



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 9, 2005

Julie Figel 432-687-1664 Fax 432-687-2853
Platinum Exploration, Inc.
550 West Texas Avenue, Suite 200
Midland, Texas 79701

RE: Application of Platinum Exploration, Inc. for Salt Water Disposal
Newmont Well No. 1 API No. 30-025-07154
Unit K, Section 7, Township 12 South, Range 38 East, NMPM, Lea County, NM
Injection into the Devonian from 12,025 to 12,700

Dear Sir or Madam:

The Division has received a letter by fax on May 20, 2005, withdrawing the previous protest to this injection permit.

Permit SWD-943-A is in effect and any injection into this well shall be governed by the ordering paragraphs within that previously issued permit.

Thank you,

William V. Jones PE
Engineer for the Division

Copied to:

Hobbs District office of the Division

and

Rod Markham 806-763-5326 Fax 806-763-8017

Oil & Gas Development

1500 Broadway, Suite 1212

Lubbock, Texas 79401-3192

ROD MARKHAM
1500 BROADWAY, SUITE 1212
LUBBOCK, TEXAS 79401-3192

OIL & GAS DEVELOPMENT
(Phone) 806 / 763-5326
(Fax) 806 / 763-8017

May 20, 2005

SWD-943-A

Oil Conservation Division
1220 South Saint Francis Street
Santa Fe, New Mexico 87505

Re: Unit K, Section 7-12S-38E, Lea, NM
Platinum Exploration Newmont #1 SWD
Request For Approval

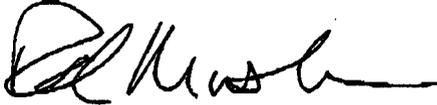
Dear Sir:

By letter dated May 4, 2005 sent to the OCD, I requested an extension of time to study Platinum's proposed SWD well, the Newmont #1. As a result of my request, the OCD scheduled a hearing for June 16, 2005 for the purpose of hearing concerns regarding this well.

I have now had the opportunity to study Platinum's proposal, I have talked with Platinum and my original concerns no longer exist. I do not wish to protest this well and I have no desire to proceed with any complaint regarding their proposal. Will you please remove me from the docket for any kind of protest regarding this well.

Thank you very much.

Sincerely,



Offsetting Mineral Owners:
Roderick Allen Markham
Manon Markham McMullen

CC: Platinum Exploration

WVT 5/20/05

Jones, William V

From: Julie Figel [jfigel@t3wireless.com]
Sent: Thursday, May 12, 2005 9:28 AM
To: 'Jones, William V'
Cc: Conrad Turner
Subject: RE: Newmont #1 SWD Order #SWD-943 and 943A

For PLATINUM'S
 NEWMONT #1 SWD
 DIVISION APPLICATION
 SWD-943-A

Mr. Jones:

Thanks for your email and the attachments. Sorry our fax didn't work yesterday, we haven't found the problem yet. I did receive your attachments thru email and I appreciate you sending them. I have been in and out of the office lately, so in the event you cannot reach me, please feel free to contact Conrad Turner. He is well aware of the situation and can answer any questions you may have. His extension is 119.

Yes, Jim Bruce is our attorney. I will send him the information he needs and we will be ready for a hearing on June 16th if needed. We are also sending out Mr. Markham additional information today. I believe we can resolve this prior to the hearing. If so, we will send a written letter to you confirming this, so you may clear the hearing off the docket.

I appreciate your help in this matter and we plan to resolve this quickly. Have a great day!

Julie Figel
 Platinum Exploration Inc.
 550 W. Texas Ave. Suite 500
 Midland, TX 79701
 432-687-1664
 432-687-2853 fax
 jfigel@t3wireless.com

From: Jones, William V [mailto:WVJones@state.nm.us]
Sent: Wednesday, May 11, 2005 4:54 PM
To: 'Julie Figel'
Cc: Ezeanyim, Richard; Brooks, David K; Williams, Chris
Subject: RE: Newmont #1 SWD Order #SWD-943 and 943A

Hello Julie:

Attached to this email is your official notice that this protested application is set to hearing on June 16. Also attached is the protest letter. We could not get the fax number to work. This notice will be faxed to Rod Markham and to Jim Bruce. I am assuming Jim Bruce is your attorney.

If you reach a settlement with the protestor, **then have the protestor send a notice to the Division to that effect.** That will release the Division to process the administrative application. At that point, your attorney should request that the Hearing "case" be dismissed.

As far as the status of the well from now until the ruling after hearing - I understand you talked of that yesterday?

