

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 Property Code 301026		⁴ API Number 30-025-05133
⁵ Property Name Shelton		⁶ Well No. 6
⁹ Proposed Pool 1 DENTON; DEVONIAN (16910)		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
D	26	14-S	37-E		990	North	660	West	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

UL or	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	26	14-S	37-E		2380	North	1220	West	Lea

Additional Well Information

¹¹ Work Type Code A	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3822'
¹⁶ Multiple N	¹⁷ Proposed Depth 12,575' TVD	¹⁸ Formation DEVONIAN	¹⁹ Contractor	²⁰ Spud Date ASAP
Depth to Groundwater 45'		Distance from nearest fresh water well 660'		Distance from nearest surface water >1000'
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

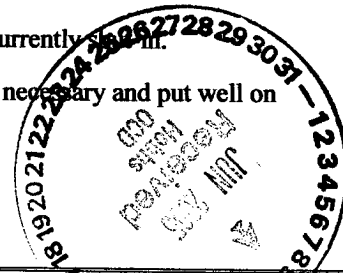
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/4"	13-3/8"	48	354	400	Surface
11"	8-5/8"	32	4747	2400	Surface
7-7/8"	5-1/2"	17/20	12,444	900	7360'

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.

The Shelton #6 well proposal consists of drilling one lateral in the Devonian formation. The well is currently 2222'.

Drill the Devonian lateral with a KOP@ 12,450', an azimuth of 158° and a VS of 1500'. Stimulate if necessary and put well on production.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Lateral



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:	
Title: Agent		Title: PETROLEUM ENGINEER	
E-mail Address: jfigel@t3wireless.com		Approval Date: JUN 10 2005	
Date: 6/8/05		Expiration Date:	
Phone: 432-687-1664 Ext 123		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 30-025-05133	² Pool Code 16910	³ Pool Name Denton (Devonian)
⁴ Property Code 301026	⁵ Property Name Shelton	⁶ Well Number 6
⁷ OGRID No. 227103	⁸ Operator Name Platinum Exploration, Inc.	⁹ Elevation 3822'

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
D	26	14-S	37E		900'	North	660	West	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
E	26	14-S	37E		2380	North	1220	West	Lea

¹² Dedicated Acres 160	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

	<p>← Project Area</p>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>Julie Figel</i> Printed Name: Julie Figel Agent / jfigel@t3wireless.com Title and E-mail Address: Date: 6/8/05</p>
		<p>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.</p> <p>Date of Survey: Signature and Seal of Professional Surveyor: Certificate Number:</p>

PLATINUM EXPLORATION INC.

SHELTON No. 6 Horizontal

CLEAN OUT & SQUEEZE OFF OPENHOLE FROM 12,444' TO 12,525' – Kick-Off UNDER CASING AND DRILL A LATERAL IN DEVONIAN AND STIMULATE

Elevation: 3,819' GL 3,834' KB
API: 30-025-05133
Location: 990' FNL & 660' FWL, Unit D, Sec. 26, T-14-S, R-37-E, LEA Co., NM
Latitude: 32° 04'"
Longitude: 103° 09'"
Total Depth: 12,620' (Dec., 1953)
Casing: 13 3/8", 48# H-40 @ 340' Cmt'd w/ 400 sx, Cemented 35 sx to surface
8 5/8", 32# J&H @ 4,747', Cmt'd w/ 2,400 sx, Circ'd 50 sx to surface.
Liner: 5 1/2" 17, & 20#, N80 & J55 @ 12,444', Cmt'd w/ 900 sx, TOC @ 7,360' TS
Workstring: 2 7/8" L80 8rd
Tubing: 2 7/8"
Wellhead: As needed..

Comments:

Sqz'd csg leak 5,120'-29' w/ 300 sx cmt
PBTD w/ cmt f/ 12,670'-525'(6/2001)

Old Perforations:

12,444'-525' DEVONIAN OPENHOLE

PROCEDURE

1. Dress up location & Road. Dig WO Pit & test anchors.
2. MIRU Key #36, NU BOP. POOH & LD tubing.
3. PU 4 5/8" bit, casing scrapper, and 2 7/8" AOH DP to reach T.D. at 12,525'.
4. Shut pipe rams and establish injection rate into Devonian from 12,444' to 12,525'. Circ clean and POOH (strap out).
5. RU WL truck and Run CBL/GR/CCL from TD 12,525' to 4,700'.
6. GIH w/ pkr to 11,800'+ and set. Establish injection rate and test back side to 1,000 psi.
7. Squeeze Devonian w/ 1,000 sx Class "H", 15.6 ppg to TD (**Maximum Pressure 3,500 psi**).
8. GIH w/ 4 5/8" bit as before, and drill out cement squeeze, test to 1,000 psi. If a leak is noted **Remedial squeeze work will continue at this time.**
9. Continue drilling cement to TD of 12,447' PBTD.
10. PU 4 5/8" mill and tag up on PBTD and correlate with GYRO wireline.
11. POOH with 2 7/8" AOH, PU Build assembly, GIH, orient to 156° azimuth.
12. KOP @ 12,450' (A zone), drill curve with 52 to 55° Dogleg severity, landing the curve with Vs. of 105' at TVD of 12,564'±.

13. POOH and PU steerable assembly and drill 600' Vs. on a 156° azimuth at a TVD of 12,584'(B zone'), continuing with Vs. of 1,200' at a TVD of 12,674' (C zone), continuing to the toe with Vs. of 1,444' and TVD of 12,674' at the terminus(C zone).
14. Spot 3,000 gals of 10% Glacial Acetic acid, pull up in casing, close BOP and displace to end of lateral and POOH with 2 7/8" AOH DP.
15. PU 1,500' perforated as specified, packer and of 2 7/8" AOH DP.
16. Acidize Devonian Lateral as directed.
17. POOH laying down 2 7/8" AOH DP.
18. RDMO 24hr Horizontal rig, clean location and MIRU completion unit.
19. GIH with an ArrowPak and set at 12,050'±.
20. Change out tubinghead for new Superior submersible head assembly.
21. PU 4,000' of 2 7/8" 8.7# PH-6 and 7,500' of 2 7/8" 6.5# EUE 8rd production string and submersible equipment to 11,500'.
22. Check rotation and initiate production to battery.
23. **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.**

3/2/05 JMR

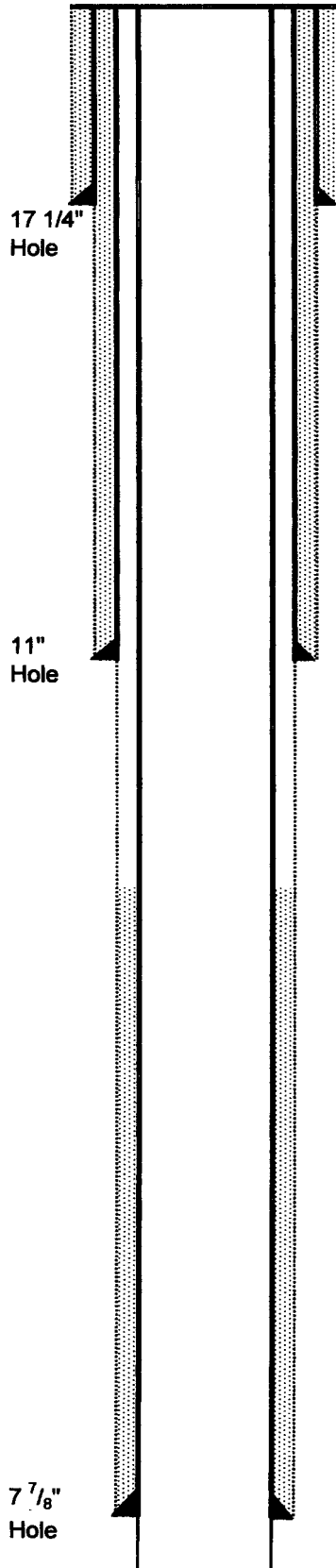
Current

GL: 3822' KB: 3834'

Shelton No. 6

990' FNL & 660' FWL
 D, Sec 26, T-14-S, R-37-E
 Lea County, NM
 API# 30-025-05133

Well Type: Shut-in **Devonian**
Spud Date: (8/30/54)



13 3/8" 48# @ 354' w/ 400sx
 TOC: Surface-circulated out 35 sx

Production Dates:
 Dev 12/54-2/04
 WC ?-8/84

8 5/8" 32# @ 4,747' w/ 2400 sx
 TOC: Surface-circulated out 50 sx

TOC: 7,360' (TS 12/6/54)

5 1/2" 17, 20# 12,444' w/ 900 sx

OH: 12,444'-575'

