

P 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 Resources

Form C-101
May 27, 2004

Oil 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 - 25-07149
⁴ Property Code 34311	⁵ Property Name V. V. Wallace	⁶ Well No. 004
⁹ Proposed Pool 1 Gladiola; Devonian		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
H	6	12S	38E		1980	North	660	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 3874'
¹⁶ Multiple No	¹⁷ Proposed Depth 12010	¹⁸ Formation Devonian	¹⁹ Contractor to be determined	²⁰ Spud Date 10/1/04
Depth to Groundwater 150'		Distance from nearest fresh water well 1900'		Distance from nearest surface water None
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 500 bbls Closed-Loop System <input checked="" type="checkbox"/> Drilling Method: 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	340'	425	Surface
11	8 5/8	32	4460'	2050	circ
7 7/8	5 1/2	17 & 20	12010'	1410	4200'

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 P&A'd wellbore, drill out plugs to 12,000' 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 NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature:

Printed name: Diane Kuykendall

Title: Regulatory Analyst

E-mail Address: dkuykendall@3wireless.com

Date: 9/24/04

Phone: 432-687-1664

OIL CONSERVATION DIVISION

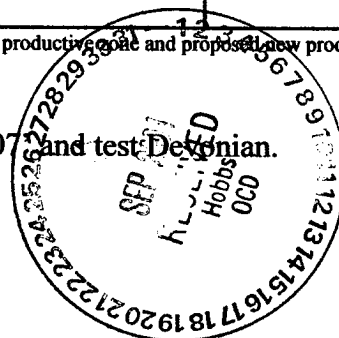
Approved by:

Title:

Approval Date: SEP 29 2004

Expiration Date:

Conditions of Approval Attached ☐



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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 30-025-07149	² Pool Code 27740	³ Pool Name Gladiola; Devonian
⁴ Property Code 34311	⁵ Property Name V.V. Wallace	⁶ Well Number 4
⁷ OGRID No. 227103	⁸ Operator Name Platinum Exploration, Inc.	⁹ Elevation 3885' 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
H	6	12S	38E		1980	North	660	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 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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 Kurykendall Printed Name Regularity Analyst dkurykendall@t3wireless.com Title and E-mail Address 9/24/04 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	

PLATINUM EXPLORATION INC.

V.V. WALLACE No. 4

30-025-07149

RE - ENTER P&A'd WELLBORE, DRILL OUT PLUGS TO 12,007' - TEST DEVONIAN

Elevation: 3,874' GL 3,886'KB
Location: 1,980' FNL & 600' FEL, Unit H, Sec. 6, T-12-S, R-38-E, Lea, NM
Total Depth: 12,012' (Jan, 1956)
Casing: 13 3/8", 48# @ 340' Cemented w/ 425sx to surface
8 5/8", 24 & 32# @ 4882', Cmt'd 2,050sx to surface
5 1/2" 17 & 20#, N80 & K55, @ 12,010' **CUT-OFF @ 4,196'**
Workstring: 2 7/8" L80 8rd
Tubing: 2 7/8"
Wellhead: As needed..(8 5/8" SOW X 7 1/16" 3000)
Comments: 0-30' 10 sx 8 5/8" csg
301 - 450 55 sx 8 5/8" csg
1557-2100 200 sx 8 5/8" csg
4257-4125' 40 sx 8 5/8" csg
9114-8889 25 sx 5 1/2" csg
9379'-9244' 15 sx 5 1/2" csg
11300' CIBP+35' CMT 5 1/2" csg
11733' CIBP+25'CMT 5 1/2" csg

Old Perforations: 9438 - 9494' WOLFCAMP
11342'-397' MISSISSIPPI
11450'-512' MISSISSIPPI
11981'-12007' DEVONIAN

