

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication**  
 NSL  NSP  SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement**  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery**  
 WFX  PMX  SWD  IPI  EOR  PPR

**[D] Other: Specify** \_\_\_\_\_

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners**
- [B]  Offset Operators, Leaseholders or Surface Owner**
- [C]  Application is One Which Requires Published Legal Notice**
- [D]  Notification and/or Concurrent Approval by BLM or SLO**  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,**
- [F]  Waivers are Attached**

**[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Print or Type Name \_\_\_\_\_ Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
 e-mail Address

**PLATINUM EXPLORATION INC.**  
550 WEST TEXAS AVENUE, SUITE 200  
MIDLAND, TEXAS 79701  
OFFICE (432) 687-1664 • FAX (432) 687-2853

RECEIVED

MAR 07 2005

OIL CONSERVATION  
DIVISION

250

March 3, 2005

NMOCD  
1220 S. Francis Dr.  
Santa Fe NM 87505

Re: C-103  
Smith #1 SWD (SWD 956)  
Denton Devonian Field, Lea Co. NM  
Step Rate Test

Gentlemen,

Platinum Exploration respectfully requests an increase in the Maximum Surface Pressure (tbg) for the captioned SWD well. SWD 956 restricts surface injection pressure to 937 psig. This has proven to be inadequate for our disposal volume. We request an increase in the surface pressure to 1650 psig which will allow us to dispose of 3500 BWPD.

A step rate test was conducted (not witnessed by OCD) on February 18, 2005. This test was conducted down the 4 1/2" injection tubing using produced water from the Denton Devonian Field and a Petroplex Services (Hobbs, NM) pump truck equipped with rate and pressure recording equipment. A total of 500 bbl of fluid was injected during the course of the test. The results of this test are provided via a copy of the recorded chart during the test. Data from the test is plotted in a rate versus stabilized injection pressure format.

The Step Rate Test indicates a fracture initiation pressure of 1750 psig for the San Andres disposal interval in this wellbore. This pressure is consistent with other observed frac pressures in the San Andres in the area.

Your timely consideration of our request to increase the allowed surface pressure is respectfully requested.

Questions regarding the step rate test and this request may be directed to the undersigned at the captioned address.

Respectfully yours;



Fritz Schoch, Engineer

Submit 3 Copies 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

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 May 27, 2004

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		WELL API NO. 30-025-28478 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No. 34474
2. Name of Operator Platinum Exploration Inc.		7. Lease Name or Unit Agreement Name Smith
3. Address of Operator 550 W. Texas, Ste. 500, Midland, Texas 79701		8. Well Number 1 9. OGRID Number 227103
4. Well Location Unit Letter <u>F</u> : <u>1980</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>13</u> Township <u>14S</u> Range <u>37E</u> NMPM County <u>Lea</u>		10. Pool name or Wildcat Denton Devonian
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3838' RKB		
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

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

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input checked="" type="checkbox"/> Step Rate Test
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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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

A step rate test was performed on the Smith #1 SWD ( SWD 956, approved 12/9/04) to determine maximum allowable injection pressure. The results (attached) from this test indicate a fracture initiation pressure of 1750 psig surface pressure while injecting produced water from the Denton Devonian Field at various rates and pressures as noted.

- 1 BPM @ 880 psig
- 2 BPM @ 1300 psig
- 3 BPM @ 1560 psig
- 4 BPM @ 1735 psig
- 5 BPM @ 1860 psig
- 6 BPM @ 1940 psig
- 7 BPM @ 2025 psig

