

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

AMENDED APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER UNDER NMSA 1978, SECTION 70-2-14(B) AGAINST PLATINUM EXPLORATION INC. AND/OR DEVONIAN PARTNERS, LLC, FINDING THAT THE OPERATOR IS IN VIOLATION OF 19.15.25 NMAC OR 19.15.7.24 NMAC, 19.15.8.9 NMAC, 19.15.29.11 NMAC, 19.15.16.8 NMAC AND 19.15.9.8-9 NMAC, REQUIRING OPERATOR TO RETURN ITS WELLS TO COMPLIANCE OR PROPERLY PLUG AND ABANDON ALL ITS WELLS BY A DATE CERTAIN, AND IN THE EVENT OF NON-COMPLIANCE AUTHORIZING THE DIVISION TO PLUG AND ABANDON THE WELLS AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCE, LEA COUNTY, NEW MEXICO.

CASE NO. 14380

AFFIDAVIT OF DOROTHY PHILLIPS

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

Dorothy Phillips, being first duly sworn on oath, states as follows:

1. I have been employed as the bond administrator at the Santa Fe, New Mexico office of the Oil Conservation Division (OCD) since 1997.
2. My duties include maintaining records of financial assurance documents filed by operators pursuant to NMSA 1978, Section 70-2-14.
3. I was asked to research the financial assurances posted with the OCD by Platinum Exploration Inc. and Devonian Partners, LLC pursuant to NMSA 1978, Section 70-2-14.
4. OCD records identify Platinum Exploration, Inc. as the operator of record under OGRID 227103 for the following wells:

Barnhill #001, L-1-14S-37E, 30-025-28198
Cooper #001, 3-2-17S-38E, 30-025-28166
Gulf State #003, 3-4-16S-38E, 30-025-07270
O A Woody #001, E-35-16S-38E, 30-025-26361
Post #001, N-1-14S-37E, 30-025-27984
Post #002, M-1-14S-37E, 30-025-28295
Post #3, D-12-14S-37E, 30-025-28576
Rose Eaves #002, P-35-16S-38E, 30-025-07291

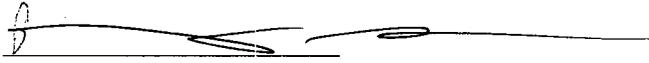
Smith #001, F-13-14S-37E, 30-025-28478
Warren State #001, P-35-15S-37E, 30-025-34034

5. The records of the OCD indicate that Platinum Exploration Inc. posted \$50,000 letter of credit No. 06-2004 through the West Texas State Bank in Odessa, Texas to secure the plugging and abandonment of the wells it operates in New Mexico. According to OCD records, the letter of credit remains in full force and effect. A copy of the letter of credit is attached to this affidavit as Exhibit A.

6. The records of the OCD indicate that Platinum Exploration Inc. has not posted any single well financial assurances.

7. Devonian Partners LLC is not registered as a well operator in New Mexico, and has not posted any financial assurances with the OCD.

THIS CONCLUDES MY AFFIDAVIT


Dorothy Phillips

SUBSCRIBED AND SWORN before me this 14th day of October 2009.


Notary Public

My Commission Expires:

6/7/2011

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division

Irrevocable Letter of Credit
(5-Year - Automatically Renewable)

File with Oil Conservation Division, 1220 South St. Francis, Santa Fe, New Mexico 87505

LETTER OF CREDIT NO. 06-2004
Effective Date: April 6, 20 06

West Texas State Bank, Odessa, Texas [Name of FINANCIAL INSTITUTION], a national or state chartered banking association, as ISSUER, hereby establishes this irrevocable Letter of Credit for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) of the State of New Mexico (the DIVISION), pursuant to NMSA 1978, Section 70-2-14, as amended, for an aggregate amount not to exceed Fifty Thousand Dollars and No/100-Dollars (\$ 50,000.) in United States dollars (Face Amount) effective on the date indicated above. This Letter of Credit is established for Platinum Exploration, Inc. [Name of Operator], whose address is 550 W. Texas Avenue, Suite 500, Midland, Texas 79701, as APPLICANT.

