SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

5. LEASE DESIGNATION AND BERIAL NO.

NM-23043

DURANGO, COLO.

UNITED STATES DEPARTMENT OF THE INTERIOR

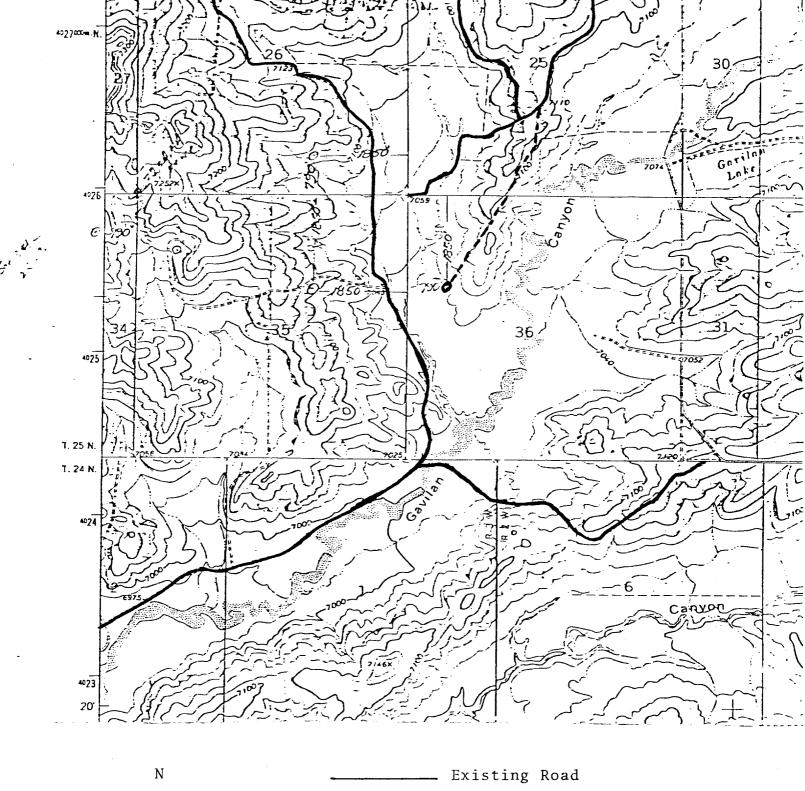
GEOLOGICAL SURVEY

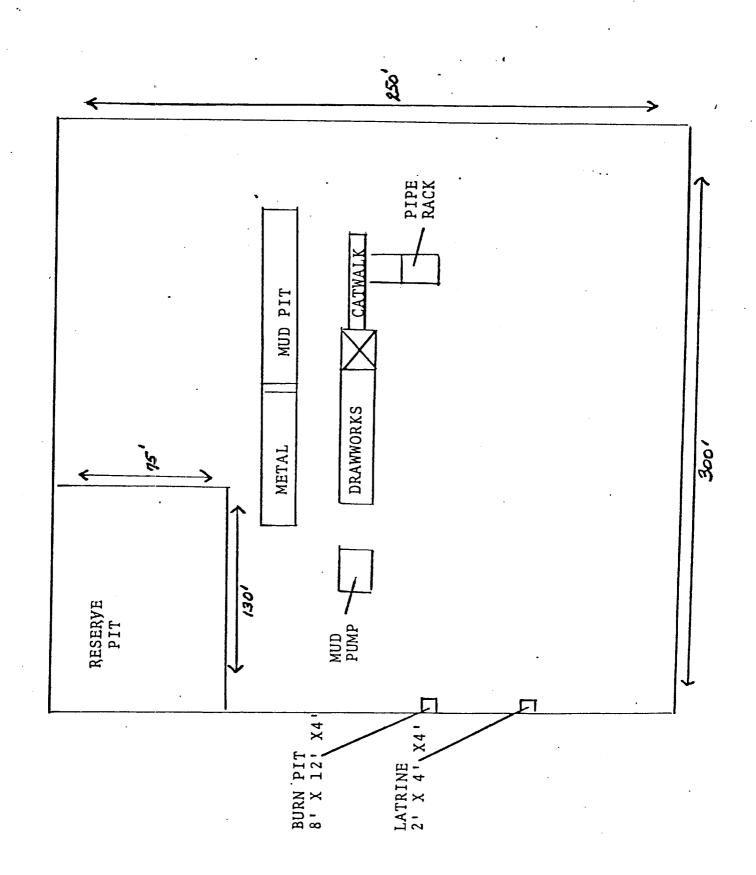
Form approved. Budget Bureau No. 42-R1425.

