

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**

<sup>1</sup> Operator Name and Address Platinum Exploration Inc. 550 W. Texas, Suite 500 Midland, TX 79701		<sup>2</sup> OGRID Number 227103
		<sup>3</sup> API Number 30-025-07270
<sup>4</sup> Property Code 34403	<sup>5</sup> Property Name GULF STATE	<sup>6</sup> Well No. 3
<sup>9</sup> Proposed Pool 1 DENTON; DEVONIAN, SOUTH <16930>		<sup>10</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	4	16-S	38-E		660	NORTH	1880	WEST	LEA

<sup>8</sup> 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

<sup>11</sup> Work Type Code P E	<sup>12</sup> Well Type Code S	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3,767
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 13,346'	<sup>18</sup> Formation DEVONIAN	<sup>19</sup> Contractor To be determined	<sup>20</sup> Spud Date ASAP
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
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"/>				

<sup>21</sup> 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#	350	350	SURFACE
12-1/4"	9-5/8"	36 & 40#	4,999	2,000	SURFACE

<sup>22</sup> 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 and Well Bore Diagrams

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



<sup>23</sup> 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 type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		<b>OIL CONSERVATION DIVISION</b>	
Printed name: Dorothea Logan		Approved by:	
Title: Regulatory Analyst		Title:	
E-mail Address: dlogan@t3wireless.com		Approval Date: NOV 15 2004	
Date: 11/09/04	Phone: 432/687-1664 Ext 123	Conditions of Approval Attached <input type="checkbox"/>	

# PLATINUM EXPLORATION INC.

## GULF STATE No. 3

### RE – ENTER P&A'd WELLBORE, DRILL OUT PLUGS and FIT FOR INJECTION INTO THE SAN ANDRES

**Elevation:** 3,7538' GL 3,767'KB  
**Location:** 660' FNL & 1,880' FWL, Unit C, Sec. 4, T-16-S, R-38-E, Lea, NM  
**Total Depth:** 13,346' (October 6, 1956)  
**API No:** 30-025-07270  
**Casing:** 13 3/8", 48# @ 350' Cemented w/ 350sx  
9 5/8", 36 & 40# @ 4999', Cmt'd 2,000sx

**Workstring:** 2 7/8" L80 8rd  
**Tubing:** 3 1/2" 9.3# EUE 8rd IPC  
**Wellhead:** As needed.. ( 9 5/8" SOW X 7 1/16" 3000)

<b>Comments:</b>	0-10'	15 sx	9 5/8" csg
	4,900'-5,000'	35 sx	9 5/8" csg
	9,500'-9,700'	100 sx	8 3/4" Openhole
	9,925'-10,050'	65 sx	8 3/4" Openhole
	10,050'-10,270' Tagged	100 sx	8 3/4" Openhole
	10,270'-10,460'	70 sx	8 3/4" Openhole
	10,470'-10,660' Tagged	85 sx	8 3/4" Openhole
	13,220'-13,345'	50 sx	8 3/4" Openhole

**Old Perforations:**

NONE

### PROCEDURE

1. Survey in well, build location, & set anchors.
2. Build cellar & weld on 9 5/8" wellhead, Dig Workover Pit & Line with 12 mil plastic as per OCD regs.
3. MIRU Pulling unit, NU BOP.
4. PU 8 3/4" bit and DC drill out surface plug. RIH while picking up work string circulating out heavy mud in 1,500' stages to second cement plug at 4,900'. Test 9 5/8" csg and plug to 1,000 psi. If a leak is noted, **Remedial squeeze work will be performed at this time.**
5. Drill out cement plug from 4,900' to 5,000' & RIH while picking up work string circulating out heavy mud in 1,000' stages to 9,500', Top of next cement plug. Circ clean.
6. Pull up the hole to 7,000' and spot 200 sx Class "C" neat plug and POOH and WOC.
7. GIH w/ 8 3/4" bit and dress off plug to 6,500'.
8. RU Schlumberger and run USIT/ GR/CCL log, to determine casing integrity for the 9 5/8" casings.
9. Circulate hole clean and POOH.
10. Pick up a 9 5/8" 40# pkr and GIH and set at 4,950'.