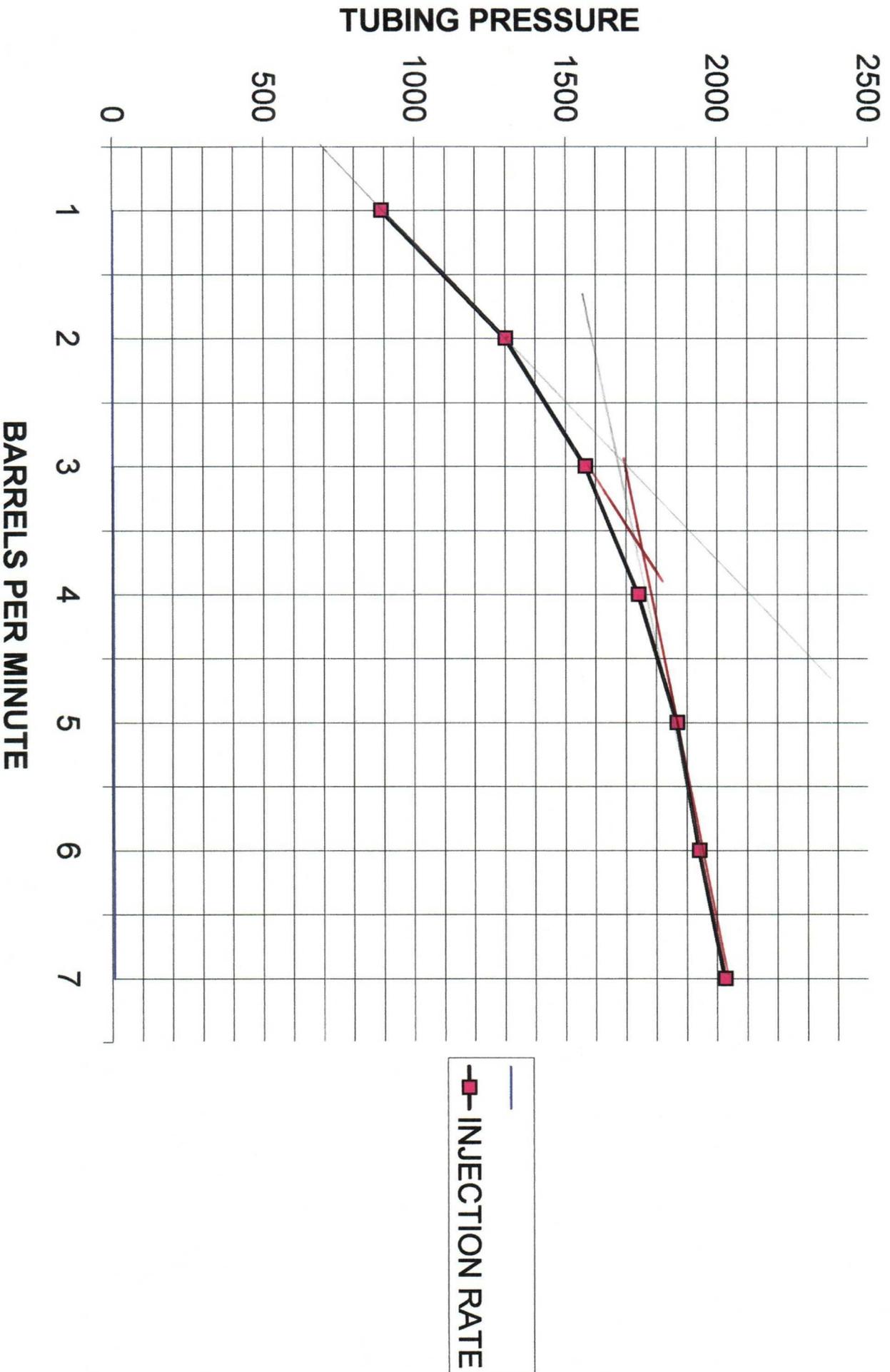
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE [Signature] TITLE Engineer DATE 3 Mar 2005

