

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR AN
ORDER REQUIRING PLATINUM EXPLORATION INC. TO PROPERLY PLUG
ONE WELL, ASSESSING A CIVIL PENALTY, AUTHORIZING THE DIVISION
TO PLUG SAID WELL AND ORDERING A FORFEITURE OF APPLICABLE
FINANCIAL ASSURANCE; LEA COUNTY, NEW MEXICO.

Affidavit of Dorothy Phillips

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

- ### *Before the OCD*

Ex. 3

THIS CONCLUDES MY AFFIDAVIT.

Dorothy Phillips

SUBSCRIBED AND SWORN before me this 27th day of July, 2006.

Julie Martin
Notary Public

My Commission Expires:

8-17-2011

Well List

227103 PLATINUM EXPLORATION INC

TOTAL WELL COUNT:45

PRINTED ON:WEDNESDAY, JULY 05, 2006

Property	Well Name	Lease Type	ULSTR	OCD UL	API	Well Type	Pool	Last Prod/Inj	Oil POI
300903	ANGEL #002	P	N-5 -12S-38E	N	30-025-07136	O	97446 GLADIOLA;WOODFORD	4/2006	40044
	ANGEL #003	P	F-5 -12S-38E	F	30-025-07133	O	27930 GLADIOLA;WOLFCAMP	2/1991	
301649	BARNHILL #001	P	L-1 -14S-37E	L	30-025-28198	O	36100 KING;WOLFCAMP	4/2006	4965
34971	CLOVIS K KENDRICK #001	P	I-6 -12S-38E	I	30-025-07152	O	27740 GLADIOLA;DEVONIAN	4/2006	40076
34940	CONTINENTAL WALLACE #001	P	N-6 -12S-38E	N	30-025-07145	O			
34882	G T HANNERS #001	P	O-18-12S-38E	O	30-025-07182	O			
34925	GLAD STATE #001	S	E-32-11S-38E	E	30-025-07125	O	27740 GLADIOLA;DEVONIAN	4/2006	40076
34998	GLAD WALLACE #001	P	I-31-11S-38E	I	30-025-07114	O			
	GLAD WALLACE #002	P	J-31-11S-38E	J	30-025-07115	O	27740 GLADIOLA;DEVONIAN	4/2006	40074
34403	GULF STATE #003	S	3-4 -16S-38E	C	30-025-07270	S	96121 SWD;SAN ANDRES		
33837	HUBER STATE #001	S	1-5 -16S-38E	A	30-025-27290	O	16930 DENTON;DEVONIAN, SOUTH		
34962	M M HARRIS #002	P	D-8 -12S-38E	D	30-025-07168	S	27740 GLADIOLA;DEVONIAN	4/2006	
34354	NEWMONT #001	P	K-7 -12S-38E	K	30-025-07154	S	96101 SWD;DEVONIAN	4/2006	
34924	OBERHOLTZER #001	P	B-8 -12S-38E	B	30-025-07171	O	27740 GLADIOLA;DEVONIAN	4/2006	40054
35393	PITTS KENDRICK #001	P	J-5 -12S-38E	J	30-025-31152	O	27740 GLADIOLA;DEVONIAN	4/2006	40070
301650	POST #001	P	N-1 -14S-37E	N	30-025-27984	S	36100 KING;WOLFCAMP		
	POST #002	P	M-1 -14S-37E	M	30-025-28295	O	35930 KING;DEVONIAN, SOUTH	4/2006	19968
	POST #003	P	D-12-14S-37E	D	30-025-28576	O	35930 KING;DEVONIAN, SOUTH	8/2005	4975
34314	ROSE EAVES #002	P	P-35-16S-38E	P	30-025-07291	S			
34576	SHELL MAXWELL #001	P	J-27-14S-37E	J	30-025-05164	S	96101 SWD;DEVONIAN	4/2006	
301026	SHELTON #001	P	F-26-14S-37E	F	30-025-05128	O	16910 DENTON;DEVONIAN	4/1990	21764
	SHELTON #004	P	E-26-14S-37E	E	30-025-05131	O	16910 DENTON;DEVONIAN	4/1990	21764
	SHELTON #006	P	D-26-14S-37E	D	30-025-05133	O	16910 DENTON;DEVONIAN	3/2006	21764
34474	SMITH #001	P	F-13-14S-37E	F	30-025-28478	S	96121 SWD;SAN ANDRES		