11. Establish injection rate into San Andres openhole from 5,000' to 6,500'.
12. Perforate San Andres formation from 5,000' to 6,500' 4 JSPF, **if the injection rate does not meet expectations.**
13. PU 3 ½" 9.3# EUE 8rd IPC Injection tubing & GIH set packer at 4,950'+ and establish injection rate into openhole section from 4,999' to 6,500'.
14. Acidize San Andres perfs as directed.
15. **Report must show each piece of injection equipment, describing its: Brand, length, wellhead type. Place well on injection.**

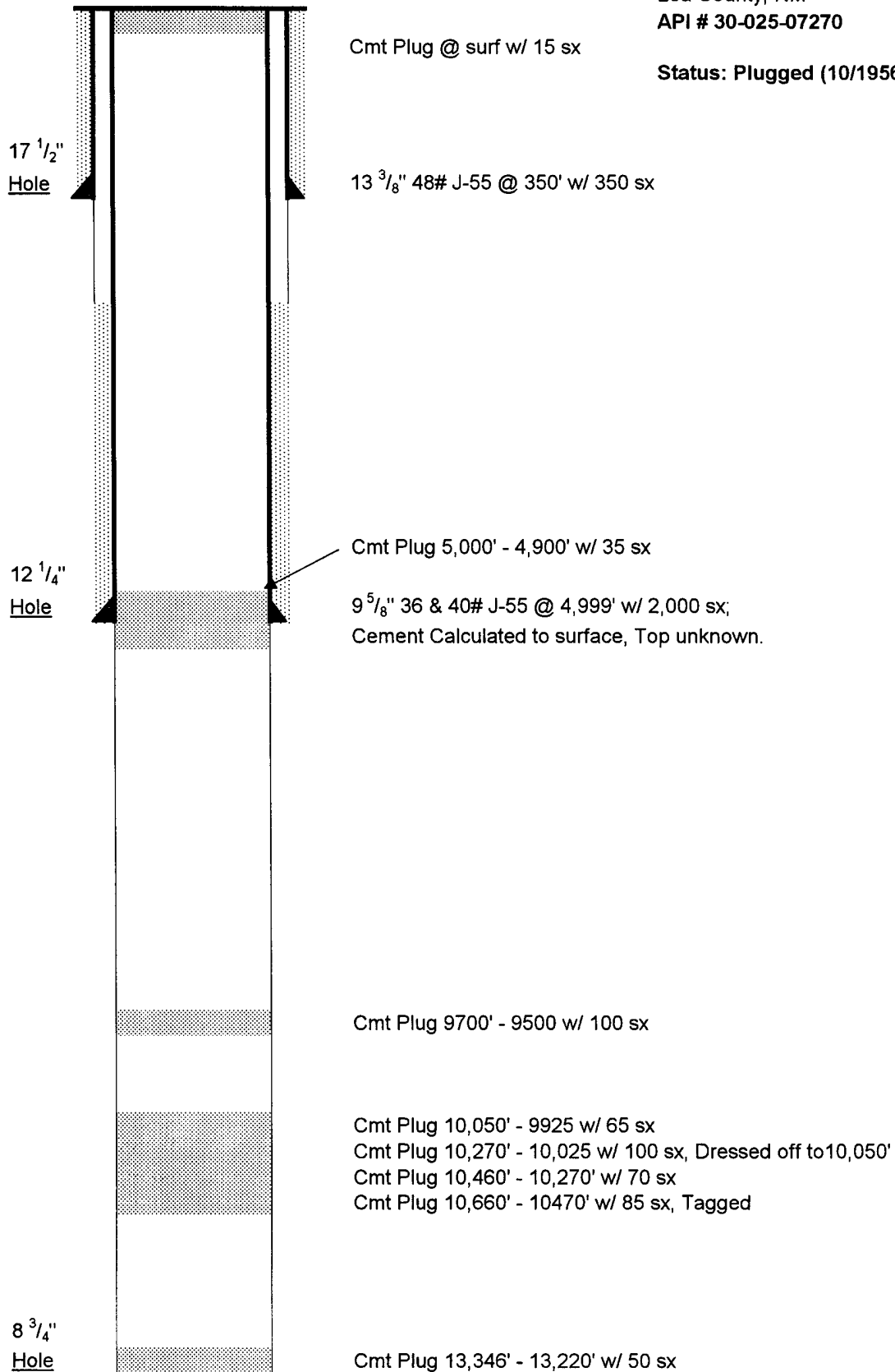
9/29/04

# Gulf-State #3

660' FNL & 1880' FWL  
Unit C, Sec 4, T-16S, R-38E  
Lea County, NM  
API # 30-025-07270

Status: Plugged (10/1956)

GL: 3753' KB: 3767'



TD: 13,346' (10/1956)

