

District I

1625 N. Frenth 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 ResourcesForm C-101
May 27, 2004Oil 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 - 025-07116
⁴ Property Code 35908	⁵ Property Name M. J. Wallace	⁶ Well No. 2
⁹ Proposed Pool 1 Gladiola; Devonian (27740)		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	31	11-S	38-E		330	South	2310	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 3876'
¹⁶ Multiple N	TVD 12,025	¹⁸ Formation Devonian	¹⁹ Contractor	²⁰ Spud Date 01/12/2006
Depth to Groundwater 45'		Distance from nearest fresh water well 930'		Distance from nearest surface water 1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 500 bbls Drilling Method: <input checked="" type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" 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 1/4"	11 3/4"	42#	358'	500	Surface
11"	8-5/8"	24/32#	4602'	1800	Surface
7 7/8"	5-1/2"	17/20#	12,127	115	11,520
				Sqz's w/ 121 sx	10,100

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.

Re-enter the M. J. Wallace #2 well and clean out to original TD. Tie back the 5 1/2" casing to surface. Acidize the Devonian and put well on production.

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

Printed name: J. Michael Reeves

Title: Operations Manager

E-mail Address: petrofox@t3wireless.com

Date: 8/16/05

Phone: 432/687-1664

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

AUG 10 2006

Expiration Date:

PETROLEUM ENGINEER

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 30-025-07116		² Pool Code 27740	³ Pool Name GLADIOLA;DEVONIAN
⁴ Property Code 35908	⁵ Property Name M. J. Wallace		⁶ Well Number 2
⁷ OGRID No 227103	⁸ Operator Name Platinum Exploration, Inc.		⁹ Elevation 3,876' GL

¹⁰ Surface Location									
UL or lot no. N	Section 31	Township 11-S	Range 38-E	Lot Idn	Feet from the 330	North/South line South	Feet from the 2310	East/West line West	County 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.					

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>2310' FWL</p> <p>330' FSL</p>	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature J. Michael Reeves Printed Name Operation Manager Title and E-mail Address 7/25/06 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			