PROCEDURE

1. MIRU Pulling unit, NU BOP.
2. PU 7 7/8" bit and DC drill out surface plug. RIH while picking up work string circulating out heavy mud in 1500' stages to second cement plug. Test 8 5/8" csg to 1,000 psi.
3. Drill off cement to top of 5 1/2" casing at 4,196'. Test casing to 1000 psig. Note bit behavior on top of 5 1/2" casing. Be prepared to dress off 5 1/2" casing with 7 5/8" OD mill to insure good top to 5 1/2" casing. Circ clean and POOH.
4. PU 4 5/8" bit, 6- 3 1/4" DC. If casing tested to 1,000 psi without bleed off, drill out cement plug in top of 5 1/2" casing. Stage in hole as before.
5. Drill out cement plug from 8,889' to 9,114' and circulate hole clean and test casing to 1,000 psi.
6. Drill out cement plug from 9,244' to 9,379' and GIH to CIBP @ 11,300', circulate clean if possible.

7. Establish injection rate into Wolfcamp perms from 9,438' to 9,494'.
8. Drill out remaining CIBPs at 11,300' and 11,733' and clean out to PBTD 12,007'. Circulate hole clean, if possible. POH.
9. RU Schlumberger and run USIT/ GR/CCL log, to determine casing integrity. Set RBP @ 11,900' and load hole, if required.
10. GIH with an RBP & packer, set RBP at 9,800'+, set packer and test RBP, casing and packer to 1,500 psi and spot 2sx sand on RBP.
11. Pull packer to 9,400' and set. **Pressure backside to 1,000 psi. If the backside leaks, plan to isolate and squeeze leak or tie 5 ½" casing to surface.** Establish injection rate and squeeze perms per cementing recommendation.
12. Move RBP to 11,600'+, Reset packer at 10,800'+ and establish injection rate into perms from 11,342' to 512', and report to engineer to design cement squeeze.
13. Drill out cement squeeze and test to 1,000psi.
14. Retrieve RBP and set packer at 11,500' and establish injection rate into producing perms from 11,981' to 12,007'.
15. Acidize Devonian perms as directed.
16. POOH laying down work string.
17. PU production string and ESP equipment as directed.
18. Set generator and Check rotation to initiate production to battery.
19. **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.**

V. V. WALLACE No. 4

1980' FNL & 660' FEL
Unit H, Sec 6, T-12S, R-38E
Lea County, NM

API: 30-025-07149

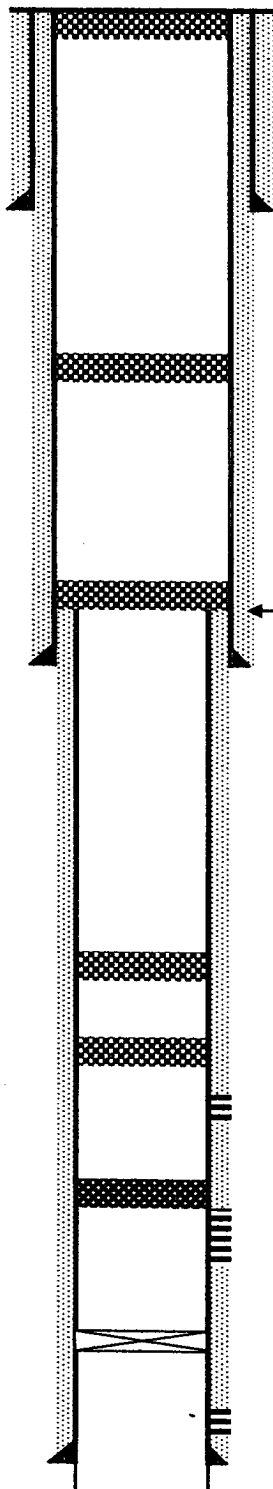
Well Type: Plugged

First plugged 12/68

Re-entered 7/86

Re-plugged 10/86

GL: 3,874' DF: 3885'



Cmt Plug @ surf w/ 10 sx

13 3/8" @ 340' w/ 425 sx

Cmt Plug 2244' - 2129' w/ 30 sx

Cut 5 1/2" @ 4180' from 1968 plugging
Tied on 5 1/2" 17# to surface (7/86)

