

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 500
MIDLAND, TEXAS 79701
OFFICE (432) 687-1664 • FAX (432) 687-2853

2004 SEP 24 AM 11 06

September 21, 2004

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

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

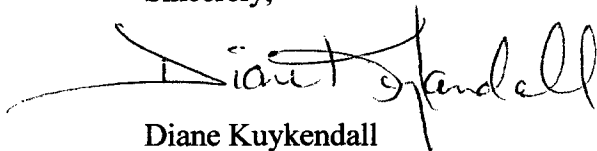
Gentlemen:

Platinum Exploration Inc. respectfully submits the following Application for Administrative Approval of a Non Standard Location. Platinum Exploration Inc. 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.

DISTRICT I

1626 N. FRENCH DR., BOBBS, NM 88240

DISTRICT II

1801 W. GRAND AVENUE, 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 Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name <i>Knowles, South (Devonian)</i>
Property Code <i>NM0775</i>	Property Name FEDERAL DAVIS		Well Number 4
OGRI No. <i>227103</i>	Operator Name PLATINUM EXPLORATION INC.		Elevation 3685'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	13	17-S	38-E		2400'	NORTH	930'	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	13	17-S	38-E		510'	North	930'	EAST	LEA
Dedicated Acres 80	Joint or Infill	Consolidation Code	Order No.						

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

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=669819.9 N X=880087.3 E</p> <p>LAT.=32°50'07.09" N LONG.=103°05'45.29" W</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Michael Reeves</i> Signature J. Michael Reeves Printed Name Drilling ENGINEER Title 8/12/04 Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>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 supervision and that the same is true and correct to the best of my belief.</p> <p>JUNE 09, 2004 Date Surveyed LA</p>
		<p>Signature & Seal of Professional Surveyor <i>Gary E. Edson</i> 04.11.0684</p>
		<p>Certificate No. GARY EDSON 12041</p>

[illegible]

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: PlatinumExploration, 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: PlatinumExploration, 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, Individ. 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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CERTIFIED MAIL RECEIPT**

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Postage	\$.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

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9/21/04

Recipient's Name (Please Print Clearly) (to be completed by mailer)

Street, Cathy Castleman Greene
City, S 851 Lonesome Dove Lane
Cooper Canyon, TX 75067

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Recipient's Name (Please Print Clearly) (to be completed by mailer)

Street, Roger Davis Family Trust
City, S c/o Raymond Keating, III
806 Main Suite 1550

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Recipient's Name (Please Print Clearly) (to be completed by mailer)

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City, S P O Box 21468
Tulsa, OK 74121

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Rec

Str Joye Hall Mitchell
Cit P O Box 628
Mexia, TX 76667

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Recipient's Name (Please Print Clearly) (to be completed by mailer)

S David B. Mitchell
C P O Box 628
P Mexia, TX 76667

for Instructions

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9/21/04

Recip

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

PS F

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Total Postage & Fees \$ 4.65

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9/21/04

Recipient's Name (Please Print Clearly) (to be completed by mailer)

Street, A BHCH Minerals, Ltd
City, State 5111 Broadway
San Antonio, TX 78209

PS Form

Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Postage \$.60

Certified Fee 2.30

Return Receipt Fee
(Endorsement Required) 1.75

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$ 4.65

Postmark
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9/21/04

Recipient's Name (Please Print Clearly) (to be completed by mailer)

Street BHCH Properties, Ltd
City, 5111 Broadway
San Antonio, TX 78209

PS F

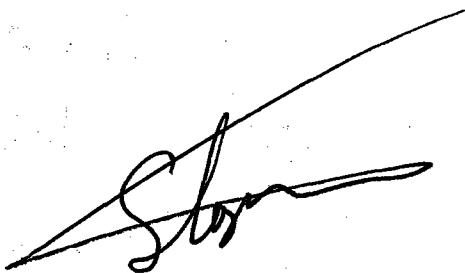
Instructions

~4:00 AM

Wed. 10/27/2004

Greg Rasmussen call me to
discuss horizontal drilling and
completions in southeast New Mexico.

I referred him to Rule 111 many
times.

A handwritten signature in black ink, appearing to be 'Steve', with a long horizontal line extending from the end of the name.