0	4250	5.500	4.892	17.000	55000

Measured Depth	Tubing						Annulus Fluid	
(M.D.)	Pressure	Temp	Density	Axial Force	Stress	Dogleg	Pressure	Density
ft	psi	°F	lb/gal	lb	psi	deg/100ft	psi	lb/gal
0	0	65.00	8.34	10921	3115	0.00	0	8.34
4200	1820	110.00	8.34	-16378	5594	4.37	1820	8.34

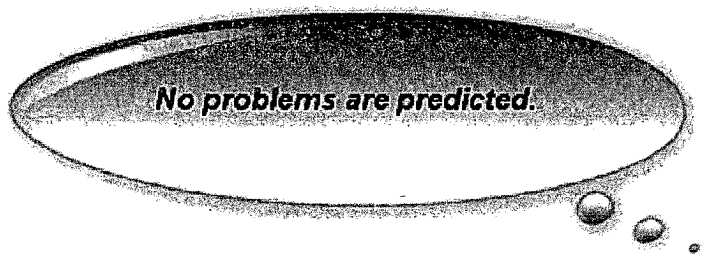
Sign Conventions:
Force: + Tension (Upward), - Compression (Downward)

HALLIBURTON

Company:	*Targa*	*Well No.:*	*AGI 1*
Phone No:	*432-557-0120*	*Contact:*	*Mr. WA Baker*
Well API No.:		*Lease Name:*	

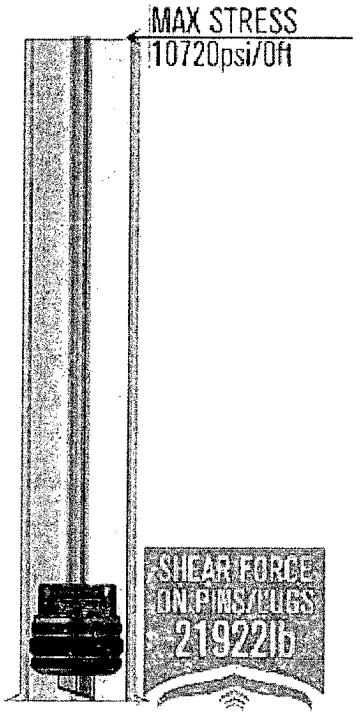
CYBERSTRING

RESULTS FOR INJECTION SCENARIO



Tubing fluid: Brine
Tubing fluid density: 8.6 lb/gal
Annulus fluid: Fresh Water
Annulus fluid density: 8.3 lb/gal
Injection rate: 168.0 gal/min
Injection duration: 24.0 hour
Injection pressure: 2500.0 psi
Injection temperature: 60.00 °F
Annulus surface pressure: 0.0 psi

Category	Parameter	Unit	Value
Slack-off		lb	10000.000
Total Compression	Force	lb	10000
	Length + Stretch	ft	0.399
Tool Passage Check: NOT ENABLED			
Diff. Pressure across Pkr from		psi	below 2557



Measured Depth	Tubing						Annulus Fluid	
(M.D.)	Pressure	Temp.	Density	Axial Force	Stress	Dogleg	Pressure	Density
ft	psi	°F	lb/gal	lb	psi	deg/100ft	psi	lb/gal
0	2500	60.04	8.60	32406	10720	0.00	0	8.34
4200	4376	66.92	8.60	5107	8274	0.00	1820	8.34

Sign Conventions:
Force: + Tension (Upward), - Compression (Downward)

PREPARED FOR:

Mr. W.A. Baker
TARGA MIDSTREAM SERVICES
(CAMBRIAN MANAGEMENT)
Midland, Texas

Versado AGI #1 (Re-entry)
Section 27
T-22-S
R-37-E
Lea County, New Mexico

Prepared by:
Gary Brown
April 7, 2010

NATIONAL OILWELL VARCO

Fluids Services
415 W. Wall, Suite 530
Midland TX 79701
Phone: 432-684-7446
Fax: 432-684-7473

April 7, 2010

Mr. W.A. Baker
TARGA Midstream Services
c/o Cambrian Management, LTD
303 W. Wall Street, Ste 500
Midland, Texas 79702-0272

Dear Mr. Baker,

Thank you for the opportunity to submit our drilling fluid recommendations for your Versado AGI #1 re-entry, in Lea County, New Mexico. These recommendations are based on information from your office, offset well data, and our knowledge of the area.