JMR 11/9/04

# AFTER CONVERSION

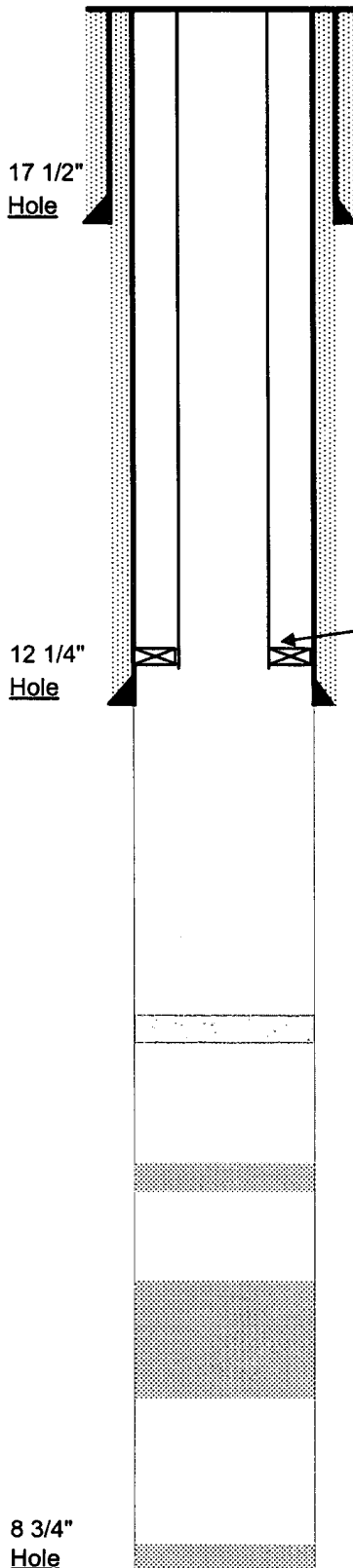
#18

## Gulf-State #3

660' FNL & 1880' FWL  
Unit C, Sec 4, T-16S, R-38E  
Lea County, NM  
API # 30-025-07270

Status: Proposed SWD  
Surface Owner: State of New Mexico

GL: 3753' KB: 3767'



13 <sup>3</sup>/<sub>8</sub>" 48# J-55 @ 350' w/ 350 sx

Formation Tops	
Rustler	2,177'
Salado	2,293'
San Andres	4,988'
Glorieta	6,525'
Clearfork	7,081'
Tubb	7,751'
Abo	8,464'
Wolfcamp	9,623'
Devonian	13,285'

3 1/2" tubing w/ Arrowset I packer @ 4950'

9 <sup>5</sup>/<sub>8</sub>" 36 & 40# J-55 @ 4,999' w/ 2,000 sx;

Cement Calculated to surface, Top unknown.

Max Injection Rate 10,000 BPD  
Max Injection Pressure 2,000 psi  
Avg. Injection Rate 5,000 BPD  
Avg. Injection Pressure 1,300 psi  
Injection Tubing 3 1/2" 9.3# L-80 IPC Tubing  
Injection Interval 5,000' to 6,500'

Proposed Cmt Plug @ 6,500'

Cmt Plug 9700' - 9500 w/ 100 sx

Cmt Plug 10,050' - 9925 w/ 65 sx  
Cmt Plug 10,270' - 10,050 w/ 100 sx  
Cmt Plug 10,460' - 10,270' w/ 70 sx  
Cmt Plug 10,660' - 10470' w/ 85 sx

Cmt Plug 13,346' - 13,220' w/ 50 sx

TD: 13,346' (10/1956)

JMR 11/9/04

11/9/2004

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State of New Mexico  
Energy Minerals and Natural Resources

Form C-144  
June 1, 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: Platinum Exploration, Inc. Telephone: 432-687-1664 Ext 123 e-mail address: dlogan@t3wireless.com  
Address: 550 W. Texas, Suite 500 Midland, TX 79701  
Facility or well name: Gulf State API #: 30-025-07270 U/L or Qtr/Qtr C Sec 14 T 16S R 38E  
County: Lea Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

**Pit**

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐

Pit Volume 500 bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ 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 XX	( 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)
No XX	( 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 XX	( 0 points)

**Ranking Score (Total Points)**

0

**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 OCD-approved plan ☐.

Date: 11/09/04

Printed Name/Title Dorothea Logan, Regulatory Analyst

Signature

*Dorothea Logan*

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  
Signature

PAUL F. KAUTZ  
PETROLEUM ENGINEER

Date: \_\_\_\_\_

NOV 15 2004