



PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

07/03/07

30-025-34034

PLATINUM EXPLORATION INC  
550 W TEXAS AVENUE  
SUITE 500  
MIDLAND, TX 79701

Notice is given that State Oil and Gas Lease Number VA0964, Assignment Number 0001, original dated 07/01/1993, has automatically expired by its own terms.

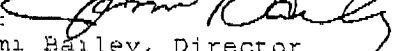
Oil and gas leases are issued for a period of five(5) or ten(10) years and assignments therefrom take the same terms and conditions as set forth in the original contract. Consequently, these expire after running their full term, unless extended by production or timely drilling operations. State Land Office records have been noted to reflect the action taken.

Notice is also given that if any assignments or other instruments of transfer of royalties in the lease production have been recorded in the office of the county clerk wherein these lands are situated, the holders of such instruments must see that they are released from record as required by law. (Sections 70-1-1 through 70-1-5, NMSA, 1978 {1995 Repl. Pamph.}).

Notice is further given that the Commissioner of Public Lands will look to you, as lessee of record at the State Land Office, for reimbursement to the State for any production from the premises formerly leased to you that occurs after lease expiration as a consequence of your failure to notify working interest owners of lease termination. You should therefore immediately notify in writing all holders of working interests in the lease that the lease has expired effective 11/30/2006.

Very truly yours,

Patrick H. Lyons  
COMMISSIONER OF PUBLIC LANDS

By:   
Jami Bailey, Director  
Oil, Gas & Minerals Division  
(505) 827-5744

PL/jb/dv

**State Land Office Beneficiaries -**

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University



**OIL, GAS, & MINERALS DIVISION  
NEW MEXICO STATE LAND OFFICE**

Patrick H. Lyons,  
Commissioner of Public Lands  
310 Old Santa Fe Trail, Santa Fe NM 87501  
PO Box 1148, Santa Fe NM 87504



**Oil, Gas, & Minerals - Phone: 505-827-5744**

**Fax: 505-827-4739**

**FACSIMILE MESSAGE - COVER SHEET**

Date 9-15-09  
To Person Denna Mull, OCD  
At Firm OCD  
Fax Number 575-393-0720 Phone \_\_\_\_\_

**Number of pages in this transmission, including this Cover Sheet**

5

From OGM staff member Scott Dawson, 505-827-6628

**SUBJECT - MESSAGE:**

- EnergyPro, Inc.*
- 1.) Original lease VA-964-0000 was issued 7-1-93
- EnergyPro, Inc. Platinum Exploration, Inc.*
- 2.) assigned from VA-964-0000 to VA-964-0001
- on 1-19-05 eff: 2-2-05
- 3.) letter to Platinum Expl., Inc. (10-26-04)
- 4.) expiration letter (7-30-07)

*if you need anything else, please let  
me know.*

*Scott.*

\*New lease issued 11-1-07 to Charles D. Ray. (VB-1260-0000)  
his phone # is 432-682-8602

LEASE NO. VA-964

APPLICATION NO. VA-964

# **OIL AND GAS LEASE** (Five Year Exploratory Form)

THIS AGREEMENT, dated JULY 1, 1993, between the state of New Mexico, acting by and through its commissioner of public lands, hereinafter called the "lessor", and

**ENERGYPRO, INC.**

whose address is 750 PIPELINE CRT., #101

**MURST, TEXAS 76053**

hereinafter called the "lessee",

**WITNESSETH:**

WHEREAS, the lessee has filed in the office of the commissioner of public lands an application for an oil and gas lease covering the lands hereinafter described and has tendered therewith the required first payment; and

WHEREAS, all of the requirements of law relative to the application and tender have been duly complied with; THEREFORE, in consideration of the premises as well as the sum of THREE THOUSAND FOUR HUNDRED AND 00/100-----dollars ( \$3,400.00 ) same being the amount of the tender

above mentioned, and the further sum of \$30.00 filing fee, and of the covenants and agreements hereinafter contained, the lessor does hereby grant, demise, lease and let unto the said lessee, exclusively, for the sole and only purpose of exploration, development and production of oil or gas (including carbon dioxide and helium), or both thereon and therefrom with the right to own all oil and gas so produced and saved therefrom and not reserved as royalty by the lessor under the terms of this lease, together with rights-of-way, easements and servitudes for pipelines, telephone lines, tanks, power houses, stations, gasoline plants and fixtures for producing, treating and caring for such products, and housing and boarding employees, and any and all rights and privileges necessary, incident to or convenient for the economical operation of said land, for oil and gas, with the right for such purposes to the free use of oil, gas, casing-head gas or water from said lands, but not from lessor's water wells, and with the rights of removing either during or after the term hereof, all and any improvements placed or erected on the premises by the lessee, including the right to pull all casing, subject, however, to the covenants and conditions hereinafter set out, the following described land situated in the county of LEA, state of New Mexico, and more particularly described as follows:

SUBDIVISION	SEC.	TWP.	RGE.	ACRES(MORE OR LESS)	INSTITUTION
E2SE4	35	15S	37E	80.00	M.I.

Said lands having been awarded to lessee and designated as Tract No. VA-0-17 at a public sale held by the commissioner of public lands on JUNE 15, 1993. (To be filled in only where lands are offered at public sale.)

To have and to hold said land, and all the rights and privileges granted hereunder, to and unto the lessee for a primary term of five years from the date hereof, and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land by lessee, subject to all of the terms and conditions as hereinafter set forth.

In consideration of the premises the parties covenant and agree as follows:

1. Subject to the free use without royalty, as hereinbefore provided, the lessee shall pay the lessor as royalty one-eighth part of the oil produced and saved from the leased premises or the cash value thereof, at the option of the lessor, such value to be the price prevailing the day oil is run into a pipeline, if the oil be run into a pipeline, or into storage tanks, if the oil is stored.

2. Subject to the free use without royalty, as hereinbefore provided, at the option of the lessor at any time and from time to time, the lessee shall pay the lessor as royalty one-eighth part of the gas produced and saved from the leased premises, including casing-head gas. Unless said option is exercised by lessor, the lessee shall pay the lessor as royalty one-eighth of the cash value of the gas, including casing-head gas, produced and saved from the leased premises and marketed or utilized, such value to be equal to the net proceeds derived from the sale of such gas in the field; provided, however, the cash value for royalty purposes of carbon dioxide gas and of hydrocarbon gas delivered to a gasoline plant for extraction of liquid hydrocarbons shall be equal to the net proceeds derived from the sale of such gas, including any liquid hydrocarbons recovered therefrom.

Notwithstanding the foregoing provisions, the lessor may require the payment of royalty for all or any part of the gas produced and saved under this lease and marketed or utilized at a price per m.c.f. equal to the maximum price being paid for gas of like kind and quality and under like conditions in the same field or area or may reduce the royalty value of any such gas (to any amount not less than the net proceeds of sale thereof, in the field) if the commissioner of public lands shall determine such action to be necessary to the successful operation of the lands for oil or gas purposes or to encouragement of the greatest ultimate recovery of oil or gas or to the promotion of conservation of oil or gas or in the public interest.

This lease shall not expire at the end of the primary term hereof if there is a well capable of producing gas in paying quantities located upon some part of the lands embraced herein, or upon lands pooled or communitized herewith, where such well is shut-in due to the inability of the lessee to obtain a pipeline connection or to market the gas therefrom and if the lessee timely pays an annual royalty on or before the annual rental paying date next ensuing after the expiration of ninety days from the date said well was shut-in and on or before said rental date thereafter.

ALL ASSIGNED TO # 1



PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

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October 26, 2004

Platinum Exploration, Inc.  
Attn: Ron King  
550 West Texas Avenue, Suite 200  
Midland, TX 79701

Re: New Mexico State Land Office Oil and Gas Lease VA-964

Dear Mr. King:

This letter is to advise you that the assignment submitted on May 13, 2004 from Warren Resources, Inc. to Platinum Exploration, Inc. could not be approved as a record title assignment because we still have the lease under the original lessee, EnergyPro, Inc. I talked to Mr. Don Pfister with EnergyPro, Inc. on October 22, 2004, to advise him that we have not changed our records.

On January 20, 1998, we received two assignments from EnergyPro, Inc., as assignor. One assignment was to Warren Resources, Inc., which was recorded as a miscellaneous instrument assignment (non-record title) and the other to Petroleum Development Corporation that was suppose to transfer record title. However, the latter assignment was not filed in triplicate, as required by our rules and statutes. On April 27, 1998, this office informed EnergyPro that only one copy was received and allowed time for receipt of the other two which needed original signatures. On July 28, 1998, this office returned the assignment unapproved and the \$30.00 filing fee was authorized for refund because the other two original assignments had not been received. Thus, the record title remained unchanged. (copies of correspondence enclosed).