Cmt Plug 4125' - 4257' w/ 40 sx
Cut 5 1/2" @ 4196' spotted 30 sx @ 4257'

8 5/8" @ 4460' w/ 2050 sx
TOC: circ

Cmt Plug 8889' - 9114' w/ 25 sx

Cmt Plug 9244' - 9379' w/ 15 sx

Perf 9438'-42', 9464'-74', 9488'-94' (10/86)

CIBP @ 11,300' w/ 35' cmt plug (10/86)
Perf 11,342' - 397' (9/86) 800 gals 15% & Frac'd w/ 18K lbs 20/40 interprop in 20,000 gals
Perf 11,450' - 512' (9/86) 1,000 gals 15% NEFE

CIBP @ 11,733' w/ 25' cmt plug (9/86)
CIBP @ 11,800' w/ 4 sx (Re-entr did not find this, added CIBP above)

Perf 11,981' - 12,007' (6/57)

5 1/2" 17&20# @ 12,010' w/ 1410 sx in 2 stages
TOC: 4200'

TD: 12,010'

V V WALLACE No. 4

1980' FNL & 660' FEL

Unit H, Sec 6, T-12S, R-38E

Lea County, NM

API: 30-025-07149

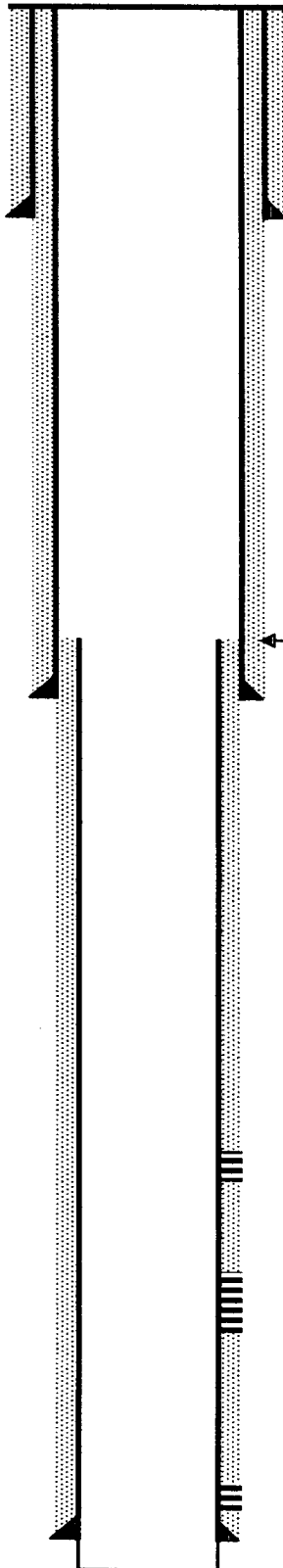
Well Type: Proposed Re-Entry

First plugged 12/68

Re-entered 7/86

Re-plugged 10/86

GL: 3,874' DF: 3885'



13 3/8" @ 340' w/ 425 sx

Cut 5 1/2" @ 4180' from 1968 plugging
Tied on 5 1/2" 17# to surface (7/86)

Cut 5 1/2" @ 4196' spotted 30 sx @ 4257'

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TOC: circ

Perf 9438'-42', 9464'-74', 9488'-94' (10/86)

Perf 11,342' - 397' (9/86)

Perf 11,450' - 512' (9/86)

Perf 11,981' - 12,007' (6/57)

5 1/2" 17/20# @ 12,010' w/ 1410 sx in 2 stages
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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>dkuykendall@t3wireless.com</u>		
Address: <u>550 West Texas, Suite 500, Midland, Texas 79701</u>		
Facility or well name: <u>V. V. Wallace #4</u> API #: <u>30-025-07149</u> U/L or Qtr/Qtr <u>H</u> Sec <u>6</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 150'	(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>Diane Kuykendall</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>9/29/04</u>	
Printed Name/Title <u>PETROLEUM ENGINEER</u>	Signature <u>[Signature]</u>