

JAMES BRUCE
ATTORNEY AT LAW

2006 JUL 13 PM 12 16

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

July 12, 2006

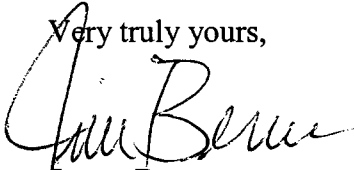
Richard Ezeanyim
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

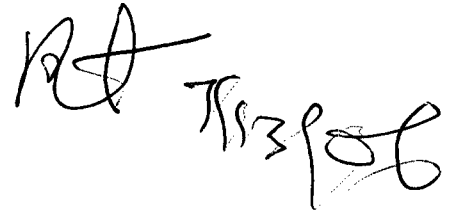
Re: Case No. 13,728/Division plugging case against Platinum Exploration, Inc.

Dear Mr. Ezeanyim:

Enclosed is a copy of an updated daily drilling report, showing that plugging the well cost almost \$145,000.

Very truly yours,


James Bruce
Attorney for Platinum Exploration, Inc.



cc: G. MacQuesten

Huber State #1

330 FNL & 1150 FEL

Sec 5 TS R38E

Lea County, New Mexico

API 30-025-27290

Plugging Operations

6/16/06

Move in rig. Move in rig mats, tubing, pipe racks. Install 6 lines. SDFN.

DWC: \$ 8,820

CWC: \$ 8,820

6/19/06

Check the well for pressure. 0 psi tbg. 0 psi csg. Nipple down wellhead. Nipple up BOP. Dig out cellar and check the Braddenhead for pressure. No pressure. SDFN.

DWC: \$ 4,440

CWC: \$ 13,260

6/20/06

Open well up. 0 psi tbg. 0 psi csg. Rig up Rotary Wire Line and RIH with gauge ring to 11,506'. Work ring to 11,512'. POOH and rig down Wire Line truck. Make up 4 5/8" bit, bit sub, 6-3 1/2" DC's and top sub. RIH to 11,390'. SDFN.

DWC: \$ 15,950

CWC: \$ 29,210

6/21/06

Open well up. 0 psi tbg. 0 psi csg. FRIH to 12,631'. Circ. hole clean. POOH and stand 160 jts. 2 7/8" tbg. EUE 8rnd L80. POOH and lay down 224 jts. 2 7/8"tbg. EUE 8rnd L80. Lay down DC's. SDFN.

DWC: \$ 7,540

CWC: \$ 36,750

6/22/06

Open well up. 0 psi tbg. 0 psi csg. Rig up Rotary line. RIH with CIBP, Tag @ 12,624'. PU & set @ 12,594'. Dump 5 sx 'H' cmt on top of CIBP. POOH and rig down WL. ND wellhead. Engage 5 1/2" spear and pull 210,000 lbs. Wrap primer cord around well head and jar loose. Slips free. Dig work over pit and line with 12 mill plastic. Remove spear and weld on stub. NU BOP. SDFN.

DWC: \$ 15,440

CWC: \$ 52,190

6/23/06

Open well up. 0 psi tbg. 0 psi csg. Rig up Rotary Wire Line. RIH & Tag TOC @ 12,502', PU for free point. Csg. free @ 6018', stuck @ 6,035'. Rig down WL. RIH to 10,891'. SDFN.

DWC: \$ 8,000

CWC: \$ 60,190

Huber State #1
330 FNL & 1150 FEL
Sec 5 TS R38E
Lea County, New Mexico
API 30-025-27290

6/26/06

Open well up. Stand by waiting on cement. SDF day. Cement trucks are not available today. Will cement on Tuesday.

DWC: \$ 4,440

CWC: \$ 64,630

6/27/06

Open well up. Stand by waiting on Rising Star Services. RU Rising Star Services Mix & spot 50 sx Cl 'H' plug through 2 7/8" tbg from 10,891' to 10,691'. POH to 8,900'. Spot 35 sx Cl 'H' from 8,900' to 8,800'. POH & LD 88 jts 2 7/8" tbg put the remaining tbg. RU Rotary WL and shoot csg at 6,016' while pulling 116K # on csg. Work csg loose. RU Mike Byrd casing crew. POH & LD 54 jts of 5 1/2" 17# casing(2,340'). SIW & SDFN.

DWC: \$ 29,640

CWC: \$ 94,270

6/28/06

Open well up. WO Csg Crew 3hrs. Finish LD 82 jts 5 1/2" 17# casing in good condition. Recovered total of 136 jts 5 1/2" 17# casing and a piece (6,000'). RD Casing Crew. GIH w/ 2 7/8" tbg OE to 6,070'. WO Rising Star. RU Rising Star & Spot 100 sx Cl 'C' neat (23.5 Bbls) cement from 6,070' to 5,770'. RD Rising Star. POH to 4,473'. SIW & SDFN.

DWC: \$ 25,370

CWC: \$ 119,640

6/29/06

Open well up. RIH & tag plug at 5,770', tbg plugged. POH & LD plugged tbg. GIH to 5,032'. WO Rising Star 5 1/2 hrs. RU Rising Star. Spot 50 sx Cl 'C' w/ 2% CaCl₂ from 5032' to 4,912'. PU to 4,382' & RO 3 sx cmt. WOC 1hr. GIH & Tag plug at 4,914'. POH to 2,903' & LD 66 jts tbg. Spot 45 sx plug Cl 'C' neat from 2,903' to 2800'. POH to 358' & LD 80 jts tbg. Spot 45 sx Cl 'C' neat plug from 358' to 250'. POH. SIW & SDFN.

