

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 - 25-33842
⁴ Property Code 33876	⁵ Property Name Arco "A" Com	⁶ Well No. 003
⁹ Proposed Pool 1 Knowles; Devonian, South (36480)		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
N	18	17S	39E		600	South	2040	West	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
K	18	17S	39E		2100	South	2000	West	Lea

Additional Well Information

¹¹ Work Type Code D	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3656'
¹⁶ Multiple No	¹⁷ Proposed Depth 13750' MD	¹⁸ Formation Devonian	¹⁹ Contractor to be determined	²⁰ Spud Date 10/20/04
Depth to Groundwater 150'		Distance from nearest fresh water well 1000'		Distance from nearest surface water NA
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 1600 bbls Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				
Closed-Loop System <input type="checkbox"/>				

21 Proposed Casing and Cement Program

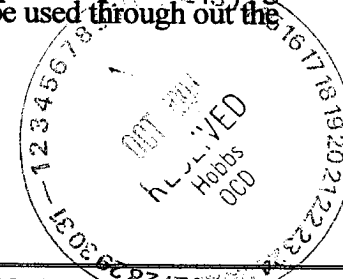
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	48	450	500	Surface
11	8 5/8	32	4805	1600	Surface
7 7/8	5 1/2	17	12123	1100	4480 TS

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.

Propose to deepen well in Devonian pay interval by drilling 1500' horizontal drain hole on 357 degree azimuth. Fresh water drilling fluid will be used. Completion will be based on prudent practice & regulatory compliance. A double ram 7 1/16" - 900 series, BOP & Choke manifold will be used through out the deepening operation.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

Horizontal



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 <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Diane Kuykendall		Approved by: <i>[Signature]</i>	
Title: Regulatory Analyst		Title: PETROLEUM ENGINEER	
E-mail Address: dkuykendall@t3wireless.com or petrodog@t3wireless.com		Approval Date: OCT 13 2004 Expiration Date:	
Date: 10/05/2004	Phone: 432-687-1664	Conditions of Approval Attached <input type="checkbox"/>	

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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 30-025-33842	² Pool Code 36480	³ Pool Name SOUTH KNOWLES DEVONIAN
⁴ Property Code 33876	⁵ Property Name ARCO A COMM.	⁶ Well Number 3
⁷ OGRID No. 227103	⁸ Operator Name PLATINUM EXPLORATION INC	⁹ Elevation 3656 GR

¹⁰ Surface Location

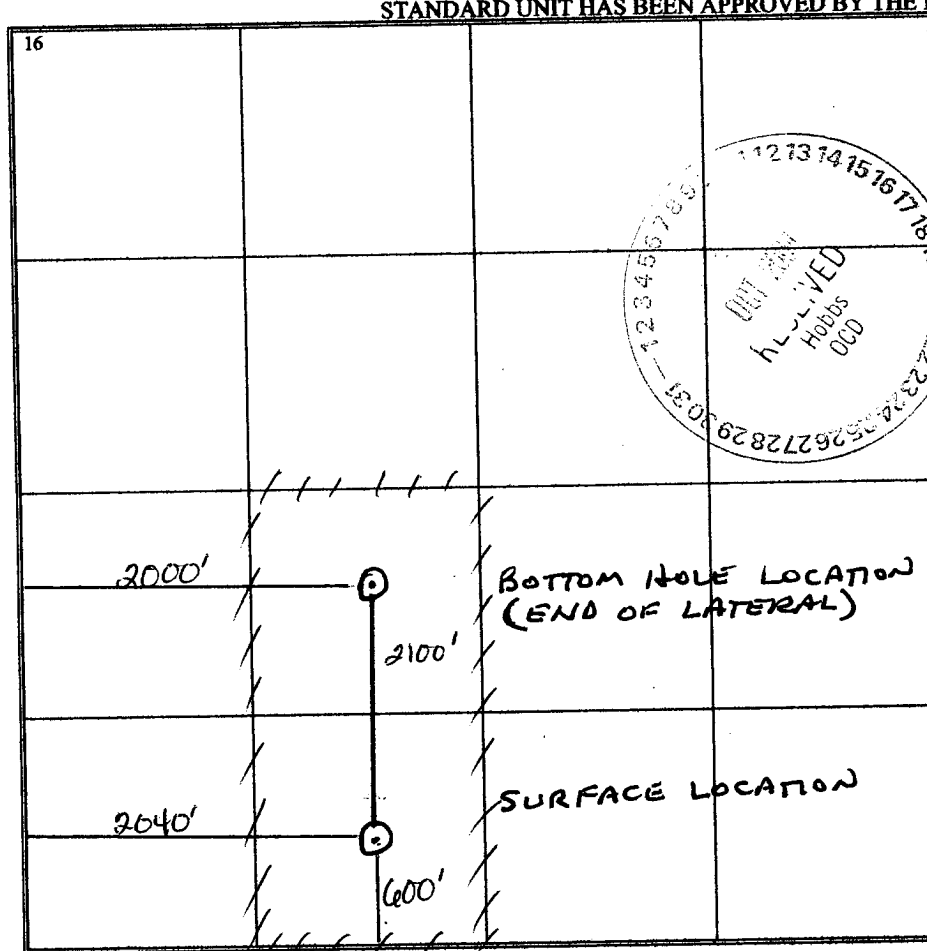
UL or lot no. N	Section 18	Township 17-S	Range 39E	Lot Idn N	Feet from the 600	North/South line SOUTH	Feet from the 2040	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. K	Section 18	Township 17-S	Range 39E	Lot Idn K	Feet from the 2100	North/South line SOUTH	Feet from the 2000	East/West line WEST	County LEA
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¹² Dedicated Acres 80	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

<div>16</div> 	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i></p> <p>Signature</p> <p>F.D. SCHUCH</p> <p>Printed Name</p> <p>ENGR</p> <p>petrodag@t3wireless.com</p> <p>Title and E-mail Address</p> <p>4 OCT 2004</p> <p>Date</p>
	<div>18 SURVEYOR CERTIFICATION</div> <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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

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Form C-144
June 1, 2004

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: PLATINUM EXPLORATION Telephone: 432 6871664 e-mail address: _____
Address: 550 W. TEXAS, SUITE 500, MIDLAND TX 79701
Facility or well name: ARCO A Comm 3 API #: 30-025-33842 /L or Qtr/Qtr N Sec 18 T 17S R 39E
County: LEA Latitude N 32° 49.7' Longitude W 103° 5.2' NAD: 1927 ☐ 1983 ☒ Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

Pit	Below-grade tank
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input 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"/> Pit Volume <u>1600</u> bbl <u>30 x 50 x 6</u>	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) <u>100 feet or more</u> (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 (20 points) <u>No</u> (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) <u>1000 feet or more</u> (0 points)
Ranking Score (Total Points)	

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: (check the onsite box if you are burying in place) 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.

Additional Comments:

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

Date: 5 OCT 2004

Printed Name/Title: F.D. SCHOCH, ENGR

Signature: _____

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:

Printed Name/Title: _____

ORIGINAL SIGNED BY
PAUL F. KAUTZ
PETROLEUM ENGINEER

Signature: _____

Date: 10/13/04