

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 30-025-07302
⁴ Property Code 34792	⁵ Property Name H. V. Black	⁶ Well No. 1
⁹ Proposed Pool 1 South Knowles (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
K	13	17-S	38-E		1980	South	1980	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

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 3685'
¹⁶ Multiple N	¹⁷ Proposed Depth 12,217'	¹⁸ Formation DEVONIAN	¹⁹ Contractor	²⁰ 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: 1600 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" 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"	48	297	325	Surface
12-1/4"	9-5/8"	36	4798	2300	Surface
7-7/8"	5 1/2"	20	12,110	400	2860'

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 and Well Bore Diagram.

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 <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: Julie Figel		Approved by: ORIGINAL SIGNED BY	
Title: Agent		PAUL F. KAUTZ	
E-mail Address: jfigel@t3wireless.com		PETROLEUM ENGINEER	
Date: 4/26/05		Approval Date: MAY 03 2005	
Phone: 432-687-1664 Ext 123		Expiration Date:	
		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 30-025-07302	² Pool Code 36480	³ Pool Name South Knowles (Devonian)
⁴ Property Code 34792	⁵ Property Name H. V. Black	⁶ Well Number 1
⁷ OGRID No. 227103	⁸ Operator Name Platinum Exploration, Inc.	⁹ Elevation 3685'

¹⁰ Surface Location

UL or lot no. K	Section 13	Township 17-S	Range 38-E	Lot Idn	Feet from the 1980'	North/South line South	Feet from the 1980	East/West line West	County Lea
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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
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¹² Dedicated Acres 40	¹³ Joint or Infill <input checked="" type="checkbox"/>	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 Julie Figel Printed Name Agent / jfigel@t3wireless.com Title and E-mail Address Date 4/26/05	
	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	

H. V. Black No. 1

1980' FSL & 1980' FWL
 Unit K, Sec 13, T-17S, R-38E
 Lea County, NM
 API# 30-025-07302
Well Type: Plugged (9/97)
 Spud Date: 11/7/1955

GL: 3,685' KB: 3,698'

17 1/2"
Hole

13 3/8" 48# @ 297' w/ 325 sx
 Circ'd 75 sx to sfc.
 Perf 5 1/2" & 9 5/8" Csg @ 347'
 sqz'd w/ 185 sx cmt f/ 347' to surf
 Cmt f/ 1,450' to 350' by CBL

TOC @ 2,860' by CBL
 Cmt plug f/ 3,000'-2,748' w/ 25 sx

12 1/4"
Hole

9 5/8" 36# S-80 & J-55 @ 4,798' w/ 2,300 sx

Cmt plug f/ 6,017' -5,768' w/ 25 sx, tagged

Casing leak between 5,792' - 5,854' (10/86)
 Sqz'd w/ 535 sx 'C' of cmt

Casing leak @ 7,753' (7/76)
 Sqz'd w/ 500 sx 'H' of cmt

Cmt plug f/ 9,000'-8,748' w/ 25 sx

25 sx Cmt plug @ 9,000', lost circulation,
 Possible hole in casing; tagged @ 9,868'.

Spt'd Cmt plug f/ 12,002'-11,757' w/ 25 sx, tagged
 Tagged obstruction @ 12,002'

5 1/2" 20# N-80 @ 12,110' w/ 400 sx
 Sqz'd OH w/ 250 Bbls Polymer

7 7/8"
Hole
 4 5/8"
Hole

TD: 12,165'

(--8467')

2/16/05 JMR

Proposed Completion**H. V. Black No. 1**

1980' FSL & 1980' FWL
 Unit K, Sec 13, T-17S, R-38E
 Lea County, NM
 API# 30-025-07302
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 Cmt f/ 1,450' to 350' by CBL

TOC @ 2,860' by CBL

12 1/4"
Hole

9 5/8" 36# S-80 & J-55 @ 4,798' w/ 2,300 sx

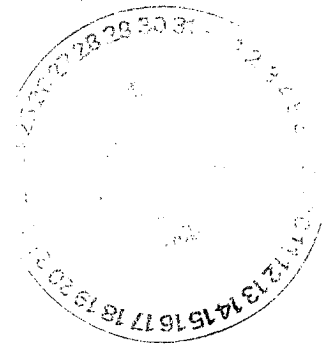
Casing leak between 5,792' - 5,854' (10/86)
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Casing leak @ 7,753' (7/76)
 Sqz'd w/ 500 sx 'H' of cmt

7 7/8"
Hole
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Hole

5 1/2" 20# N-80 @ 12,110' w/ 400 sx
 Sqz'd OH w/ 250 Bbls Polymer

TD: 12,217'



