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] [EQR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response] [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSP SD Check One Only for [B] or [C] Commingling - Storage - Measurement BI DHC CTB PLC PC OLS Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [C] │ WFX │ PMX │ SWD │ IPI │ EOR │ PPR [D] Other: Specify NOTIFICATION REQUIRED TO: - Check Those Which Apply, or

Does Not Apply [2] Working, Royalty or Overriding Royalty Interest Owners [A] \mathbb{B} Offset Operators, Leaseholders or Surface Owner Application is One Which Requires Published Legal Notice [C] [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, Waivers are Attached [F] [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE. **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 Title Signature Date:

e-mail Address

PLATINUM EXPLORATION INC.

550 WEST TEXAS AVENUE, SUITE 500 MIDLAND, TEXAS 79701 Office (432) 687-1664 • Fax (432) 687-2853

September 21, 2004

New Mexico Oil and Gas Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87504

Application for Administrative Approval of a Non Standard Location RE: Federal Davis #4 Sec 13, T17S, R38E Lea County, NM

Gentlemen:

Platinum Exploration Inc. respectfully submits the following Application for Platinum Exploration Inc. Administrative Approval of a Non Standard Location. requests approval to drill a horizontal Knowles Devonian, South oil well at our Federal Davis #4 location. The surface location of the Federal Davis #4 was staked at 2400' FNL and 930' FEL in Unit H, Sec 13, T17S, R38E and the bottomhole location will be at 510' FNL and 930' FEL in Unit A, Sec 13, T17S, R38E in Lea County New Mexico. Affected parties have been notified of this application via certified mail. The following items have been attached to aid in your review of this application:

- Reasons for NSL
- Federal Davis #4 Form C-102
- Land Plat
- Listing of offset ownership

Please do not hesitate to contact myself or Greg Rasmussen should you have any questions or need further information. Thank you for reviewing this Application.

Sincerely,

Diane Kuykendall

Regulatory Analyst

Attachment

Platinum Exploration Inc

Federal Davis #4

Surface: 2400 FNL, 930 FEL – Unit H BHL: 510 FNL, 930 FEL – Unit A

> Sec 13, 17S, R38E API # pending Lea County, NM

Pool or Formation

Knowles; Devonian, South (36480)

Rules Apply

Case # 819, order # R-638-B: "2. (As amended by Order No. R-638-C, September 13, 1956.) That all wells drilled in the South Knowles-Devonian Pool may be located on either 40-acre portion of the 80-acre proration unit provided however that the well shall be located in the center of the 40-acre tract with a tolerance of 150 feet in any direction to avoid surface obstructions."

Procedure/Plan

A new drill well with a surface location of 2400 feet from the north line and 930 feet from the east line (section 13, T-17S, R-38E) will be drilled to the Devonian formation and drilled laterally in the Devonian formation on a 0 degree azimuth for 1900 feet to a bottomhole location of 510 feet from the north line and 930 feet from the east line in the E/2, NE/4 of section 13.

Applicable Reason for NSL

There is a pipeline in the way of the standard location located in center of the SE/4, NE/4 of section 13.

Applicable Reason for NSL bottomhole location

We plan to drill a horizontal lateral due north that will have structural advantage to a standard bottomhole location and will drain the reservoir more efficiently.

State of New Mexico

DISTRICT I 1626 N. FRENCH DR., BOBSS, NN 80240

Energy, Minerals and Natural Resources Department

DISTRICT II 1901 W. GRAND AVENUE, ANTESIA, NO 88210

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR.

Form C-102 Revised JUNE 10, 2003 Submit to Appropriate District Office State Leave - 4 Copies Fee Leave - 3 Copies

DISTRICT III Santa Fe, New Mexico 87505 1000 Rio Brazos Rd., Aztec, MM 87410

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FR., NN 6760	WELL LOCATION AND	ACREAGE DEDICATION PLAT	D AMENDED REPORT		
API Number	Pool Code	Pool Name			
		KNOWles, South (Dev	ONIENI		
Property Code	Proj	Property Name			
NM 0775	FEDER	4			
OGRÍÐ No.	Oper	Elevation			
227103	PLATINUM EX	KPLORATION INC.	3685'		

Surface Location

1	UL or lot No.	Section	Township	Range	Lot idn	Peet from the	North/South line	Feet from the	Bast/West line	County
	Н	13	17-S	38-E		2400'	NORTH	930	EAST	LEA

Bottom Hole Location If Different From Surface

ſ	UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
	A	13	17-S	38-Ē		510	North	930'	EAST	LEA
ſ	Dedicated Acres	Joint o	r Infili Co	notidation (Code Or	der No.				
1	вÕ	1				,				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED . OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

