

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



October 7, 2009

Platinum Exploration, Inc.  
550 West Texas Avenue, Suite 500  
Midland, TX 70701

Devonian Partners, LLC  
4711 W. Golf Rd., Suite 915  
Skokie, IL 60076

CT Corporation System  
123 East Marcy  
Santa Fe, NM 87501  
Registered agent for Platinum Exploration, Inc. and Devonian Partners, LLC

## **FORMAL NOTICE OF LOSS OF INJECTION AUTHORITY**

Re: Post #001, N-1-14S-37E, 30-025-27984

Dear Operator:

The purpose of this letter is to give you formal notice that your authority to inject into the well identified above has terminated. **You may not inject into this well until you obtain a new injection permit.**

19.15.26.12(C)(1) NMAC provides:

“Whenever there is a continuous one year period of non-injection into all wells in an injection or storage project or into a salt water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto.”

19.15.26.12(C)(2) NMAC provides:

For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of



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Subsection C of 19.15.26.12 NMAC, provided that any such extension may be granted only prior to the end of one year or [sic] continuous non-injection, or during the term of a previously granted extension.

The well identified above was authorized as a salt water disposal well by Administrative Order SWD-1001, issued October 25, 2005. A copy is attached. A review of the production reports for the well shows that it has not reported injection. A copy of the production/injection search result is attached. The Oil Conservation Division (OCD) has not found any administrative extensions of the injection authority for this well.

By operation of 19.15.26.12(C)(1) NMAC, the authority for injection into the Post #001 automatically terminated. No extension can be granted now. If you wish to inject into this well you will need to apply for a new permit under 19.15.26.8 NMAC.

By copy of this letter, I am notifying the Artesia District Office that your injection authority for this well has terminated.

If you disagree with the OCD's conclusion that the authority to inject has been terminated, please provide documentary proof that there has not been a period of one year of non-injection, or that you are operating under an administrative extension of injection authority.

Sincerely,



Daniel Sanchez

Underground Injection Control Director for the State of New Mexico

Attachments: Administrative Order SWD-1001  
Injection report summary for the Post #001

Ec: Randy Dade, Supervisor, Artesia District Office



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Director

**Oil Conservation Division**

ADMINISTRATIVE ORDER SWD-1001

## APPLICATION OF PLATINUM EXPLORATION, INC. FOR PRODUCED WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

### ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Platinum Exploration, Inc. made application to the New Mexico Oil Conservation Division on September 20, 2005, for permission to utilize for produced water disposal its Post Well No. 1 SWD (API No. 30-025-27984) located 990 feet from the South line and 1,650 feet from the West line of Section 1, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico.

#### THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

#### IT IS THEREFORE ORDERED THAT:

The applicant is hereby authorized to utilize its Post Well No. 1 SWD (API No. 30-025-27984) located 990 feet from the South line and 1,650 feet from the West line of Section 1, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the Devonian formation through perforations and open hole from approximately 12,729 feet to 13,400 feet and through plastic-lined tubing set in a packer located within 100 feet of the top of the injection interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

**After re-entering and deepening this well, the operator shall provide the Division with copies of any new electric logs and copies of any production, injection, or swab tests. In addition, if any cement bond logs, density logs, or neutron logs were run on this well in the past, the operator shall send copies to the Hobbs District office.**

After installing injection tubing, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

The wellhead injection pressure on the well shall be limited to **no more than 2,546 psi**. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.


PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall provide written notice of the date of commencement of injection to the Hobbs district office of the Division.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 26th day of October 2005.



MARK E. FESMIRE, P.E.  
Director

MEF/wvjj

cc: Oil Conservation Division – Hobbs

# 30-025-27984 POST #001 [301650]

**General Well Information**

**Status:** Approved Temporary Abandonment

**History**

**Comments**

**Operator**

**Company:** [227103] PLATINUM EXPLORATION INC  
**Address:** 550 WEST TEXAS AVENUE,SUITE 500  
 MIDLAND ,TX 79701  
**Country:** U.S.A.  
**Main Phone:** 432-687-1664

**Central Contact Person**

**Hobbs Contacts**

**Pits**

**Casing**

**Well Completions**

**[36100] KING;WOLFCAMP** **Status:** Temporary Abandonment **Last Produced:**

**Financial Assurance**

**Compliance**

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports ([Inactive Well Report](#), [Financial Assurance Rep](#))

Also note that some compliance issues are addressed at the operator level so not listed under each well.

<b>BEP0226245700</b>	<b>Date of Violations:</b> 9/19/2002	<b>Violations:</b> Operation/Maintenance
<b>ELG0435134444</b>	<b>Date of Violations:</b> 12/16/2004	<b>Violations:</b> Identification (Well Sign) , Operation/Maintena
<b>ELG0507749691</b>	<b>Date of Violations:</b> 3/18/2005	<b>Violations:</b> Identification (Well Sign)
<b>MGB0917558361</b>	<b>Date of Violations:</b> 6/24/2009	<b>Violations:</b> Identification (Well Sign) , Pollution and Contar
<b>MGB0920861087</b>	<b>Date of Violations:</b> 7/27/2009	<b>Violations:</b> Identification (Well Sign) , Pollution and Contar
<b>SAD0118739654</b>	<b>Date of Violations:</b> 6/5/2001	<b>Violations:</b> Operation/Maintenance
<b>SAD0711432453</b>	<b>Date of Violations:</b> 4/20/2007	<b>Violations:</b> Mechanical Integrity
<b>SAD0915448283</b>	<b>Date of Violations:</b> 6/3/2009	<b>Violations:</b> Other Violation
<b>SAD0915662835</b>	<b>Date of Violations:</b> 6/5/2009	<b>Violations:</b> Mechanical Integrity

**Complaints, Incidents and Spills**

No Incidents Found

Please note that incidents that impact ground water are recorded along with "facilities" which may not be wells, so although the initial report may be related to the abatement plans, remediation plans and ground water impact information are not yet part of this application.

**Orders**

- **ACO - Inactive Wells ACOI-44-0**

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- **Off-Lease Storage OLS-146-0**

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- **Central Tank Battery CTB-296-0**

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- **Salt Water Disposal SWD-1001-0**

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**Production / Injection**

[Show All](#)

Time Frame	Earliest Production in OCD Records:				Last				
	Production			Days P/I	Injection				
	Oil(BBLS)	Gas (MCF)	Water (BBLS)			Water (BBLS)	Co2 (MCF)	Gas (MCF)	Other
2004	0	0	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0
2006	0	0	0	0	0	0	0	0	0
2007	0	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0
Grand Total:	0	0	0	0	0	0	0	0	0

**Transporters**