

APPLICATION FOR QUALIFICATION OF WELL WORKOVER PROJECT  
AND CERTIFICATION OF APPROVAL

- I. Operator: SCHALK DEVELOPMENT CO. OGRID # 020389  
Address: P.O.Box 25825, Albuquerque, NM 87125  
Contact Party: Steve Schalk Phone: (505) 881-6649
- II. Name of Well: Schalk 41 #2 API # 30-039-21953  
Location of Well:  
Unit Letter M, 1,190 Feet from the south line and 790 feet from the west line,  
Section 8, Township 25N, Range 3W, NMPM, Rio Arriba County
- III. Date Workover Procedures Commenced: 12/19/96  
Date Workover Procedures were Completed: 12/20/96
- IV. Attach a description of the Workover Procedures undertaken to increase the production from the Well.
- V. Attach an estimate of the oil and gas production rate of the Well (a production decline curve or other acceptable method, and table showing monthly oil and/or gas Production Projection) based on at least twelve (12) months of established production which shows the future rate of production based on well performance prior to performing the Workover.
- VI. Pool(s) on which Production Projection is based: Blanco Mesaverde

VII. AFFIDAVIT:

State of New Mexico )  
County of Bernalillo ) ss.

Steve Schalk

RECEIVED  
APR - 8 1997

OIL CON. DIV.  
DIST. 3

, being first duly sworn, upon oath states:

1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
3. To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete and accurate and this projection was prepared using sound petroleum engineering principles.

(Name)

General Manager  
(Title)

SUBSCRIBED AND SWORN TO before me this 3 day of JANUARY, 1997

Karen Johnston  
Notary Public

My Commission expires: AUGUST 26, 2000

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FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production Projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 12/20, 1996

[Signature]  
District Supervisor, District 3  
Oil Conservation Division

Date: 5/1/97

IX. NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE: \_\_\_\_\_

WORK-OVER PROJECT SCHALK 41 Well No. 2

Date: December 19, 1996

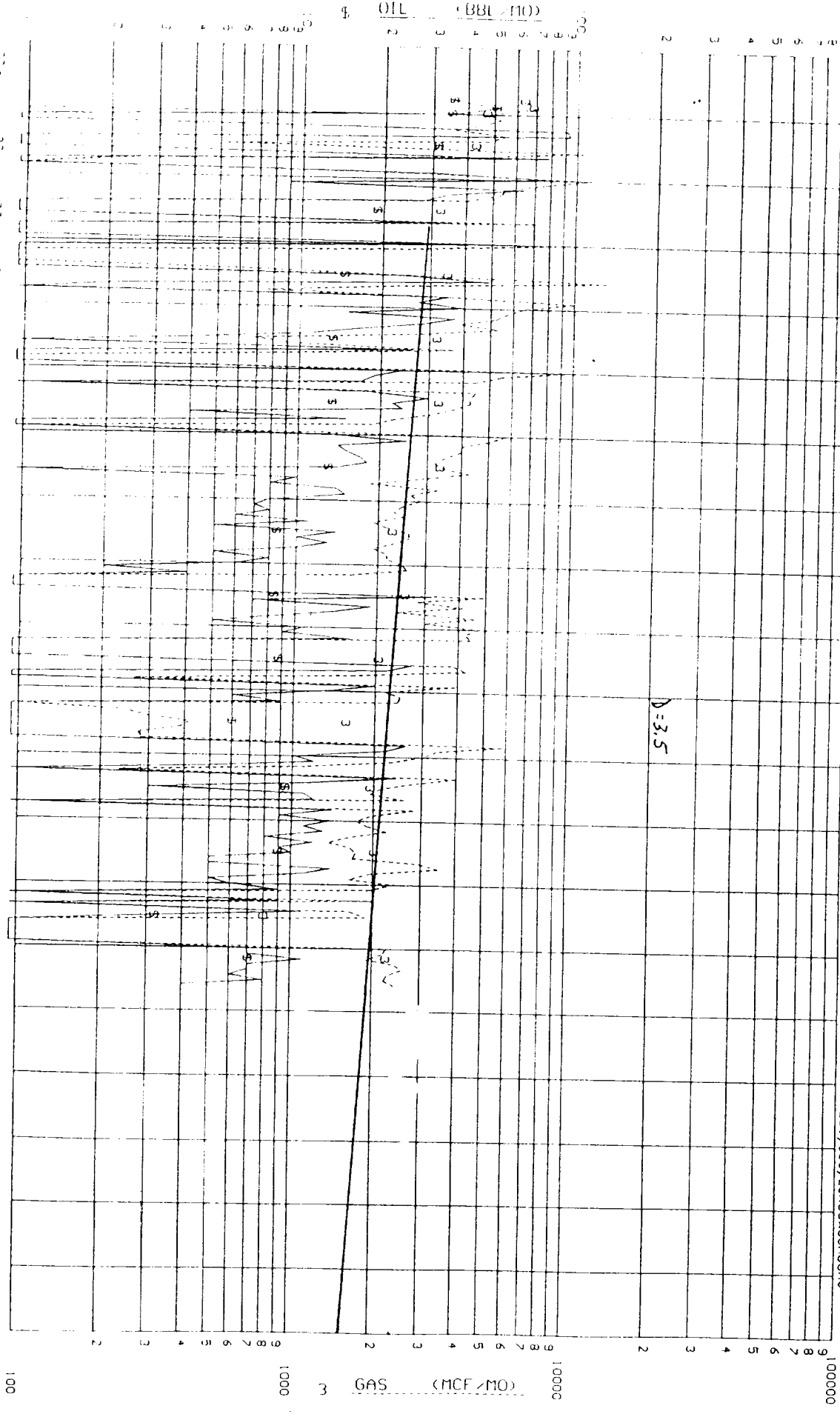
On Monday, December 19, 1996 a plunger lift system was installed on the Schalk 41 #2 to remove produced water from the wellbore and allow for increased production. B & R Wireline Service was used to first broach and guage the tubing and to set a bottom hole spring assembly. A plunger was then installed with a full control panel and a piston catcher. Third party services were released once it was determined that the plunger would surface.