——————————————————————————————————————			
		1/1////	OPERATOR CERTIFICATION
		SIE BHA	I heroby certify the the information contained herein is true and complete to the
1	i	7	best of my knowledge and belief.
. 		1 Existivity	Michael Dorm
	GEODETIC COORDINATES		J. Michael Recves
}	NAD 27 NME	Preclusion Facility	Printed Name
	Y=669819.9 N	1 1	DRINING ENGINEER
21 "	X=880087.3 E	3687.6'3687.6'	6/12/04
*	LAT.=32'50'07.09" N LONG.=103'05'45.29" W	930'	Date
		1 - 600; - 1 - 1 - 1	SURVEYOR CERTIFICATION
		3685.8' 3686.6'	I hereby certify that the well location shown on this plat was plotted from field notes of
			actual surveys made by me or under my supervisor, and that the same is true and
		4	correct to the best of my belief.
!	; •	3	JUNE 09, 2004
	1-	l	Date Surveyed William LA
No.			Signature & Seal of Professional Surveyor
			Dary Is the mi 6/17/04
,	1]	04.11:0684
			Certificate No. CARY KIRSON 12841

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Davis Federal #4 offset ownership

South Knowles Prospect Lea County, New Mexico

W/2 W/2 Section 18, T-17-S, R-39-E

Operator:

PlatinumExploration, Inc.

500 West Texas, Suite 500

Midland, TX 79701

Unleased Mineral Owners:

NONE

NE/4 SE/4 Section 13, T-17-S, R-38-E

Operator:

PlatinumExploration, Inc.

500 West Texas, Suite 500

Midland, TX 79701

Unleased Mineral Owners:

NONE

S/2 SE/4 Section 12, T-17-S, R-38-E

Operator:

Platinum Exploration, Inc.

500 West Texas, Suite 500

Midland, TX 79701

Unleased Mineral Owners:

NONE

W/2 SW/4 Section 7, T-17-S, R-39-E

Operator:

Platinum Exploration, Inc.

500 West Texas, Suite 500

Midland, TX 79701

Unleased Mineral Owners:

NONE

W/2 E/2 Section 13, T-17-S, R-38-E

Operator: RJR Resources

Unleased Mineral owner:

William Pryor Castleman, III, Indiv. And as agent and attorney in fact for:

Jane Castleman McNairy Barbara Castleman Whipple Sally Castleman Marston **Owens Boomer Castleman**

Cathy Castleman Greene 851 Lonesome Dove Lane Copper Canyon, TX 75067

Roger Davis Family Trust c/o Raymond Keating, III 806 Main, Suite 1550 Houston, Texas 77002

Senecca Oil Company P.O. Box 21468 Tulsa, OK 74121

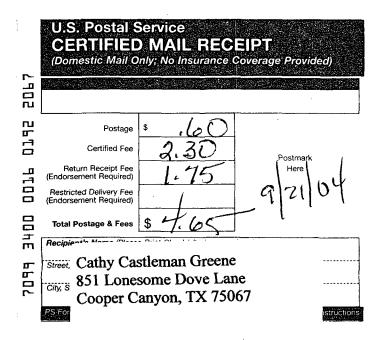
Joye Hall Mitchell P. O. Box 628 Mexia, Texas 76667

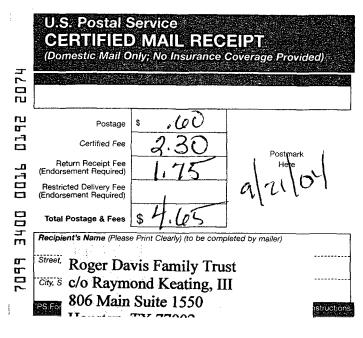
David B. Mitchell P. O. Box 628 Mexia, Texas 76667

FCH Exploration Company 1560 Broadway, Suite 2100 Denver, CO 80202

BHCH Minerals, Ltd. 5111 Broadway San Antonio, Texas 78209

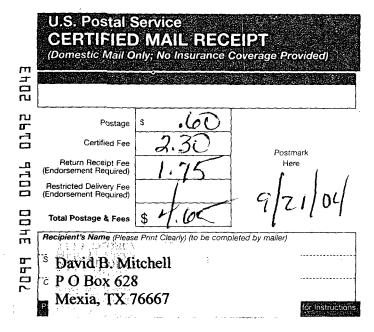
BHCH Properties, Ltd. 5111 Broadway San Antonio, Texas 78209

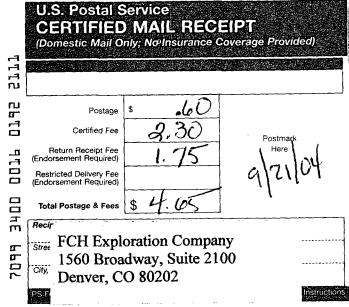






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~4:00 PM Wed. 10/27/2004

Cres Rasmussen call me to discuss horizontal drilling and completions in sootheast New Mexico.

I referred him to Ask 111 many

times.