Thanks,

Will Jones

-----Original Message-----

From: Jones, William V
Sent: Tuesday, May 10, 2005 4:29 PM

5/12/2005

To: 'Julie Figel'
Cc: Ezeanyim, Richard; Brooks, David K; Williams, Chris
Subject: RE: Newmont #1 SWD Order #SWD-943

Julie:

On Monday, May 9, 2005, the Division received a valid protest on this injection permit from Rod Markham, Lubbock, TX 806-763-5326. Apparently, they received notice of the proposed well on May 2 and mailed the protest two days later. Apparently, I released the amended permit too soon.

Our attorneys say the permit must be rescinded if you cannot work a deal with Mr. Markham.

If you cannot negotiate, we can set the application for hearing, the Division will notice Mr. Markham and Platinum, and the case will be decided with at Division Hearing. The well would also have to be shut-in pending the outcome of the hearing.

First, please let me know the status of the well and what your estimate of success of negotiation. Then we can go from there.

Thank You,

William V. Jones Engineering Bureau Oil Conservation Division Santa Fe

-----Original Message-----

From: Julie Figel [mailto:jfigel@t3wireless.com]
Sent: Thursday, April 28, 2005 7:29 AM
To: 'Jones, William V'
Subject: RE: Newmont #1 SWD Order #SWD-943

Here's an update on the Newmont #1:

Hopefully you have received my letter in the mail, which also copied Paul Kautz in Hobbs.

I have the affidavit back from the newspaper. I am in the process of notifying the mineral interest owners, since they were not originally notified. That was before my time here and there was confusion as to who needed to be notified at the time.

I should finish up the notifications today or tomorrow. I will Fed-Ex all the paperwork to you as soon as I finish. Thanks for your patience.

Julie Figel
Platinum Exploration Inc.
550 W. Texas Ave. Suite 500
Midland, TX 79701
432-687-1664
432-687-2853 fax
jfigel@t3wireless.com

From: Jones, William V [mailto:WVJones@state.nm.us]
Sent: Tuesday, April 12, 2005 11:46 AM
To: 'Julie Figel'
Cc: Sanchez, Daniel; Williams, Chris; Kautz, Paul
Subject: RE: Newmont #1 SWD Order #SWD-943

Julie:

Thanks for catching this. I just talked this over with Daniel Sanchez our enforcement manager and Chis Williams, the manager of the Hobbs District and David Catanach.

AS SOON AS POSSIBLE:

Write a formal letter to the Division in Santa Fe (to my attention with a copy to the Hobbs District attention Paul Kautz) requesting the permit SWD-943 be amended to change the depth from and to Be sure and state the names of all formations involved. Send a certified copy of this letter to the 6 entities you noticed in the original application, any new operators who may have purchased leases, and put a notice in the newspaper. In your cover letters and in the newspaper, let them know they have 15 days to protest this amendment to the Division in Santa Fe.

Because **our permits are depth and formation specific**, Platinum is in violation and is injecting "without a permit", so this is considered to be very serious by the Division and by the US EPA who handles the Underground Injection Control Program as promulgated from the Safe Drinking Water Act.

Because you are only deeper in the Devonian, we can let you continue injecting unless this gets protested or unless we see a problem with it in other ways. If it gets a protest, we will give Platinum an Emergency Order to shutin the well until the issue is settled.

Thanks again for reporting this,

William V. Jones

Engineering Bureau

Oil Conservation Division

Santa Fe

-----Original Message-----

From: Julie Figel [mailto:jfigel@t3wireless.com]

Sent: Tuesday, April 12, 2005 8:14 AM

To: 'Jones, William V'

Subject: Newmont #1 SWD SWD Order #SWD-943

Mr. Jones:

It has been brought to my attention a problem on the Newmont #1 well. That well was converted to SWD 11/19/04.

The problem is the order states the injection interval to be 12,025-12,200 and our current injection interval is 12,025 -12,700

We are still in the Devonian just 500' deeper than we're supposed to be.

Do we need to amend the application? If so, what does that entail? Do we need to resubmit the whole package? Do we need to shut in the well since we are currently injecting below the permitted interval? Do we need to re-notify mineral interest owners and offset operators as well as republish in the newspaper?

Or could we just set a plug in the bottom of the hole from 12,200-12,700?

Please let me know our options as soon as possible. Thanks!

