

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural ResourcesForm C-101
May 27, 2004Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Platinum Exploration, Inc. 550 W. Texas, Suite 500 Midland, TX 79701		² OGRID Number 227103
		³ API Number 30-25-31152
⁴ Property Code 34310	⁵ Property Name Kendrick	⁶ Well No. 001
⁹ Proposed Pool 1 Gladiosa Knowles; Devonian, South		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	12S	38E		1500	South	1650	East	Lea

⁸ Proposed 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

Additional Well Information

¹¹ Work Type Code E	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3861'
¹⁶ Multiple No	¹⁷ Proposed Depth 11962	¹⁸ Formation Devonian	¹⁹ Contractor to be determined	²⁰ Spud Date 10/1/04
Depth to Groundwater ^{170'}		Distance from nearest fresh water well 1 mile		Distance from nearest surface water None
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: 500 bbls Drilling Method: Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	54.5	378	420	surface
11	8 5/8	32	4494	1410	Circ
7 7/8	5 1/2	17	11952	2310	4400

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

See attached procedure to re-enter the P&A's wellbore, drill out plugs and test Devonian

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Re-Entry



²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Signature: <i>Diane Kuykendall</i>		Approved by: <i>Paul G. King</i>	
Printed name: Diane Kuykendall		Title: <i>PETROLEUM ENGINEER</i>	
Title: Regulatory Analyst		Approval Date: SEP 27 2004	
E-mail Address: dkuykendall@t3wireless.com		Conditions of Approval Attached <input type="checkbox"/>	
Date: 9/23/04	Phone: 432-687-1664		

PLATINUM EXPLORATION INC.

Kendrick No. 1

RE – ENTER P&A'd WELLBORE, DRILL OUT PLUGS TO 11,962' - TEST DEVONIAN

Elevation: 3,861' GL 3,873' KB
API: 30-025-31152
Location: 1,500' FSL & 1,650' FEL, Unit J, Sec. 5, T-12-S, R-38-E, LEA Co., NM
Latitude: 32° 00' 00"
Longitude: 103° 00' 00.00"
Total Depth: 10,960' (June, 1991)
Casing: 13 3/8", 54.5# @ 378' Cemented to surface
8 5/8", 32# @ 4494', Cmt'd w/ 1,410 sx, Circ'd 204sx to surface.
5 1/2" 17 #, N80 & K55, @ 11,952', DVT @ 9,601', 1st Stage 850sx 50:50 Poz H, 2nd Stage 1,460sx
Workstring: 2 7/8" L80 8rd
Tubing: 2 7/8"
Wellhead: As needed..
Comments: 0-30' 10 sx 5 1/2" csg
Perf @ 400'-410' 50 sx 5 1/2" csg
1871'-2300' 100 sx 5 1/2" csg
4832-4544' 100 sx 5 1/2" csg
4900-5900 100 sx 5 1/2" csg
9,400' CIBP+35' CMT 5 1/2" csg
11,900' CIBP+35' CMT 5 1/2" csg

Old Perforations:

9468-9577 WOLFCAMP
11952-960' DEVONIAN OPENHOLE

PROCEDURE

1. Build location & Road. Dig WO Pit. Install 8 5/8" wellhead.
2. MIRU Pulling unit, NU BOP. Have Delivered 400jts 2 7/8" 6.5# Work String.
3. PU 4 3/4" bit and DC drill out surface plug. RIH circulating out heavy mud in 1500' stages to subsequent cement plugs. Testing 5 1/2" csg to 1000 psig, after each plug.
4. Drill out CIBP @ 9,400' and then RIH and tag plug at 11,865'. Shut pipe rams and establish injection rate into Wolfcamp Perfs from 9,468' to 9,577'. Circ clean and POOH (strap out).
5. GIH w/ pkr to 9,000'. Establish injection rate.
6. Squeeze Wolfcamp Perfs w/ 100 sx Class "H", 17.5 ppg to TD (**Maximum Pressure 2,500 psi**).
7. GIH w/ 4 3/4" bit as before, and drill out cement squeeze, test to 1,000 psi. If a leak is noted **Remedial squeeze work will be performed at this time.**

8. Continue drilling cement and CIBP at 11,952' to TD of 11,960'.
9. Drill 2' +/- additional openhole in the Devonian to 11,962' (-8,089' SS). Note loss of fluid and any shows in daily report. Should complete loss of returns be encountered, dry drill to 11,962' carefully monitor rotary torque while drilling. **Do not try to heal up loss of returns with LCM.**
10. Circulate clean if possible and POOH. LD DC and bit.
11. PU 5 1/2" retrievable packer and SN, RIH CLEAN AND REDOPE CONNECTIONS and set same at 11,750'. Test annulus. Establish IR into Devonian openhole 11,952 -11,962'. Advise office.
12. Acidize Devonian perfs as directed.
13. POOH and come out on a single and clean threads not cleaned on TIH.
14. PU production string and submersible equipment as directed.
15. Check rotation and initiate production to battery.
16. **Report must show each piece of subpump equipment, describing its: Brand, Size (BPD), OD, length, serial number, horsepower, voltage, amperage, as well as noting shaft strength and position in the string. Cable size and type. Wellhead type. Get this information from service tech.**