DWC: \$ 15,620

CWC: \$ 135,260

6/30/06

O psi. Open well up. RIH & tag plug at 207'. POH & LD plugged tbg. Tie-back on 4 lines. Dig out cellar, cut off 13 3/8" head and 8 5/8" at 4'. GIH with 1 jt. Tbg. Spot 10 sx plug from 31' to surface. Weld on cap and Dryhole Marker. RD Nabors WS. Load tbg and Equipment. MO. Well is **P&A'd** per OCD guidelines. We will remove anchors and return to prior surface condition per OCD requirements.

DWC: \$ 9,440

CWC: \$ 144,700

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. 30-25-27290
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Platinum Exploration, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 550 W. Texas Ave., Suite 500, Midland Texas 79701		7. Lease Name or Unit Agreement Name Huber State
4. Well Location Unit Letter <u>A</u> : <u>330</u> feet from the <u>FNL</u> line and <u>1,150</u> feet from the <u>FEL</u> line Section <u>5</u> Township <u>16 S</u> Range <u>38 E</u> NMPM LEA County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,754' GR		9. OGRID Number
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Denton, South
Pit type <u>WO</u> Depth to Groundwater <u>80'</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u>>1000'</u>		
Pit Liner Thickness: <u>20</u> 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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

6/16/2006: Set 4 anchors & test. Dig 250 Bbl WO pit and line with 20 mil plastic. MIRU Rotary wireline unit and tag @ 11,512' set. PU 4 5/8" bit and tubing & GIH to 12,631'. POH w/ bit. RU Rotary WL & GIH. Set CIBP @ 12,594'. Dump 5 sx cement on CIBP. POH. Rotary WL GIH tag TOC @ 12,502', freepoint casing @ 6018'. WOC company 4 days. GIH open ended to 10,891'. RU Rising Star Services and spot a 50 sx CI 'H' balanced plug from 10,891' to 10,691'. POH & LD tbg to 8,900'. Spot a 35 sx CI 'H' plug from 8,900' to 8,800'. POH & LD 88 jts tbg. POH w/ remaining tbg. RU Rotary WL and cut casing at 6,016'. RU Mike Byrd Casing crew and POH & LD 136 jts 5 1/2" 17# N-80 LT&C casing. Spot 100 sx CI 'C' plug from 6,070' to 5,770'. Tag Top of plug at 5,770'. PU to 5,032'. and spot 50sx CI 'C' plug w/ 2% CaCl from 5,032' to 4,912'. PUH to 4,382' & WOC. GIH & Tag top of plug at 4,914'. POH & spot 45sx plug from 2,903'-2,800'. POH to 358' and spot 45 sx CI 'C' plug from 358' to 250', WOC and tag plug at 207'. POH and spot 10 sx CI 'C' plug from 31' to sfc. Cut off wellhead and weld on cap and dry hole marker, 6/30/06. Will Clean up location and call for last inspection.

Attachments: Wellbore sketch of P&A'd well.

Approved as to plugging of the Well Bore.
Liability under bond is retained until
surface restoration is completed.

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 NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Michael Reeves TITLE Operations Manager DATE 7/5/06

Type or print name J. Michael Reeves
For State Use Only

E-mail address: petrofox@t3wireless Telephone No. 432-687-1664

APPROVED BY: Hayward Wink
Conditions of Approval (if any):

TITLE FIELD REPRESENTATIVE II / STAFF MANAGER

DATE JUL 07 2006

Huber State #1

330' FNL & 1150' FEL
Unit A, Sec 5, T-16S, R-38E
Lea County, NM
API: 30-025-27290
Status: Plugged (6/2006)
Surface Owner: State

GL: 3,754' KB: 3,765'

16" HOLE

10 sx CI 'C' plug @ sfc.

TOC @ 150'

12 3/4" 35# @ 282' w/ 350 sx
45 sx CI 'C' plug f/ 358'-250', Tagged @ 207'.

11" HOLE

45 sx CI 'C' plug f/ 2,903'-2,800'

50 sx CI 'C' plug 5,032'-4,912', Tagged at 4,914'.

8 5/8" 24 & 32#, J-55
Set @ 4971' w/ 1650 sx;

Formation	Top
Yates	3,208 ft
San Andres	4,935 ft
Abo	8,375 ft
Penn	10,750 ft
Miss	12,030 ft
Woodford	12,768 ft
Devonian	12,868 ft

100 sx plug 6,070'-5,770', Tagged at 5,770'.
Cut and Pull casing @ 6,016'

35 sx plug 8,900-8,800'

7 7/8" HOLE

KO @ 10,710'
110sx Plug @ 10,710'

Cut & pulled csg @ 10,971'

Cmt Plug 11,051' - 10,893' w/ 50 sx

TOC @ 11,500'

Spot 50 sx CI 'H' plug from 10,891 to 10,671'

TOC @ 11,240' calc'd

Set CIBP @ 12,594 & cap w/ 5 sx cmt: TOC @ 12,502'

Csg Milled f/ 12,675'-745'

Mtr backed off TD 13,048'

WS @ 12,775'-754'

TD 12,885'

TOF @ 12,782'

CR @ 12,782'

KOP @ 12,932' MD

(6/81) 5 1/2", 17 & 20#, N-80
@ 12,905' w/ 334 sx

TD:12,933' (6/81)

(10/93) 5 1/2", 17#, N80 @ 12,902' MD
Cmt'd w/ 300sx

TD:13,424' (9/93)

6/14/06 JMR

P&A'd

HuberSt_1_sec_5_lea_P&A.xls