1. The APPLICANT has requested that this letter of credit be issued to the DIVISION as financial assurance for the APPLICANT pursuant to statutory and regulatory requirements of the State of New Mexico set forth in Section 70-2-14 NMSA, as amended, and in Rule 101 [19.15.3.101 NMAC].

2. This Letter of Credit is irrevocable for the term hereof, and is furnished as financial assurance for the compliance by the APPLICANT with all applicable statutes of the State of New Mexico and with all rules and orders of the Oil Conservation Commission and DIVISION, including requirements to cause wells in the State of New Mexico now or hereafter owned or operated by Applicant to be properly plugged and abandoned, if dry, or when no longer productive or useful for a beneficial purpose, in accordance with the rules and orders of the Division, including but not limited to Rule 101 [19.15.3.101 NMAC] and Rule 202 [19.15.4.202 NMAC], as the same now exist or may be hereafter amended.

3. This Letter of Credit will expire on April 6, 2011 [not less than five (5) years from the effective date of the Letter of Credit]; unless sooner released by written notice to the ISSUER by the DIVISION. Upon the expiration date, this Letter of Credit shall be automatically renewed for an additional term of five years commencing on such expiration date, and likewise for successive terms of five years each upon the occurrence of each subsequent scheduled expiration date, unless the ISSUER has, at least thirty days prior to any scheduled expiration date, mailed written notice of non-renewal, by certified mail, return receipt requested, to the DIVISION. This Letter of Credit may be forfeited and collected by the DIVISION if not replaced by approved financial assurance at least 30 days before the expiration date hereof.

4. Funds under this Letter of Credit are available against the DIVISION's sight draft, in the form of Exhibit A, specifying Letter of Credit No. 06-2004, delivered to the office of the ISSUER at 1501 W. University, Odessa, Texas 79763 [address], accompanied by a certificate in the form of Exhibit B, signed by the Director of the DIVISION or the Director's duly authorized representative. At the Division's sole election, the DIVISION may present sight drafts for less than the Face Amount at any time and from time to time so long as this letter of credit remains in force, provided that the aggregate amount of all such drafts shall not exceed the Face Amount.

5. If the ISSUER receives the DIVISION's sight draft(s) and certificate(s) as provided in Paragraph 4, above, on or before the expiration or termination of this Letter of Credit, the ISSUER shall make such amount as the DIVISION may specify, up to an aggregate amount not to exceed the Face Amount of this Letter of Credit, available to the DIVISION no later than 5 p.m. in Santa Fe, NM on the second business day following the ISSUER's receipt of the sight draft and certificate, and in such manner as the DIVISION may specify.

EXHIBIT A - SIGHT DRAFT
to
Letter of Credit No. 06-2004

_____ Date

PAY TO THE ORDER OF **NEW MEXICO OIL CONSERVATION DIVISION**

(\$ _____) _____ DOLLARS

TO: (Name of ISSUER)
and
(Address - **Must be physical address**)

West Texas State Bank
Attn: Julie Faulkner
P.O. Box 7409
Odessa, Texas 79760

Physical Address:
1501 W. University
Odessa, Texas 79763

New Mexico Energy Minerals and
Natural Resources Department
Oil Conservation Division
1220 South St. Francis
Santa Fe, New Mexico 87505

By: _____

Date _____

**Initials of Representative of
Financial Institution**

 _____

EXHIBIT B

to

Letter of Credit No. 06-2004

I, _____, a duly authorized representative of the New Mexico Oil Conservation Division, hereby certify that: (1) the drawing in the amount of _____ Dollars (\$ _____), by sight draft accompanying this certificate, under Letter of Credit No. _____ dated _____ issued by you, is duly authorized in accordance with the New Mexico Oil and Gas Act (NMSA 1978, Sections 70-2-1 through 70-2-38, as amended) and applicable rules of the New Mexico Oil Conservation Division; (2) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount of the Letter of Credit; and (3) the New Mexico Oil Conservation Division has directed the forfeiture of the Letter of Credit.

New Mexico Oil Conservation Division

By: _____

Date _____

**Initials of Representative of
Financial Institution**