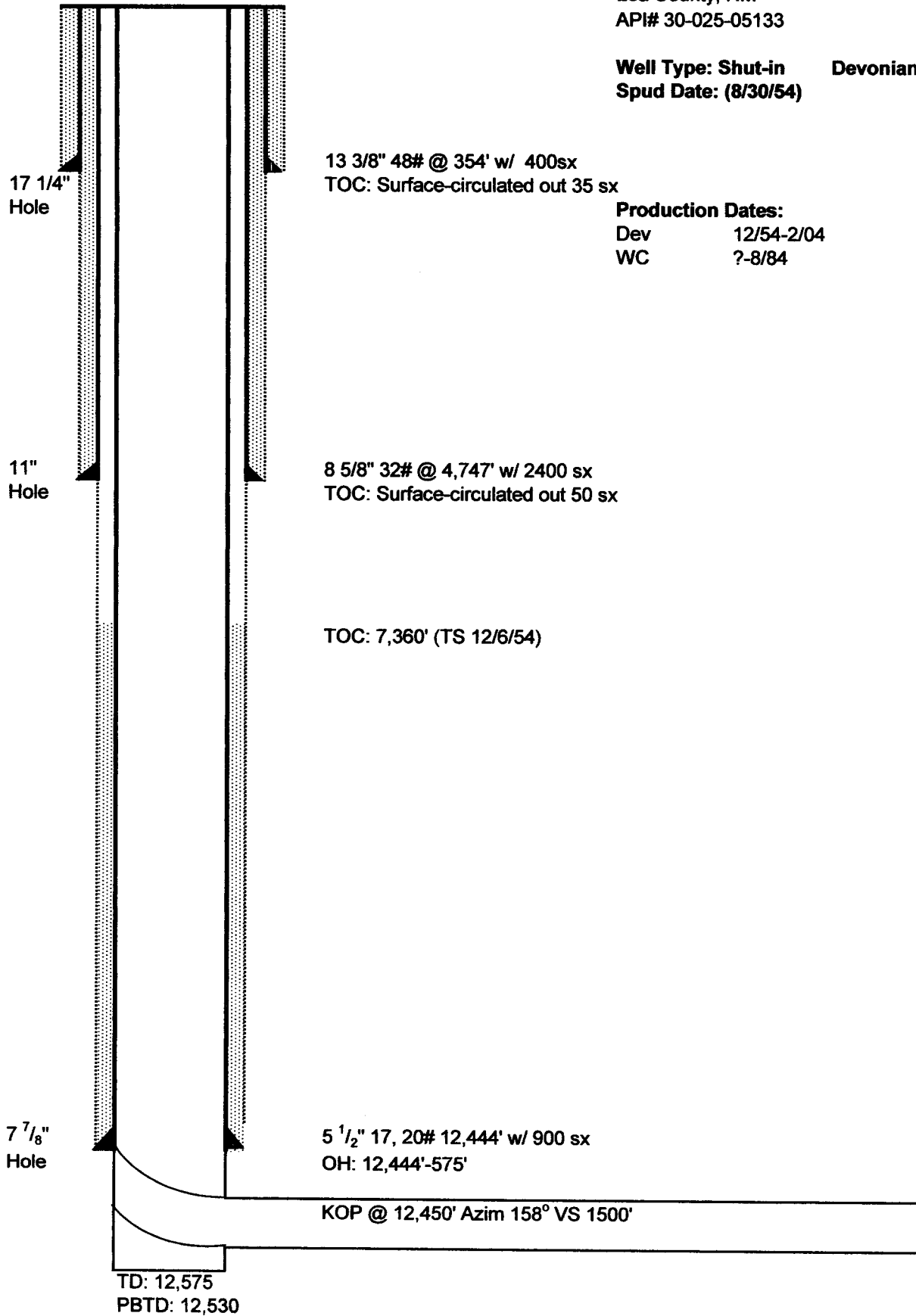
Proposed

GL: 3822' KB: 3834'

Shelton No. 6

990' FNL & 660' FWL
D, Sec 26, T-14-S, R-37-E
Lea County, NM
API# 30-025-05133

Well Type: Shut-in **Devonian**
Spud Date: (8/30/54)



6/8/2005

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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, 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: Shelton #6 API #: 35-025-05133 U/L or Qtr/Qtr D Sec 26 T 14S R 37E
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.) 45'

Less than 50 feet XX

(20 points)

50 feet or more, but less than 100 feet

(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) 660'

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.) >1000'

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)

40

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: 6/8/05

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 _____

Signature

ORIGINAL SIGNED BY
PAUL F. KAUTZ
PETROLEUM ENGINEER

Date JUN 10 2005

3M BOP