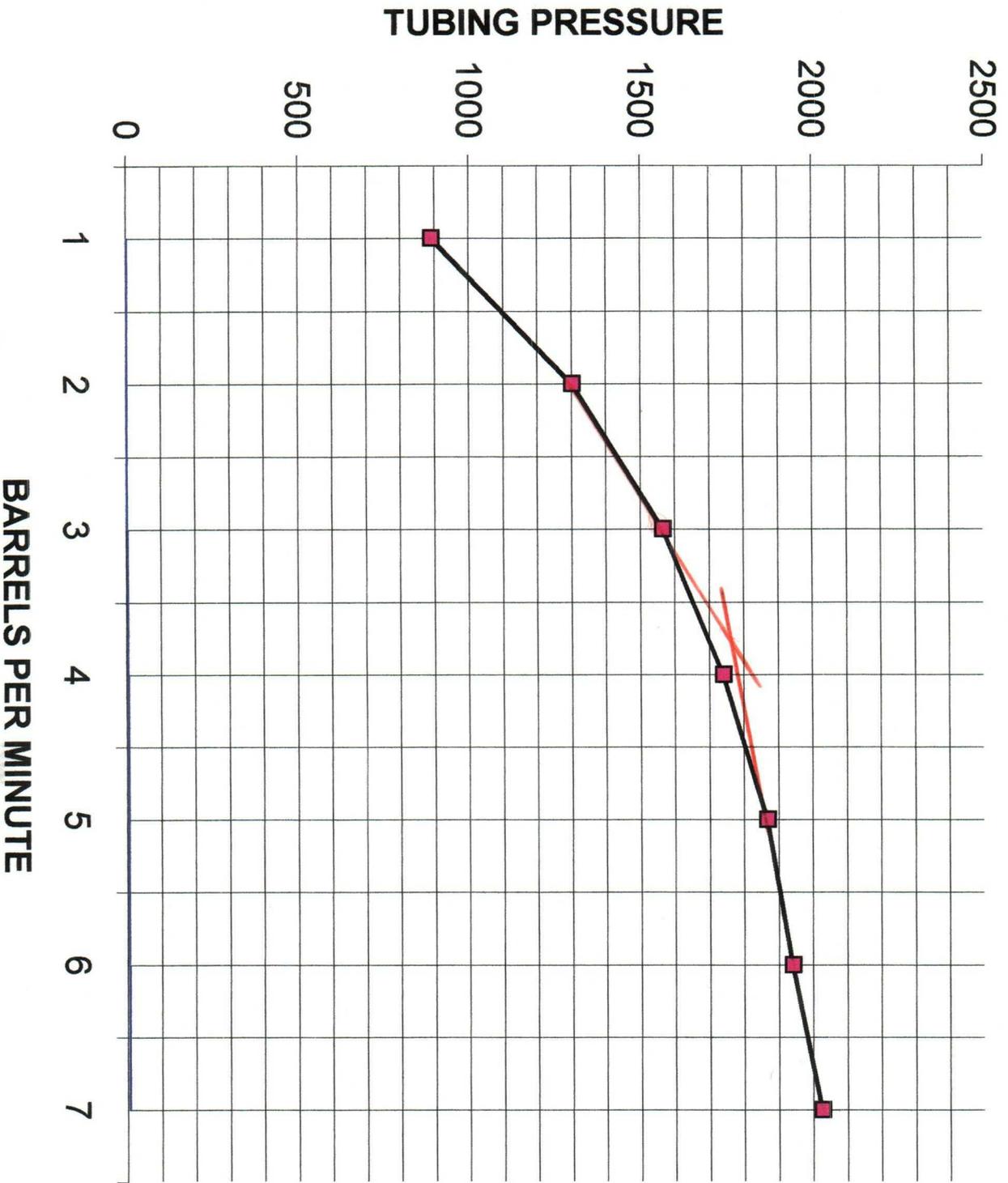
Type or print name Fritz Schoch E-mail address: petrodog@t3wireless.com Telephone No. 432.687.1664  
**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

