

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

SUNDRY NOTICES AND REPORTS ON WELLS (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.)		WELL API NO. 30-025-28478
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Platinum Exploration Inc.		6. State Oil & Gas Lease No. 34474
3. Address of Operator 550 W. Texas, Ste. 500, Midland, Texas 79701		7. Lease Name or Unit Agreement Name Smith
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>		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3838' RKB		9. OGRID Number 227103
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

NOTICE OF INTENTION TO: 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"/>	SUBSEQUENT REPORT OF: 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

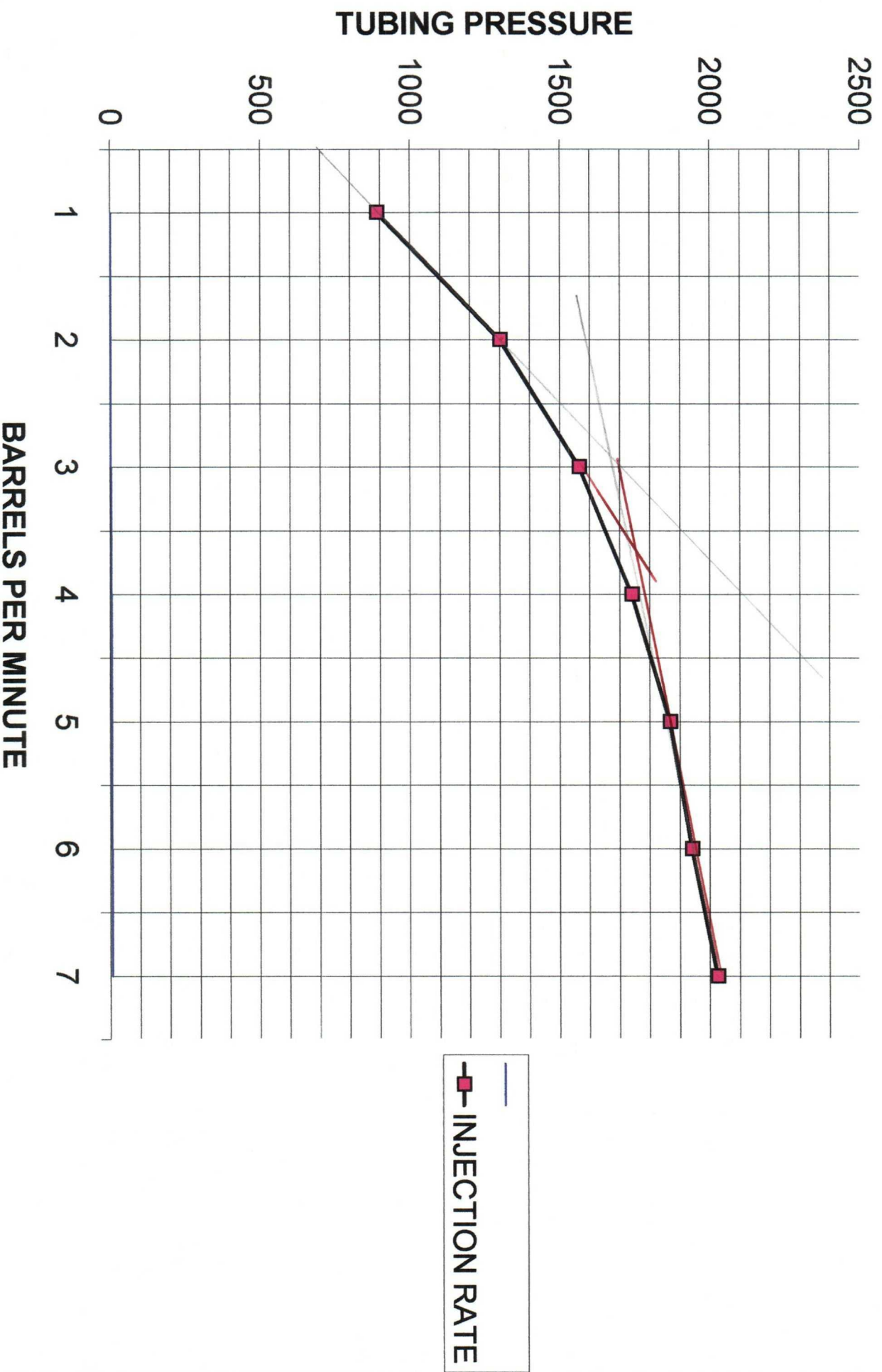
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NM OCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE Engineer DATE 3 Mar 2005