Case: SCHALK 41

000002

Dwights

Retrieval Code: 251, 039, 25ND3408700MU



County: RIO ARriba  
Field: BLANCO MESQUERO  
Reservoir: MESQUERO  
Operator: SCHALK OIL CO  
Oil Cum: 3442  
Gas Cum: 647143  
Location: BH 25N 34

State: NM

HISTORICAL

Date: 07-79

## Schalk 41 #2

Projected Production without work-over

(Work-over completed December 1996)

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
December 600	January 598	January 578	January 558	January 539	January 520	January 502
	February 597	February 576	February 556	February 537	February 518	February 501
	March 595	March 574	March 555	March 535	March 517	March 499
	April 593	April 573	April 553	April 534	April 515	April 498
	May 591	May 571	May 551	May 532	May 514	May 496
	June 590	June 569	June 550	June 531	June 512	June 495
	July 588	July 568	July 548	July 529	July 511	July 493
	August 586	August 566	August 546	August 528	August 509	August 492
	September 584	September 564	September 545	September 526	September 508	September 491
	October 583	October 563	October 543	October 525	October 507	October 489
	November 581	November 561	November 542	November 523	November 505	November 488
	December 579	December 559	December 540	December 522	December 504	December 486
<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
January 485	January 468	January 452	January 436	January 421	January 407	January 393
February 483	February 467	February 451	February 435	February 420	February 406	February 392
March 482	March 465	March 449	March 434	March 419	March 405	March 391
April 481	April 464	April 448	April 433	April 418	April 403	April 389
May 479	May 463	May 447	May 431	May 417	May 402	May 388
June 478	June 461	June 445	June 430	June 415	June 401	June 387
July 476	July 460	July 444	July 429	July 414	July 400	July 386
August 475	August 459	August 443	August 428	August 413	August 399	August 385
September 474	September 457	September 442	September 426	September 412	September 397	September 384
October 472	October 456	October 440	October 425	October 410	October 396	October 383
November 471	November 455	November 439	November 424	November 409	November 395	November 382
December 469	December 453	December 438	December 423	December 408	December 394	December 380
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
January 379	January 366	January 354	January 341	January 330	January 318	January 307
February 378	February 365	February 353	February 340	February 329	February 317	February 307
March 377	March 364	March 352	March 340	March 328	March 317	March 306
April 376	April 363	April 351	April 339	April 327	April 316	April 305
May 375	May 362	May 350	May 338	May 326	May 315	May 304
June 374	June 361	June 349	June 337	June 325	June 314	June 303
July 373	July 360	July 348	July 336	July 324	July 313	July 302
August 372	August 359	August 347	August 335	August 323	August 312	August 301
September 371	September 358	September 346	September 334	September 322	September 311	September 300
October 370	October 357	October 344	October 333	October 321	October 310	October 299
November 368	November 356	November 343	November 332	November 320	November 309	November 299
December 367	December 355	December 342	December 331	December 319	December 308	December 298