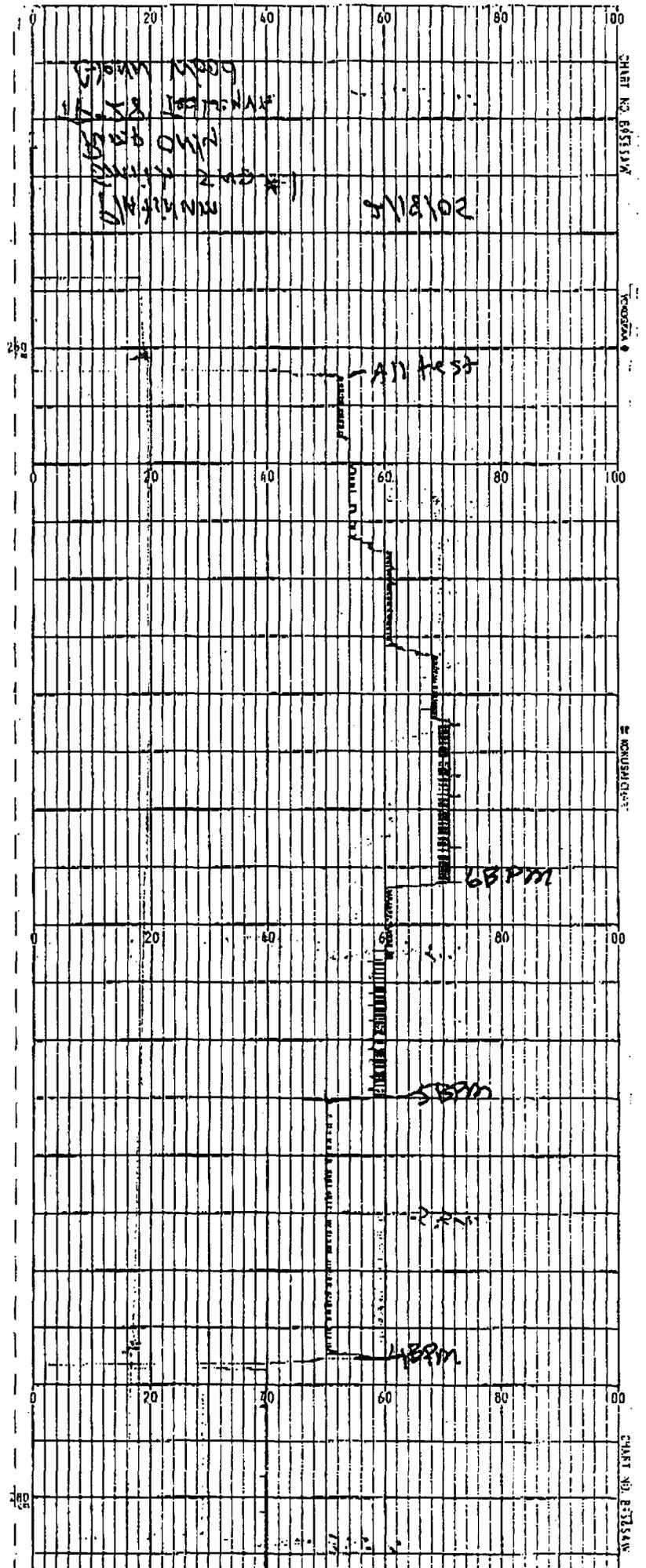
PLATINUM EXPLORATION INC  
SMITH #1 SWD STEP RATE TEST 2/18/05

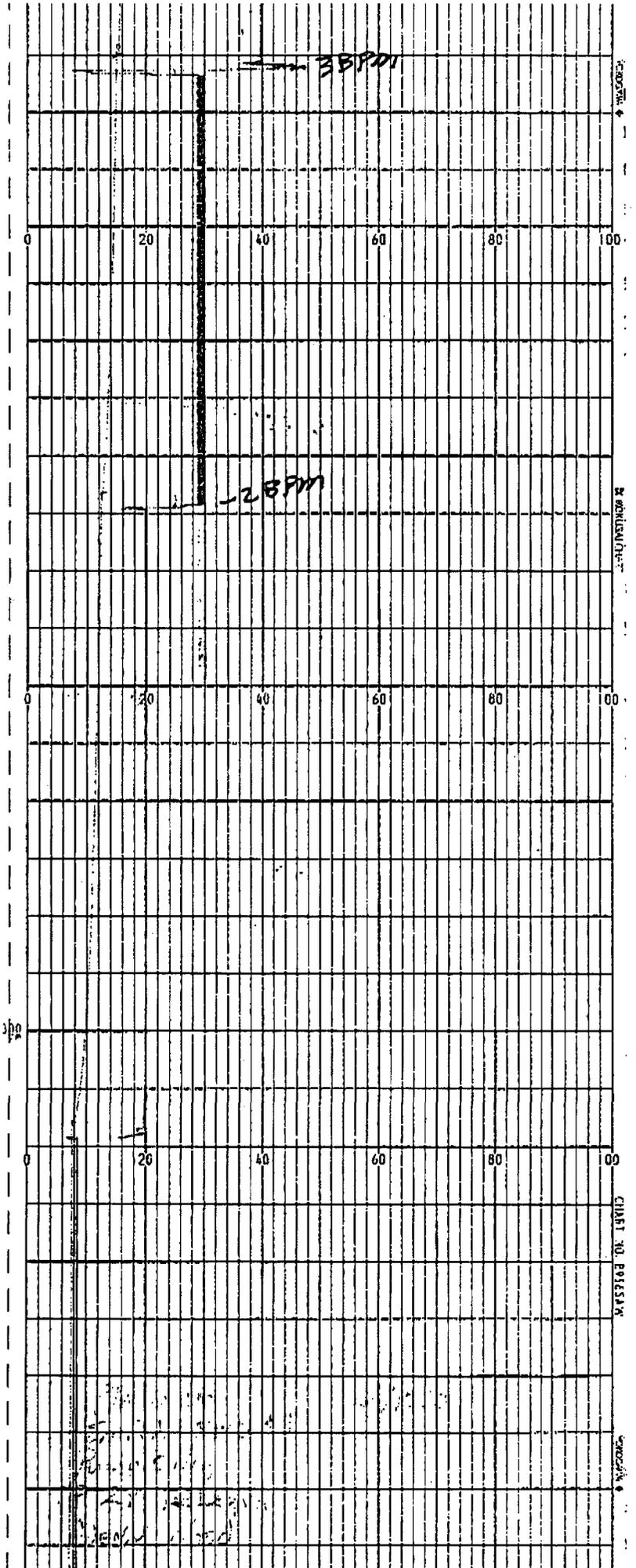


PLATINUM EXPLORATION INC  
SMITH #1 SWD STEP RATE TEST 2/18/05



— INJECTION RATE





71598

CHART NO. 89153A

89153A