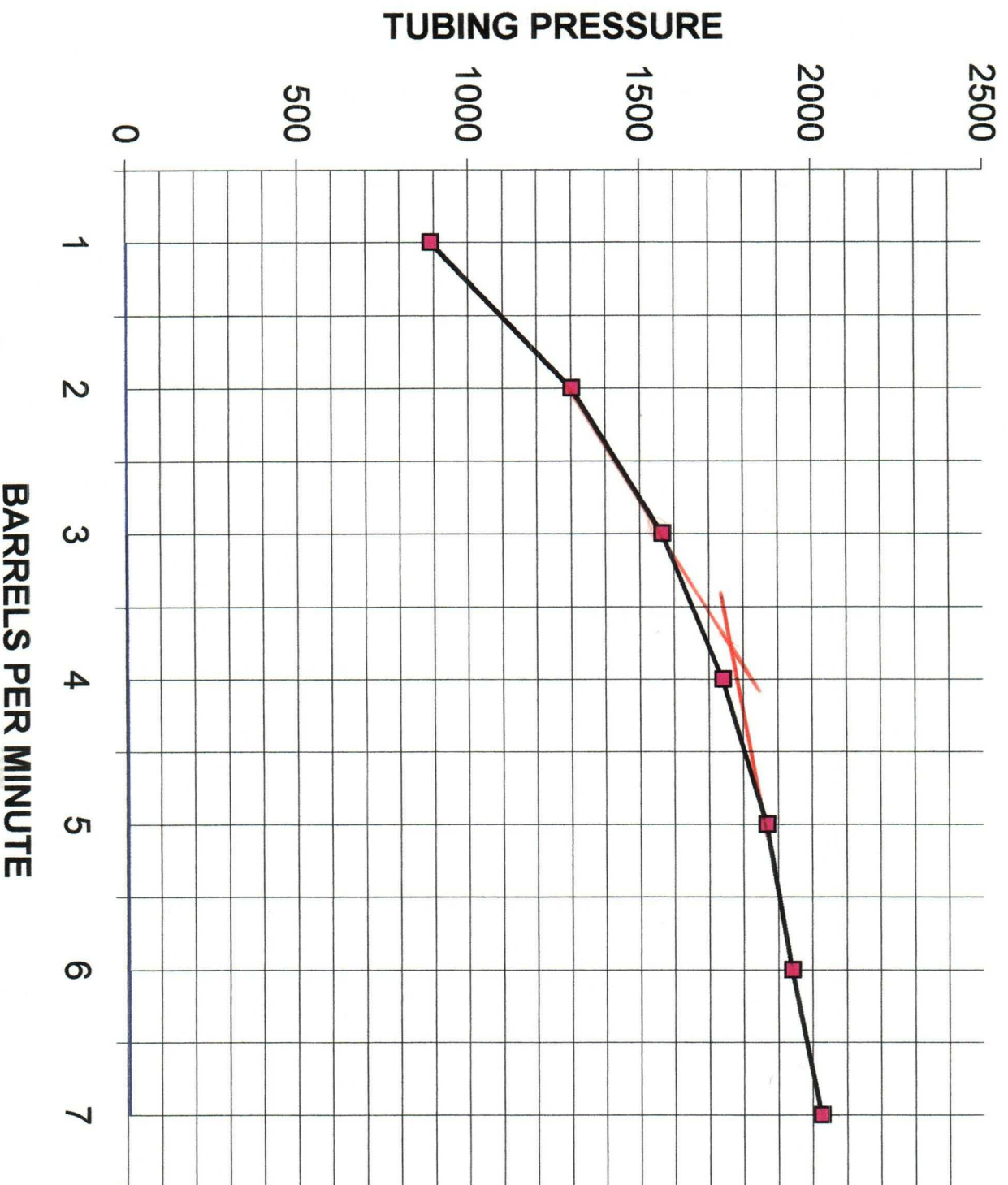
Type or print name Fritz Schoch E-mail address: petrodog@t3wireless.com Telephone No. 432.687.1664
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