Julie Figel
Platinum Exploration Inc.
550 W. Texas Ave. Suite 500
Midland, TX 79701
432-687-1664
432-687-2853 fax
jfigel@t3wirelss.com

RECEIVED

MAY 13 2005

OIL CONSERVATION
DIVISION

PLATINUM EXPLORATION INC.
550 WEST TEXAS AVENUE, SUITE 500
MIDLAND, TEXAS 79701
OFFICE (432) 687-1664 • FAX (432) 687-2853

SWD-943-A

May 11, 2005

**Mr. William Jones, Engineering Bureau
NEW MEXICO OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, New Mexico 87505**

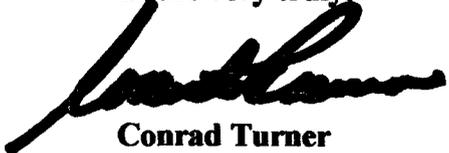
Re: Newmont Salt Water Disposal Well No. 1

Dear Sir:

Your May 10, 2005, e-mail to Julie Figel of our office advised that Mr. Roderick Markham filed a valid protest to our request for a salt water disposal permit for the subject well located in Lea County, New Mexico.

We contacted Mr. Markham's office today and, by copy of this letter, are furnishing additional data designed to satisfy his questions relative to our disposal application. We believe, upon his receipt and review of the additional information, we can resolve his concerns. We will keep you informed as to the status of our discussions.

Yours very truly,



**Conrad Turner
Administration**

**cc: Mr. Roderick Markham w/attachments
1500 Broadway, Suite 1212
Lubbock, Texas 79413**

WVJ 5/13/05

ROD MARKHAM
1500 BROADWAY, SUITE 1212
LUBBOCK, TEXAS 79401-3192

OIL & GAS DEVELOPMENT
(Phone) 806 / 763-5326
(Fax) 806 / 763-8017

May 4, 2005

Oil Conservation Division
1220 South Saint Francis Street
Santa Fe, New Mexico 87505

RECEIVED
MAY 9 - 2005
OIL CONSERVATION
DIVISION

Re: Section 7-12S-38E, Lea, NM
Platinum Exploration Newmont #1 SWD
Request For Approval

Dear Sir:

We, the offset mineral owners, received a notice (copy enclosed) May 2, 2005 from Platinum stating that they seek approval from the OCD for the above water disposal well. They ask for approval to dispose of up to 20,000 BWPD into the Devonian formation in this well. We were notified that we have 15 days to respond to the OCD if we want to protest. Yesterday I called Julie Figel of Platinum requesting additional information on this specific well and I have yet to hear back from them. I will be out of town for over a week and I will not be available to consider this matter before I leave since I will not have the information that Platinum sent to the OCD.

We have mineral interests in three offsetting sections to this well: section 12-12S-37E, section 8-12S-38E, and section 18-12S-38E. Without further information it is difficult to know the effect of this well on our interest. Twenty thousand barrels per day is an extreme amount of water and could certainly cause negative consequences for our interest. While a new well has not been drilled recently on any of our interests in these sections, parties in the past have expressed an interest in potential by-passed Devonian oil from the Gladiola field.

By this letter we hereby request that you extend the time that we have to respond by an additional four weeks so that we will have time to receive, study and respond to the relevant information. Will you please notify me as to your decision.

Thank you very much.

Sincerely,



Offsetting Mineral Owners:
Roderick Allen Markham
Manon Markham McMullen

See ADMIN APPROVAL
SWD 943
943A

WAD 5/10/05

PLATINUM EXPLORATION INC.
550 WEST TEXAS AVENUE, SUITE 500
MIDLAND, TEXAS 79701
OFFICE (432) 687-1664 • FAX (432) 687-2853

02/12/05

April 28, 2005

SEC 7-12-38

Manon Markham McMullen &
Roderick Allen Markham
1500 Broadway, ste 1212
Lubbock, TX 79413

Dear Sir/Madam:

Platinum Exploration, Inc. 550 W. Texas, Suite 500, Midland, TX 79701 is filing form C108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a salt water disposal well. The proposed well, Newmont #1 SWD, is located 1980' FSL & 1980' FWL of Section 7, Township 12 South, Range 38 East of Lea County, New Mexico. Produced Devonian water will be disposed into the Devonian formation at a depth of 12,025' to 12,700' with a maximum pressure of 2,000 psi and a maximum rate of 20,000 BWPD. This amends the original application and extends the injection interval from 12,025-12,200 to 12,025-12,700.

Any interested party who has an objection to this application must give notice to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico 87505, within fifteen (15) days of this notice. Additional information can be obtained by contacting Julie Figel at (432) 687-1664.

Sincerely,



Julie Figel
Platinum Exploration Inc.
550 W. Texas, Suite 500
Midland, TX 79701