Today, we need assignments from EnergyPro, Inc. to Warren E&P, Inc. (name changed from Petroleum Development Corp.) and then from Warren E&P Inc. to Platinum Exploration, Inc. We can also have just one assignment from EnergyPro, Inc. directly to Platinum Exploration, Inc. To change the title to Platinum Exploration, Inc., an Oil & Gas Lease Surface Improvement Damage Bond also needs to be filed and accepted. Enclosed is the bond packet.

If I may be of further assistance, please call me at 505-827-5749.

Sincerely,

A handwritten signature in dark ink, appearing to read "David Tapia".

David Tapia, Title Examiner  
Oil, Gas, & Minerals Division

DT/dt

Enclosures

Cc: EnergyPro, Inc.

**-State Land Office Beneficiaries-**

Carne Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • S/ Park Commission • University of New Mexico • UNM Santa Fe • Water Resources • Western New Mexico University

From Lease Number

VA-964-0

To Lease Number

VA-964-1

# NEW MEXICO STATE LAND OFFICE ASSIGNMENT OF OIL AND GAS LEASE

RECEIVED

2005 JAN 28 AM 7 23

STATE LAND OFFICE  
SANTE FE, N.M.FOR VALUE RECEIVED, EnergyPro, Inc., a Texas Corporation, OGRID No. 64147  
Name (include name of spouse, if any, or type of business entity)("Assignor" whether one or more), assigns and conveys to: Platinum Exploration Inc., OGRID No. 227103("Assignee" whether one or more), whose mailing address is 500 South Hangar Drive, Georgetown, Texas 78628the entire interest and title in and to Oil and Gas Lease No. VA-964 ("the Lease") initially made by the New Mexico State Land Office to:EnergyPro, Inc., dated \_\_\_\_\_, insofar as the Lease covers the following land in LeaCounty, New Mexico: E/2 SE/4 Section 35-15S-37E

together with the rights incident thereto, and improvements thereon, if any.

Assignee assumes and agrees to perform all duties and obligations to the Commissioner of Public Lands including payment of rentals and royalties, and to do such other acts as are required by the Lease, to the same extent and in the same manner as if the provisions of the Lease were fully set out herein.

Assignor warrants the leasehold estate herein assigned, except as to any valid overriding royalty, production payment, operating agreement or sub-lease, if any, now of legal record, and covenants to the Assignee and the Commissioner of Public Lands that the leasehold estate assigned is valid, and that all rentals and royalties due under the Lease have been paid in full, and that all other Lease obligations presently due have been fully performed.

EXECUTED this 19th day of JANUARY, 2005.

By:

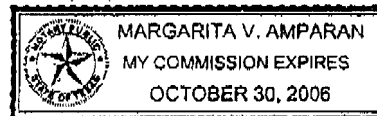
Assignor

Am C Hunter, PRESIDENT  
Spouse, if any, or title, if signing in representative capacity

ACKNOWLEDGMENT

STATE OF TEXASCOUNTY OF MIDLAND

)ss

The foregoing Assignment was acknowledged before me: this 19th day of JANUARY, 2005.by Don C. PfisterPresident  
Title, if signing in representative capacityMy commission expires: OCT 30, 2006

Notary Public

M. Amparan

ASSIGNEE'S ACCEPTANCE

The undersigned Assignee named above hereby agrees to be bound by all of the terms, covenants, and conditions of the Lease and this Assignment and shall succeed to the rights and benefits under the Lease.

EXECUTED this 19th day of JANUARY, 2005.

By:

Assignee

PLATINUM EXPLORATION INC.Michael P. Jobe

Name of spouse, if any, or title, if signing in representative capacity

MICHAEL P. JOBE, VICE PRESIDENT

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AUTOMATIC COVER SHEET

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DATE: SEP-15-2009 TUE 12:05 PM

TO:

FAX #: 915753930720

FROM: OIL GAS MINERALS ST LAND

FAX #: 5058274739

06 PAGES WERE SENT  

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(INCLUDING THIS COVER PAGE)