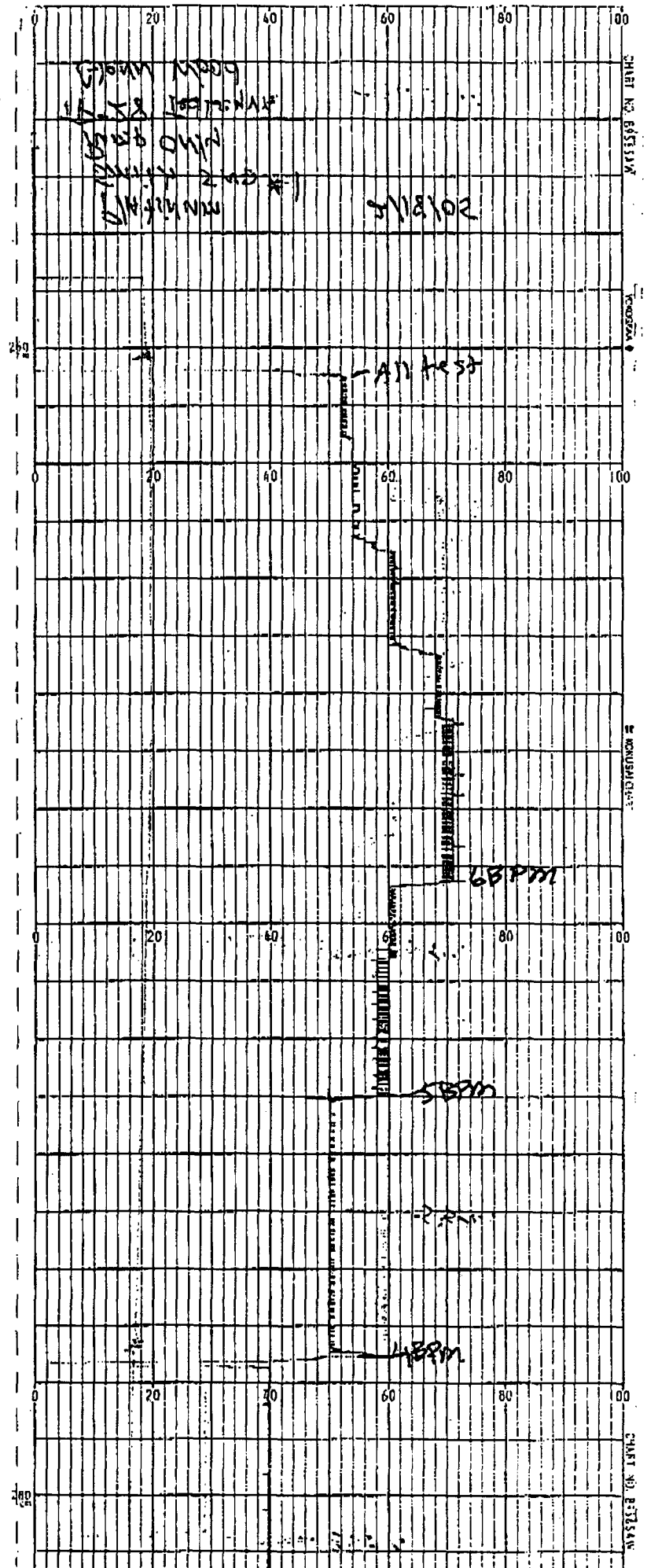
PLATINUM EXPLORATION INC
SMITH #1 SWD STEP RATE TEST 2/18/05