PRIOR TO RE-ENTRY

Kendrick #1

1,500 FSL, 1,650' FEL

Sec 5, T12E, R38E

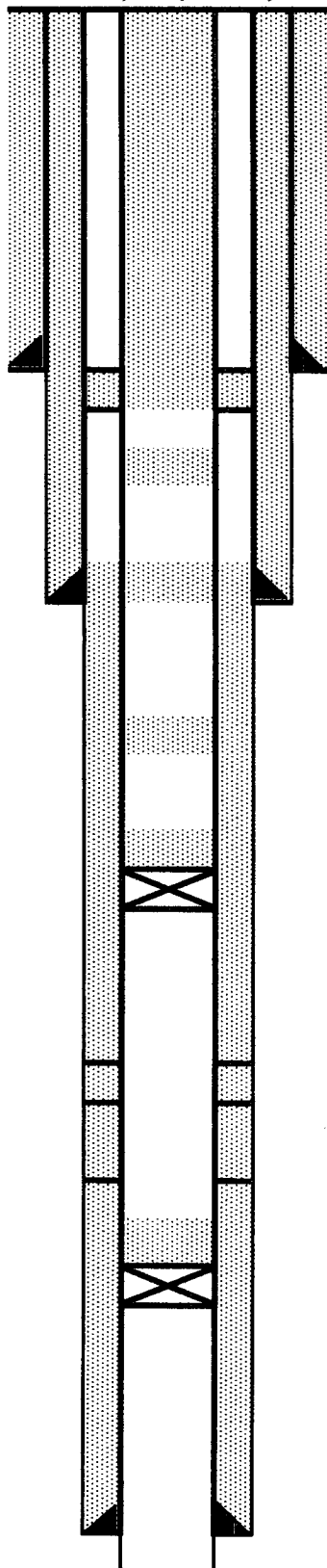
Lea County, NM

Gladiola (Devonian)

Well Type: Plugged

API # : 30-025-31152

GL 3,861', KB 3,873'



Spud 5-6-91

Completion 6-19-91

Recompletion to Woflcamp 2-12-92

P&A'd 10-18-94

API # 30-025-31152

13 3/8" 54.5# H-40 @ 378' w/ 420 sxs. Circ.

Perfd @ 400'. Pumped 50 sx plug @ 410'. Sqzd w/20 sx.

100' sx plug @ 2,300'

TOC @ 4,400' (est)

8 5/8" 32# J-55 @ 4,494 w/ 1,410 sxs. Circ.

100' sx plug @ 4,544'

100' sx plug @ 5,900'

DST @ 9,353'-59'

Set BP @ 9,400' w/35' cmt.

Perfd WC w/25 holes @ 9,468'-

9,577'. A/3,000 gals. P 21 BO & 96

BW. GOR 0. 2-14-92

DVT @ 9,601'

Top of plug @ 11,865'

CIBP @ 11,900' w/35' cmt. 2-92

DST @ 11,952'-960'

IP P 22 BO & 126 BW @ 11,952'-

959'. GOR 0. 8-18-91

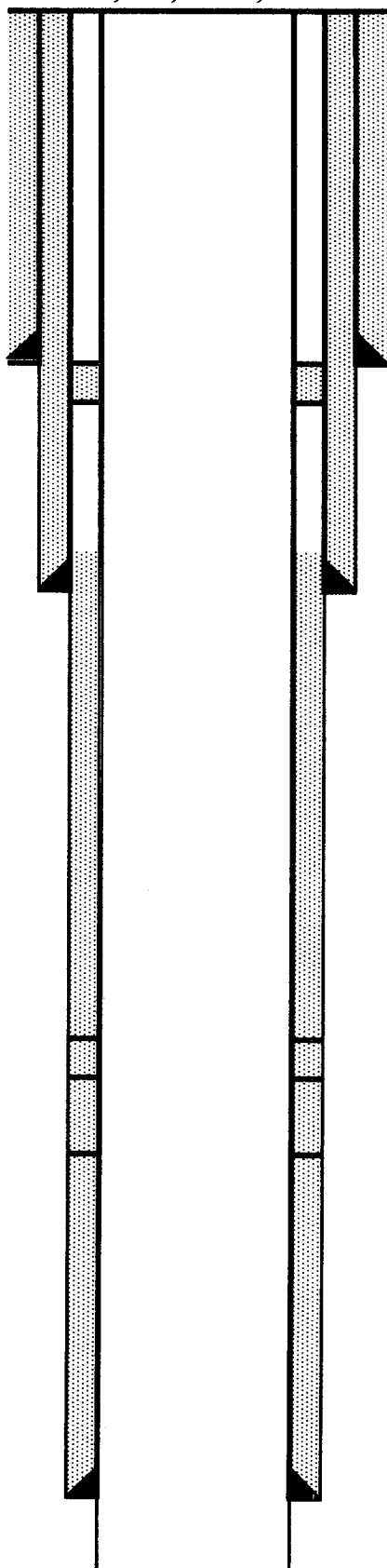
5 1/2" 17# @ 11,952' w/2,310' sx.

