



NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

Joanna Prukop

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

28-Jul-09

**PLATINUM EXPLORATION INC**

550 WEST TEXAS AVENUE SUITE 500

MIDLAND TX 79701-

**LETTER OF VIOLATION - Inactive Well(s)**

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request 'Temporary Abandoned' status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

***IDLE WELL INSPECTION DETAIL SECTION***

<b>BARNHILL 001</b>	L-1-14S-37E	<b>30-025-28198-00-00</b>	Inspection No. iMGB0920861260
Inspection Date:	7/27/2009 5:00:59 PM	Corrective Action Due by:	8/10/2009
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Compliance Verification	Maxey Brown	Yes	No
Comments on Inspection:	Idle Well (Rule 19.15.25.8). NEED TO RETURN WELL TO PROD., T/A OR P/A WELL. ALSO REPLACE SIGN WITH CURRENT INFORMATION. RULE 19.15.16.8. THIS IS 2ND LETTER OF NON-COMPLIANCE.		
<b>POST 002</b>	M-1-14S-37E	<b>30-025-28295-00-00</b>	Inspection No. iMGB0920861526

Inspection Date: 7/27/2009 5:05:26 PM

Corrective Action Due by: 8/10/2009

Type Inspection

Inspector

Violation?

\*Significant Non-Compliance?

Compliance Verification

Maxey Brown

Yes

No

Comments on Inspection:

Idle Well (Rule 19.15.25.8). NEED TO RETURN WELL TO PROD., T/A OR P/A WELL. ELECTRICAL CONTROL PANEL LAYING ON GROUND. ELECTRIC METER REMOVED AND LINE FUSES DOWN. ALSO NEED SIGN WITH CURRENT INFORMATION. RULE 19.15.16.8. THIS IS 2ND LETTER OF NON-COMPLIANCE.

POST 003

D-12-14S-37E

30-025-28576-00-00

Inspection No. iMGB0920859352

Inspection Date: 7/27/2009 4:29:12 PM

Corrective Action Due by: 8/10/2009

Type Inspection

Inspector

Violation?

\*Significant Non-Compliance?

Compliance Verification

Maxey Brown

Yes

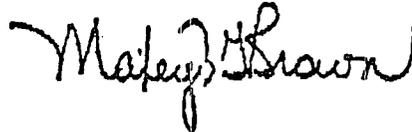
No

Comments on Inspection:

Idle Well (Rule 19.15.25.8). WELL IS STILL INACTIVE. MUST RETURN TO PRODUCTION. T/A OR P/A WELL. NEED TO INSTALL WELL SIGN, (RULE 19.15.16.8). OIL LEAKING FROM WELLHEAD MUST BE CORRECTED ASAP. SUBMIT C-141 FOR APPROVAL PRIOR TO CLEANUP. SUBMIT TO HOBBS DISTRICT 1 OFFICE, ATTENTION LARRY JOHNSON. (RULE 19.15.29.8). THIS IS 2ND LETTER OF NON-COMPLIANCE.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,

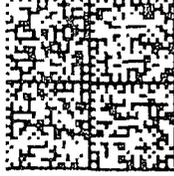


Hobbs OCD District Office

**COMPLIANCE OFFICER**

\* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



HASLER  
017H15554612  
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PLATINUM EXPLORATION INC  
550 WEST TEXAS AVENUE SUITE 500  
MIDLAND TX 79701