Of particular concern in this area is the potential for abnormal pressure, water flows and H_2S in the disposal interval. However, it has been our experience on re-entries that almost anything can happen:

- Plugs can be at the wrong depth, or missing completely
- Casing can be compromised or collapsed
- Pressure can be from water flows or gas
- Pressure can be abnormally high or low
- High pressure can be low volume, or high volume,
- Lost circulation can occur in the most unlikely zones as well as the expected ones

Therefore, we hope for the best but plan for the worst and recommend you have:

- an adequate sized pre-mix pit to mix re-entry fluid and/or kill mud
- a supply of fresh & brine water to kill the well with weights between 8.4 and 10.0ppg
- a supply of sack barite for kill weights above 10.0ppg
- a supply of Star Hib TSW in case there is the presence of H_2S
- a supply of liquid Xanthan Gum and starch on location for viscosity and/or fluid loss control
- a supply of various sized lost circulation material

All support services, including warehousing and trucking for this well, are in Hobbs, New Mexico. Thank you for considering us to be a part of your drilling team, and we look forward to working with you in the future.

Sincerely,

Gary Brown
NOV® Fluids Services
Permian District

DRILLING FLUID SYNOPSIS

TARGA Midstream Services
Versado AGI #1 (Re-entry)
Section 27
T-22-S
R-37-E
Lea County, New Mexico

Recommended Casing

7"	at	4,000'
5 ½"	at	4,500'

DEPTH	MUD WEIGHT	VISCOSITY	FLUID LOSS	DRILL SOLIDS	COMMENTS
4,000'-5,000'	9.5 to 10.0	28 to 29	No Control	<1%	Cut Brine, Star NP-110, Paper, Lime

ESTIMATED FORMATION TOPS

ANHYDRITE	1,122'
YATES	2,560'
SEVEN RIVERS	2,815'
QUEEN	3,320'
PENROSE	3,430'
GRAYBURG	3,590'
SAN ANDRES	3,816'
7" CASING SET AT	4,000'
GLORIETA	4,945'
TD	5,000'

RECOMMENDED DRILLING FLUID PROGRAM

DEPTH	WEIGHT	VISCOSITY	FILTRATE
4,000'-5,000'	**9.5-10.0**	**28-29**	**No Control**

Drill out from under casing with cut brine, circulating the closed loop. Hopefully, the "rat hole" should be easily cleaned since the well has been used as a disposal well. However, if drilling is required, take care to not "walk out" of the original well bore. Lime should be used to control the pH at 9.0 to 10. Utilize Star NP-110 for hole sweeps and to control solids. Paper should be used to control seepage and for sweeps. If lost circulation is encountered in this interval, please refer to NOV® Fluids Services' Lost Circulation Procedures. There is a potential for H_2S in this interval. If H_2S is encountered, we recommend additions of an H_2S scavenger for personnel safety and a filming amine to protect the drill pipe. We recommend sweeping the hole with a viscous, 50-60 sec/1,000cc's viscosity, Salt Gel pill and then spotting a viscous Salt Gel pill in the open hole prior to evaluation and running pipe. This should be sufficient for logging and casing operations.

John Hendrix Corp., Elliott B-15 #5, Section 15, T-22-S, R-37-E, reported moderate seepage @ 4,209'

John Hendrix Corp., Parks #13, Section 14, T-22-S, R-37-E, reported 60bbls/hour water flow @ 4,950'

Fluids Services

LOST CIRCULATION PROCEDURES

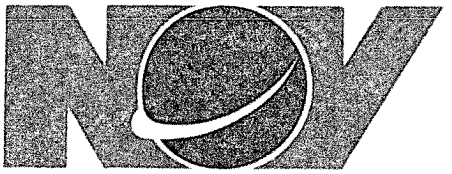
Loss of circulation is a possibility on this well. Although each well is different, there are some basic procedures and drilling practices that can aid in reducing the severity or, in some cases, prevent lost circulation. Below is a list, which may prove helpful.

1. Maintain viscosities as low as possible and still clean the hole.
2. Maintain mud weights as low as possible without jeopardizing safety.
3. Use slow trip speeds to prevent swabbing and surging.
4. Break circulation in stages, with reduced pump strokes while tripping in the hole.
5. Rotate pipe prior to and while tripping in the hole.
6. Use an optimum hydraulics program.