Ex. A

302200	STATE T #002	S	F-2 -15S-37E	F	30-025-05227	O	16910 DENTON;DEVONIAN	1/2006	8493
	STATE T #003	S	K-2 -15S-37E	K	30-025-05228	O	16910 DENTON;DEVONIAN	1/2006	8493
	STATE T #004	S	M-2 -15S-37E	M	30-025-05229	O	16910 DENTON;DEVONIAN	6/2005	8493
	STATE T #009	S	N-2 -15S-37E	N	30-025-25570	O	16910 DENTON;DEVONIAN	4/2006	8493
300813	T D POPE #004	P	M-26-14S-37E	M	30-025-05141	O	16910 DENTON;DEVONIAN	4/2006	
	T D POPE #010	P	P-26-14S-37E	P	30-025-05145	O	16910 DENTON;DEVONIAN	4/2006	
	T D POPE #014	P	O-26-14S-37E	O	30-025-05147	O	16910 DENTON;DEVONIAN	4/2006	22293
	T D POPE #017	P	I-26-14S-37E	I	30-025-05150	O	16910 DENTON;DEVONIAN	4/2006	22293
34542	T D POPE 26 #001	P	N-26-14S-37E	N	30-025-37045	O			
	T D POPE 26 #002	P	N-26-14S-37E	N	30-025-37253	O	16910 DENTON;DEVONIAN	4/2006	22293
	T D POPE 26 #006	P	J-26-14S-37E	J	30-025-05142	O	16910 DENTON;DEVONIAN	6/2005	22293
	T D POPE 26 #012	P	K-26-14S-37E	K	30-025-05146	O	16910 DENTON;DEVONIAN	10/1973	22293
34389	T D POPE 35 #001	P	B-35-14S-37E	B	30-025-36933	O	16910 DENTON;DEVONIAN	4/2006	40042
	T D POPE 35 #002	P	H-35-14S-37E	H	30-025-37032	O	16910 DENTON;DEVONIAN	9/2005	40042
	T D POPE 35 #003	P	G-35-14S-37E	G	30-025-37175	O	16910 DENTON;DEVONIAN	4/2006	40042
	T D POPE 35 #004	P	O-35-14S-37E	O	30-025-05187	O	16910 DENTON;DEVONIAN	4/2006	22293
	T D POPE 35 #006	P	P-35-14S-37E	P	30-025-05189	O	16910 DENTON;DEVONIAN	1/1991	22293
	T D POPE 35 #007	P	J-35-14S-37E	J	30-025-05191	O	16910 DENTON;DEVONIAN	4/2006	22293
34311	V V WALLACE #004	P	H-6 -12S-38E	H	30-025-07149	O	27740 GLADIOLA;DEVONIAN	4/2006	40039
34937	WALLACE #002	P	2-6 -12S-38E	B	30-025-07147	O	27740 GLADIOLA;DEVONIAN	4/2006	40074
300901	WARREN STATE #001	S	P-35-15S-37E	P	30-025-34034	O	16930 DENTON;DEVONIAN, SOUTH	4/2006	28201

CMD :
OG@CBBD.

ONGARD
CAPTURE BLANKET BONDS

07/05/06 11:00:28
OGODLP -TQTG

OGRID Identifier : 227103 Bond Idn : 249494 Bond Status : A
Operator Name, Address : PLATINUM EXPLORATION INC
550 W TEXAS AVENUE
SUITE 500
MIDLAND, TX 79701

Bond Details- Type (Cash/Surety - C/S): C Bond Co Idn: 13 Amount: 50000.00
Company OGRID Identifier: 227114
Company Name, Address : WEST TEXAS STATE BANK
PO BOX 7409
ODESSA, TX 79760

Limited as to future Liability (Y/N) : N If Limited, End Date :

Effective Date : 01-01-1900 Cancellation Date : 12-31-9999

Issuer Bond No : LOC06-2004

E0005: Enter data to modify or PF keys to scroll
PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 NXTBOND PF11 PF12

Ex. B

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 a manner as the DIVISION may specify.

Ex. C

6. The ISSUER shall give prompt notice to the APPLICANT and to the DIVISION of any notice received or action filed alleging the insolvency or bankruptcy of the ISSUER, or alleging any violations of regulatory requirements that could result in suspension or revocation of the ISSUER's charter or license to do business.

7. This Letter of Credit shall be governed by the laws of the State of New Mexico, and, to the extent not inconsistent with such laws, by International Chamber of Commerce Publication No. 500, entitled "Uniform Customs and Practice for Documentary Credits" (most recent revision).

8. All communications regarding this Letter of Credit shall be addressed to the ISSUER at P.O. Box 7409, Odessa, Tx [address]. referencing Letter of Credit No. 06-2004 at 79760

Very truly yours,

West Texas State Bank, Odessa, Texas
ISSUER

West Texas State Bank, Odessa, Texas
By Julie Faulkner, Sr. Vice President
(Name, typed or printed)

Julie Faulkner, SVP
(Authorized Signature)

Title Sr. Vice President

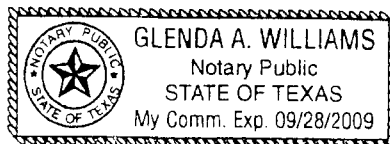
Effective Date April 6, 20 06

State of Texas)
SS.
County of Ector)

This instrument was acknowledged before me on this 4th day of April,
20 06 by Julie Faulkner, Sr. Vice President (Title)
of West Texas State Bank, Odessa (ISSUER).

My Commission Expires:

9/28/09



Glenda A. Williams
Notary Public

NOTICE: The attached exhibits must be initialed by the party signing this letter of credit for the Financial Institution. If this letter of credit is executed by an officer other than the President, a Vice President, or a branch manager, it must be accompanied by a certified resolution of the Board of Directors of the Financial Institution, certifying to the authority of the signing officer to execute letters of credit in at least the Face Amount.

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

 JF

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**

 JF