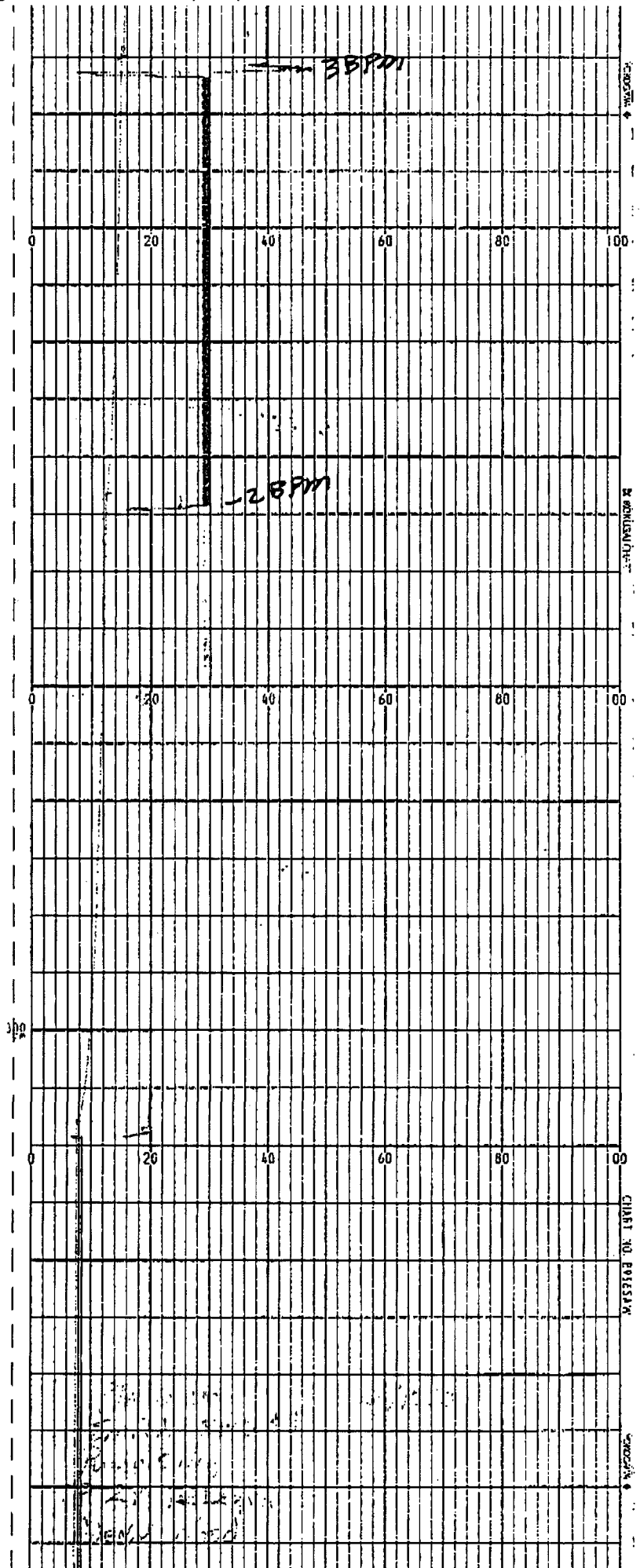


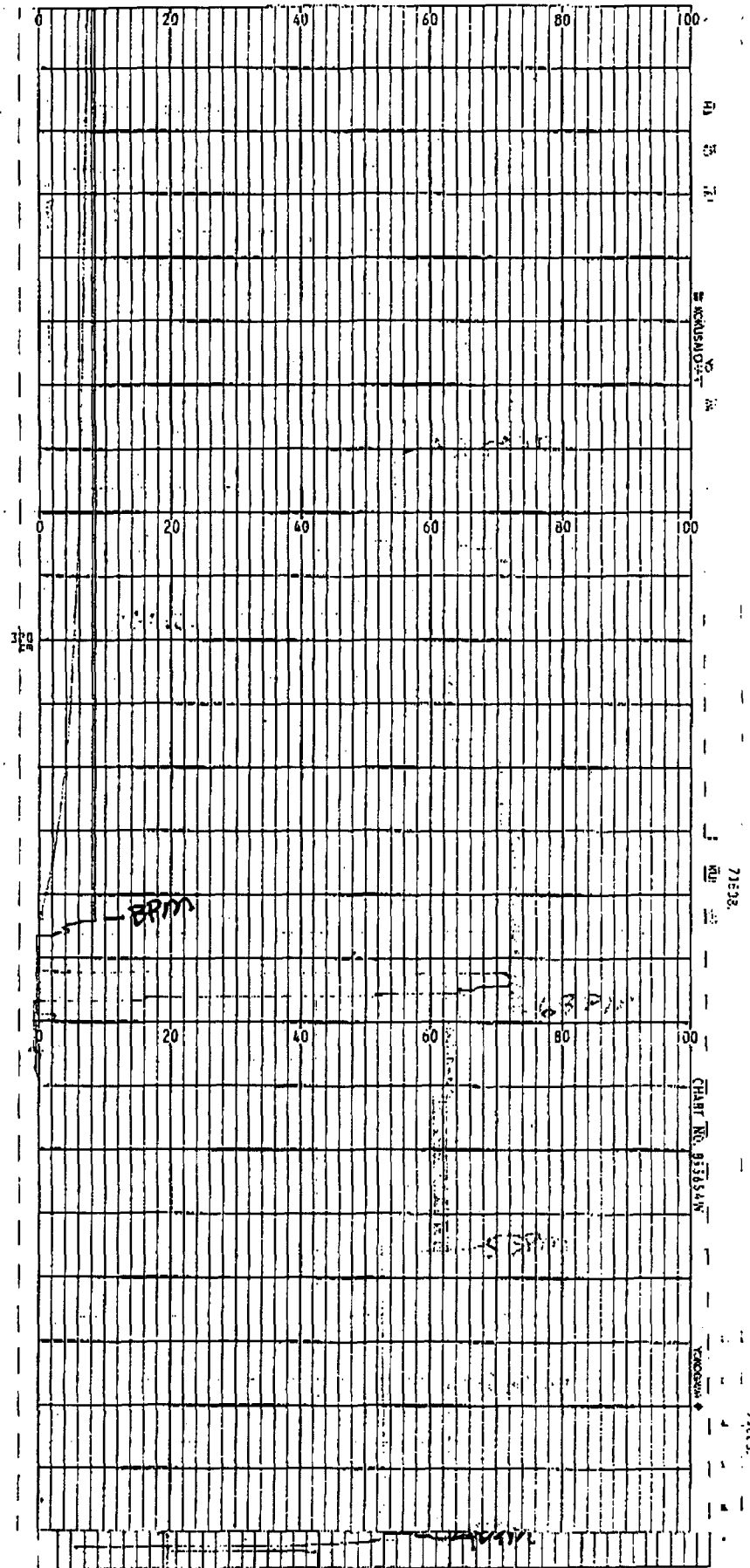
PLATINUM EXPLORATION INC
SMITH #1 SWD STEP RATE TEST 2/18/05



—■— INJECTION RATE







PETROPLEX ACIDIZING, INC.
P.O. BOX 60365
MIDLAND, TEXAS 79711-0365
(432) 563-1299
(432) 561-9545 FAX

FAX COVER SHEET

TOTAL NUMBER OF PAGES INCLUDING THIS COVER SHEET: 4

DATE: 18-Feb-2005

ATTN: Fritz 687-2853

COMPANY: Platinum Exploration

FROM: Donna Jones

MESSAGE: Attached is a copy of the chart for the job done
today on the Smith SWD #1.

IF ALL PAGES ARE NOT RECEIVED, PLEASE CALL 915/432-1299