

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

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APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST PLATINUM EXPLORATION INC. 1) FINDING THAT OPERATOR KNOWINGLY AND WILLFULLY VIOLATED 19.15.4.201 NMAC AS TO FOUR WELLS AND ASSESSING PENALTIES FOR THOSE VIOLATIONS; 2) REQUIRING OPERATOR TO RETURN SAID WELLS TO COMPLIANCE WITH 19.15.4.201 NMAC BY A DATE CERTAIN; AND 3) AUTHORIZING THE DIVISION TO PLUG SAID WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE IN THE EVENT OF NON-COMPLIANCE, LEA COUNTY, NEW MEXICO.

CASE NO. 13845

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

The Oil Conservation Division submits this entry of appearance and pre-hearing statement pursuant to OCD Rule 1211 [19.15.14.1211 NMAC].

APPEARANCES

APPLICANT

Oil Conservation Division

APPLICANT'S ATTORNEY

Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505) 476-3451
FAX: 476-3462

RESPONDENT

Platinum Exploration Inc.

Platinum Exploration Inc.
550 West Texas Avenue, Suite 200
Midland, TX 79701
(432) 687-1664
(432) 687-2853 (FAX)

West Texas State Bank

West Texas State Bank
P.O. Box 7409
Odessa, TX 79760

STATEMENT OF THE CASE

The Oil Conservation Division (OCD) seeks an order finding that Platinum Exploration Inc. (Platinum) knowingly and willfully violated 19.15.4.201 NMAC as to four inactive wells and assessing penalties for those violations. In addition, the OCD seeks an order requiring Platinum to return those wells to compliance by a date certain, and authorizing the OCD to plug the wells and forfeit the applicable financial assurance if Platinum does not comply. Platinum has posted \$50,000 letter of credit through West Texas State Bank in Odessa, Texas.

The four wells at issue in this case were the subject of inactive well agreed compliance order 123. That order has expired.

APPLICANT'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME:

Daniel Sanchez, Enforcement and Compliance
Manager

10 min.

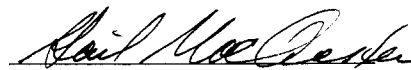
Dorothy Phillips, Financial Assurance Administrator

by affidavit

PROCEDURAL MATTERS

None.

Respectfully submitted
this 20th day of December 2006 by



Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
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(505) 476-3451

Attorney for the Oil Conservation Division


CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following this 20th day of December 2006:

Platinum Exploration Inc.

550 West Texas Avenue, Suite 200
Midland, TX 79701
(432) 687-2853 (FAX)
(By first class mail and FAX)

West Texas State Bank
P.O. Box 7409
Odessa, TX 79760
(By first class mail)


Gail MacQuesten