PROPOSED

GL: 3,876' KB: 3,891

M. J. Wallace #2

10

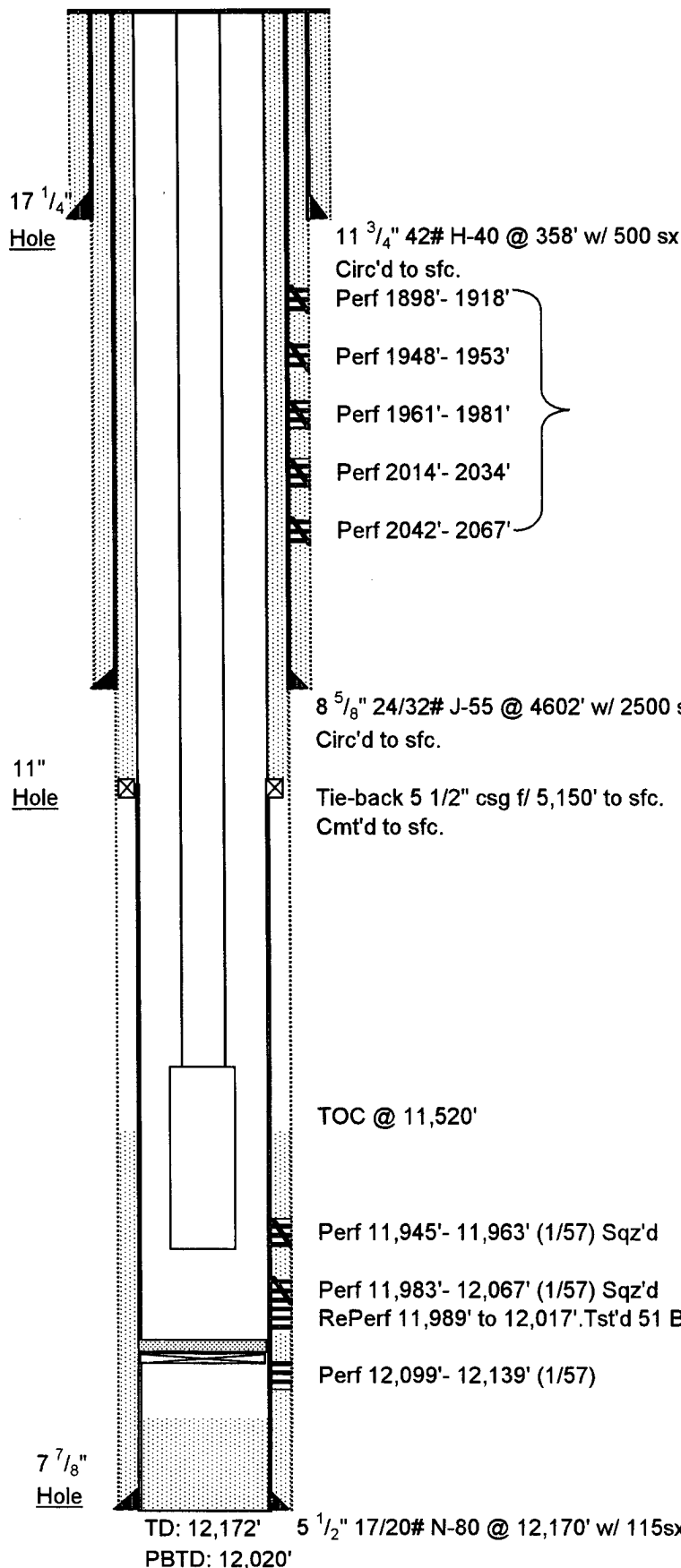
330' FSL & 2,310' FWL

Unit N, Sec 31, T-11S, R-38E

Lea County, NM

API#: 30-025-07116

Well Type: Plugged SWD (9/68)



Tbg: 32 jts 2 -7/8" L-80 PH6-1,007.91'

220 jts 2 -7/8" L-80 EUE-7,135.07'

Bottom of tbg: 8,145.23 ft

Pump: 5 - TD 3000 pumps w/ 504 stages

Motors: 2-160 HP @ 135 V - 72 amps

Cable: #2 flat Reda Lead

Date Ran:

Bottom of motor: 8,320.47 ft

Depth of Intake:

6/26/06 JMR

M. J. Wallace #2

10

330' FSL & 2,310' FWL

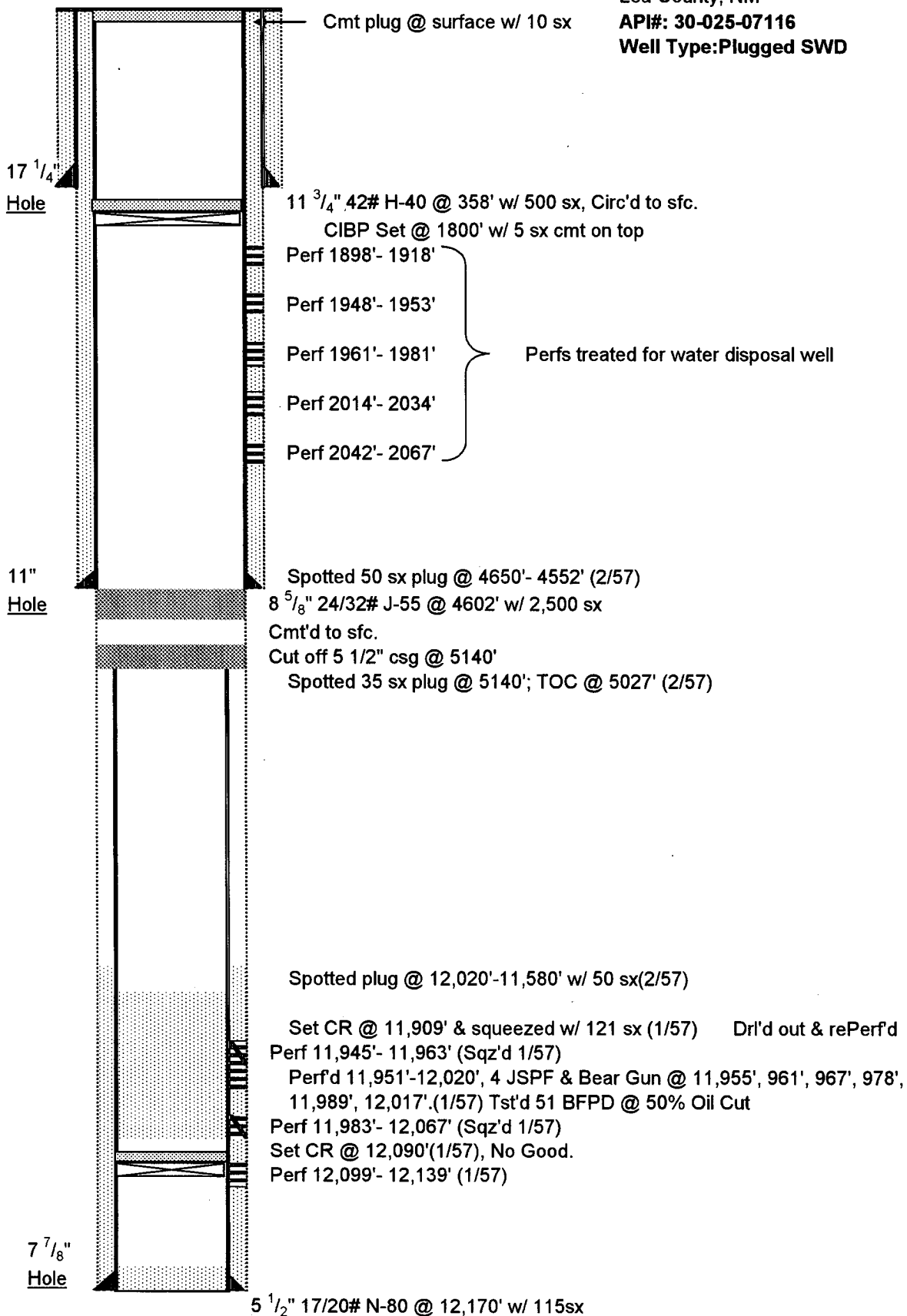
Unit N, Sec 31, T-11S, R-38E

Lea County, NM

API#: 30-025-07116

Well Type: Plugged SWD

GL: 3,876' KB: 3,891

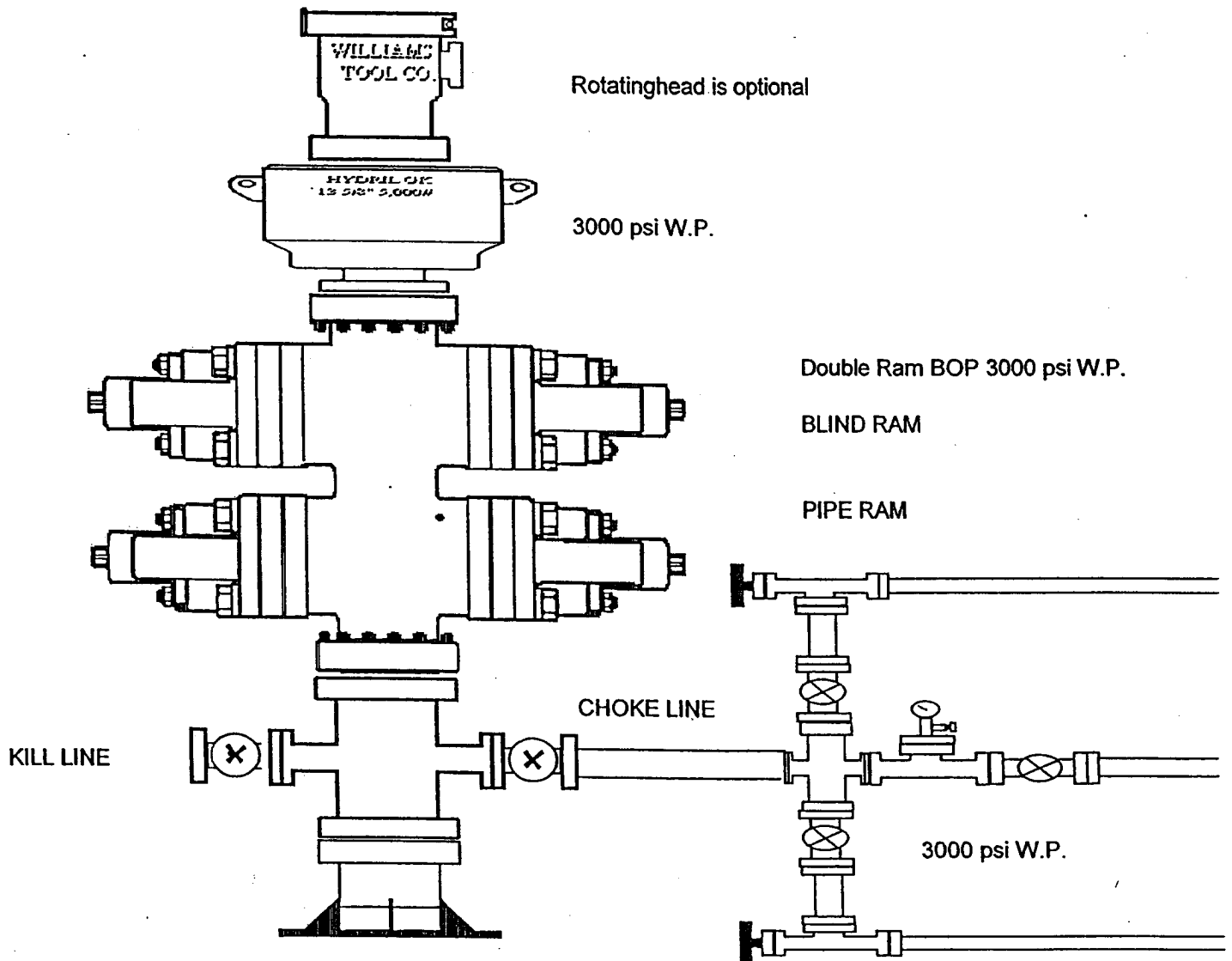


TD: 12,172'

PBTD @ 11,580'

6/26/06 JMR

3M BOP



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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 e-mail address: petrofox@t3wireless.com

Address: 550 W. Texas, Suite 500 Midland, TX 79701

Facility or well name: M.J. Wallace #2 API #: 35-025-07116 U/L or Qtr/Qtr N Sec 31 T 11S 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.) 45'

Less than 50 feet	(20 points)	
50 feet or more, but less than 100 feet	(10 points)	10
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.) >930'

Yes	(20 points)	
No	(0 points)	0

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	(0 points)	0

Ranking Score (Total Points)		10
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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: 7/25/06

Printed Name/Title J. Michael Reeves / Operations Manager

Signature [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

Signature [Signature]

Date: _____

PETROLEUM ENGINEER

AUG 10 2006