TD @ 11,960'. PBD @ 11,959'

AFTER RE-ENTRY

Kendrick #1
1,500' FSL, 1,650' FEL
Sec 5, T12E, R38E
Lea County, NM
Knowles; Devonian, South
Well Type: Proposed
API #: 30-025-31152

GL 3,861', KB 3,873'



Spud 5-6-91
Completion 6-19-91
Recompletion to Woflcamp 2-12-92
P&A'd 10-18-94

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9,577'. A/3,000 gals . P 21 BO & 96
BW. GOR 0. 2-14-92

DVT @ 9,601'

DST @ 11,952'-960'
IP P 22 BO & 126 BW @ 11,952'-
959' . GOR 0. 8-18-91

5 1/2" 17# @ 11,952' w/2,310' sx.
TD @ 11,960'. PBD @ 11,959'

proposed

9/23/2004

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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-31152	² Pool Code 36480 27740	³ Pool Name Gadiola Knowles, Devonian, South
⁴ Property Code 34310	⁵ Property Name Kendrick	⁶ Well Number 001
⁷ OGRID No. 227103	⁸ Operator Name Platinum Exploration Inc.	⁹ Elevation 3861' GR

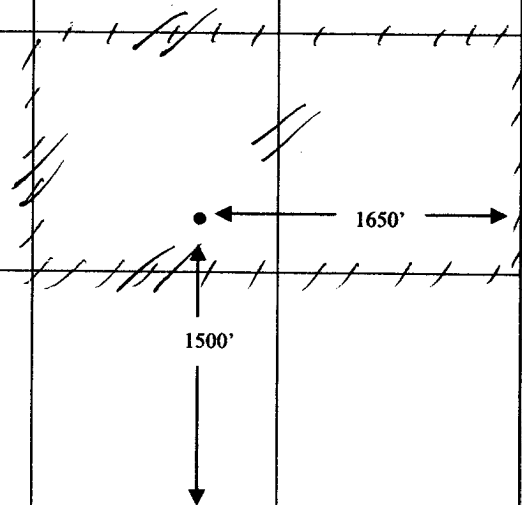
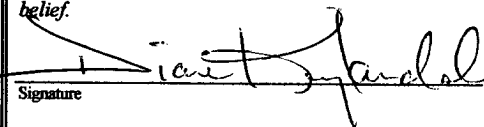
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	5	12S	38E		1500	South	1650	East	Lea

¹¹ 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
¹² Dedicated Acres 80.40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

¹⁶						¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Diane Kuykendall Printed Name Regulatory Analyst, dkuykendall@t3wireless.com Title and E-mail Address 9/23/04 Date
						¹⁸ SURVEYOR CERTIFICATION 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.
						Date of Survey Signature and Seal of Professional Surveyor:
						Certificate Number

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State of New Mexico
Energy Minerals and Natural Resources

Form C-144
March 12, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office


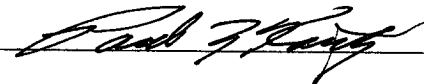
Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: <u>Platinum Exploration, Inc.</u> Telephone: <u>(432) 687-1664</u> e-mail address: <u>thansen@t3wireless.com</u>		
Address: <u>550 West Texas, Suite 500, Midland, Texas 79701</u>		
Facility or well name: <u>Kendrick #1</u> API #: <u>30-025-31152</u> U/L or Qtr/Qtr <u>J</u> Sec <u>5</u> T <u>12S</u> R <u>38E</u>		
County: <u>Lea</u> Latitude _____ Longitude _____ NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/> Surface Owner Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Indian <input type="checkbox"/>		
Pit Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input checked="" type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Volume <u>500</u> bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	100 feet or more 170'	(0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes XX	(20 points)
	No	(0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more XXX	(0 points)
Ranking Score (Total Points)		20

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	
Date: <u>9/23/04</u>	
Printed Name/Title <u>Diane Kuykendall, Regulatory Analyst</u>	Signature <u></u>
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.	
Approval: _____	
Date: <u>9/27/04</u>	
Printed Name/Title _____	Signature <u></u>