4/27/05 JMF

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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: jfigel@t3wireless.com
Address: 550 W. Texas, Suite 500 Midland, TX 79701
Facility or well name: H. V. Black #1 API #: 30-025-07302 U/L or Qtr/Qtr K Sec 13 T 17S 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 1600 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.) 75'

Less than 50 feet	(20 points)
50 feet or more, but less than 100 feet XX	(10 points)
100 feet or more	(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.) 690'

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 XX	(0 points)

Ranking Score (Total Points) 30

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: 4/26/04

Printed Name/Title Julie Figel, Agent

Signature Julie Figel

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 PAUL F. KAUTZ

Signature Paul F. Kautz

Date: MAY 03 2005

PLATINUM EXPLORATION INC.

H. V. BLACK #1

DEEPEN 52' TO 12,217', ACIDIZE DEVONIAN, INSTALL ARTIFICIAL LIFT

Elevation: 3,685' GL, 3,698' RKB 14' KB - GL
Location: 1,980' FSL & 1,980' FWL, Unit K, Sec 13, T-17-S, R-38-E, Lea Co., NM
Total Depth: 12,165'
Casing: 13 3/8", 48# @ 297' Circ'd 75 sx to surface
9 5/8", 36# S-80 & J-55 @ 4,798', 2,300 sx
5 1/2" 20# N-80, @ 12,110'-400 sx
Liner: None
Workstring: 2 7/8" L80 8rd
Tubing: 2 7/8"
Wellhead: As needed..
Comments:

0-347'	185 sx	5 1/2" X 8 5/8" csg
Perf @ 347'	Sqz'd 185 sx	5 1/2" X 8 5/8" csg
3,000' - 2,748'	25sx	5 1/2" csg
6,017' - 5,854', Tagged	25 sx	5 1/2" csg
9,000' - 8,748'	25 sx	5 1/2" csg
4,694' - 5,200', Tagged	25 sx	5 1/2" csg
12,002' - 11,757', Tagged	25 sx	5 1/2" csg
12,002' Tagged obstruction w/ tbq before setting plug		
Sqz'd Open hole w/ 350 Bbls of polymer		
Sqz'd csg leaks f/ 5,792' - 5,854' & 7,753' w/ 1,035 sx		

Old Perforations: Open Hole f/ 12,110' to 12,165'

PROCEDURE

1. Build location & Road. Dig WO Pit & set anchors. Install 5 1/2" wellhead.
2. MIRU Pulling unit, NU BOP. Have Delivered 400jts 2 7/8" 6.5# Work String.
3. PU 4 5/8" bit, 6-DC, workstring and drill out surface plug. RIH circulating out heavy mud in 1,000' stages to subsequent cement plugs. Testing 5 1/2" csg to 1000 psig, after each plug. Clean out to 11,900'. Circulate clean.
4. Log with Schlumberger 11,900' to 4,500' with GR/CCL/CBL. Tie in to openhole log.
5. Drill out cement from 11,900' to 12,165' and circulate clean, may require washover shoe during this interval for old junk left in hole.
6. Deepen well 52' to 12,217' (117' below 5 1/2" csg.) using fresh water. Keep 2' drilling time recorded. Note all sample shows and loss of fluid. If dry drilling, pick up off bottom every 4-5' to insure free pipe. Circulate clean if possible and POOH.

7. PU 5 ½" retrievable packer, SN, workstring. RIH and set packer at 12,000' +/- . Load and test annulus to 1,000 psig, report results.
8. Set pkr at 12,050' and establish injection rate and acidize Devonian perms and openhole 12,110-219' with 10,000 gallons 15% HCl as follows: 2500 gal acid, 1000# graded Rock salt block in gelled brine, 2500 gal acid, RSB as before, 2500 gal acid, RSB, 2500 gal acid. **MAX PRESSURE=3500#, MAX RATE 5 BPM.** Flush with freshwater and monitor ISIP and SITP for 30 min.
9. Swab test as directed.
10. POOH w/ packer LD workstring.
11. PU production tubing, insure that all threads are clean and dry of solvent, properly doped and torqued. POOH w/ same and stand back in derrick.
12. PU artificial lift equipment. RIH w/ same on production tubing as directed(This will require 3,300' of 2 7/8" Ph-6 tubing on top). Band cable to tubing with 6 Monel bands per stand. Check rotation and initiate production to battery. **Report must show each piece of subpump equipment, describing its Setting depth, 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.**

2/17/05 JMR