Severe seepage to total loss of circulation may occur even when the above procedures are followed. For severe seepage, we recommend circulating pills (50-100bbls. depending on hole size) containing 10-30 ppb of various (fibrous and flake) lost circulation material. It would be helpful to reduce pump rates until full returns are established. Once full returns are regained, normal pump rates should be returned to in stages. The inclusion of lost circulation material in the entire system is recommended only if the above procedures do not adequately seal off the loss zone.

For total loss of circulation, we recommend pulling enough stands to place the bit above the loss zone. A viscous pill containing the appropriate type of loss circulation material should be spotted. The size of the pill should be determined by hole size and should contain at <u>least</u> 30 ppb lost circulation material. Several attempts should be made before considering other alternatives. After returns are regained, we recommend staging back to bottom using the procedure outlined above.

If returns are not fully re-established, consideration should be given to dry drilling while pumping periodic sweeps to ensure hole cleaning.



PERMIAN DISTRICT
PERSONNEL

MIDLAND OFFICE	**800-669-7146**
Larry Wadzeck	Regional Manager Permian/MidCon
Gary Brown	District Engineering Manager
Gerald Huff	District Sales & Marketing Manager
Mike Mundy	District Sales & Marketing
Carlton Crownover	Technical Sales

WEST TEXAS ENGINEERING	**800-669-7146**
Tony Martin	Senior Sales and Service Engineer
Chris Lee	Sales and Service Engineer
Mark Price	Senior Sales and Service Engineer
Tom O'Reilly	Senior Sales and Service Engineer
Steve Wilson	Senior Sales and Service Engineer

NEW MEXICO ENGINEERING	**800-669-7146**
Fred Flores	Senior Sales and Service Engineer
Josh Jones	Senior Sales and Service Engineer

Weatherford

WEATHERFORD DRILLING AND WELL SERVICES
3000 WEST COUNTY RD
HOBBS NM 88240
UNITED STATES

QUOTATION

Quote Number: 187114 SQ
Order Date: MAY 03 2010
Customer Reference: VERBAL
Location: 80026 HOBBS
Phone No.: 575.391 9811
Fax No.: 575.393 1244
FDC Number: FDC # 4070 E10023

76-0486916

TO: 1588331

TARGA RESOURCES INC
1000 LOUISIANA ST SUITE 4300
HOUSTON TX 77002-5050
UNITED STATES

LOCATION: 1588331

TARGA RESOURCES INC
1000 LOUISIANA ST SUITE 4300
HOUSTON TX 77002-5050
UNITED STATES
76-0486916

TERMS	QUOTE VALIDITY	ENTERED BY
Net 30 days		SHIFFLETT, BILL G

SHIPPING TERMS	SHIPPING INSTRUCTIONS
EXW Ex Works	price group 5

LINE NO.	ITEM NUMBER DESCRIPTION	UOM	QTY SHIPPED	UNIT PRICE	EXTENDED PRICE
1.000	Legacy #: 3030051BHDLPG00170 Part #: 573253 SHOE, FLOAT 5-1/2 303 CONC CONCRETE P110 AB HDL BLANK 17.0	EA	1.00	677.1200	677.12
2.000	Legacy #: 4020051BHDLPG00170 Part #: 576650 COLLAR, FLOAT 5-1/2 402 P110 STD AB HDL BLANK 17.0	EA	1.00	886.4400	886.44
3.000	Legacy #: 751E051ER00PG00123 Part #: 583095 STAGE TOOL, MECHANICAL 5-1/2 751E P110 LTC 17.0-23.0	EA	1.00	4,716.1800	4,716.18
4.000	Legacy #: 823355 Part #: 823355 Machine charge to cut sj2 thre	EA	3.00	710.0000	2,130.00
5.000	Legacy #: 823355 Part #: 823355 Machine charge to mill dv tool	EA	1.00	250.0000	250.00
6.000	Legacy #: B1102551 Part #: 472228 CENTRALIZER, BOW SPRING 5-1/2STR LO LPWLD B-SERIES 25B CS	EA	10.00	28.7000	287.00
7.000	Legacy #: 6020051 Part #: 582379 COLLAR, STOP 5-1/2 LO STD STSCR 10 GA X 2 CS	EA	8.00	37.0500	296.40
8.000	Legacy #: 7010010 Part #: 472158 THREAD, COMPOUND TUBE-LOK 1/2LB KITS	EA	2.00	37.0500	74.10
9.000	Legacy #: 178173 Part #: 178173 DELIVERY CHARGES	EA	1.00	100.0000	100.00

TOTAL (USD) **9,417.24**