APPLICATION	Y FOR PERMIT	TO DRILL, DI	EPEN, OR P	LUG B	ACK	6. IF INDIAN,	ALLOTTEE OR TRI	BE NAME		
1a. TYPE OF WORK		DEEPEN [PLE	JG BAC	r 🗆	7. UNIT AGRE	EMENT NAME			
b. TYPE OF WELL			, ,		<u>.</u> ت					
OIL G. WELL W	SINGLE ZONE				S. FARM OR LEASE NAME					
2. NAME OF OPERATOR	Schal	k 43								
Schalk De	evelopment Co	١.			: 4	9. WELL NO.				
3. ADDRESS OF OPERATOR	4									
	25825, Albu					10. FIELD AND	POOL, OR WILD	CAT		
4. LOCATION OF WELL (R At surface	eport location clearly and	I in accordance with	any State requiremen	nts.*)		Wilde	atMes a u	er de		
185	50' FNL, 790'	FWL, Sec.	36. T-25N	R-3	W	11. SEC., T., R	M, OR BLK.			
At proposed prod. zone							Sec. 36, ET-25N, R-3V			
14 programmy vy vyrag	IND DIDDOMON BROW VE	PROGRAMMENT OF POOR	Ommrain#				-	-		
	and direction from NEA les from Lin					Rio Ar	R PARISH 13. S			
15. DISTANCE FROM PROPO				TWASE	1 17 10		<u> </u>	IAI		
LOCATION TO NEAREST PROPERTY OR LEASE I	r	1		640		17. NOOF ACRES ASSIGNED TO THIS WELL		<u></u>		
(Also to nearest drl;	g. unit line, if any)	790'	04U			160				
18. DISTANCE FROM PROP TO NEAREST WELL, D	RILLING COMPLETED	1 mile	5831'		ZU. ROTA	20. ROTARY OR CABLE TOOLS				
OR APPLIED FOR, ON TH		1 11116	2021		<u> </u>	Rotary	DATE WORK WIL			
21. ELEVATIONS (Show who	euner Dr. RI, GR., etc.)		7047 GR		1 Q 1		ber 10,			
23.	1	PROPOSED CASING	AND CEMENTING	PROGRA	.M					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOO	T SETTING D	EPTH	1	QUANTITY	OF CEMENT	4		
11"	8-5/8"	23#	300'		200-	sácks	1.1.7			
7-7/8''	4-1/2"	10.5#	5831'			350 sacks				
						4 8 A &		*** ***		
in above space describe zone. If proposal is to preventer program of an 24.	Lewis Cliff H Point L Manos Total D World Lecturals PROPOSED PROGRAM: If drill or deepen direction	mo d Cliffs ouse ookout epth proposal is to deeper		ocations an	t t t t t t t t t t t t t t t t t t t					
(This space for Federal Fermit No.	ral or State office use) AL, IF ANY:	TITL	APPROVAL DATE			OCT 1	9 1978			
or Trank		*See Instruct	ions On Reverse	Side	U	I. S. GEOLOGH	CAL SURVEY			

All distances must be from the outer boundaries of the Section.

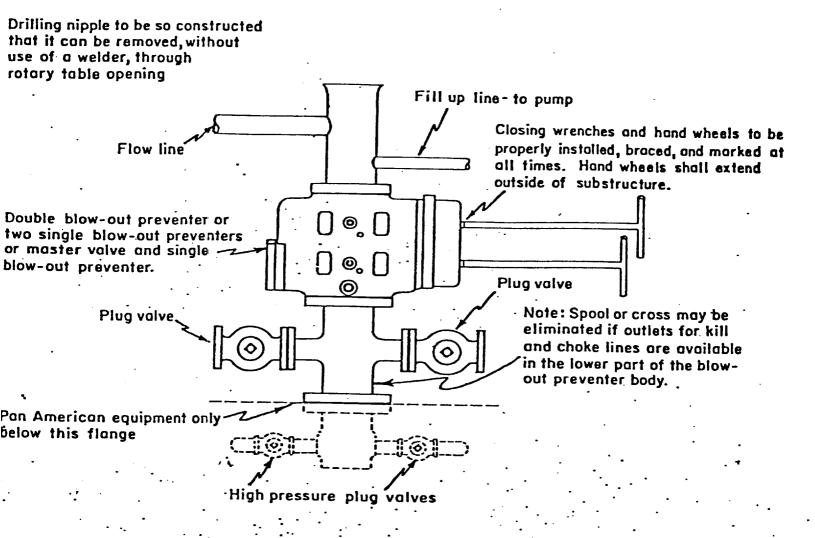
Dperato:							Well No.				
Schalk Development Co.				SCHALK 43							
Init Letter	Section	Township	P. mg e		County		1				
E	36	25 NORTH		WEST	RIO	ARRIBA					
1850 feet from the NORTH line and 790 feet from the WEST line											
Fround Level Elev. 7047	Freducing For Mesa	verde	F00)	lildeat		I	Dedicated Acreage:				
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.											
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).											
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling.etc?											
Yes No If answer is "yes," type of consolidation											
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commis-											
sion.						1					
	1		! !				CERTIFICATION				
	i		İ			I hereby ce	rtify that the information com-				
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	+	 	i			John 1	E. Schalk				
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	1) }			Compuny Schalk	Development Co.				
— 790'— 0) I		1	 	-	Date					
	1	36	i	' 		10/0	6/78				
	1						STATE OF STATE				
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ARAPAHOE DRILLING CO.

BLOW-OUT PREVENTER HOOK-UP



Multi-Point Surface Use and Operations Plan

- 1. Existing roads: Attached map shows existing road running North-East to Southwest in Section 25.
- 2. Planned Access road: Will depart from main (existing) road in Section 25 and run 4000' Southwest to proposed sight in Section 36.
- 3. Location of Existing wells: W M Gallaway #1 Myers, Section 35, Township 25 North, Range 3 West, Rio Arriba County, New Mexico.
- 4. Location of existing and/or proposed facilities: None.
- 5. Location and type of water supply: Water will be taken from a water hole 9 miles away and transported by truck to location.
- 6. Source of construction materials: None.
- 7. Methods for handling waste disposal: Cuttings to be disposed of in a reserve pit; a burn pit to be used for disposal of trash, garbage, etc.; and covered on clean-up of location.
- 8. Ancilary facilities: None.
- 9. Well site layout: Per attached drawing.
- 10. Restoration of surface: Upon completion of drilling operations, the disturbed surface area will be restored as near as practical to its original contours. If sufficient top soil is encountered, it will be stockpiled for restoration of surface. Restoration will be to the satisfaction of the United States Geological Survey.
- 11. This location slopes approximately 2' per 100' to the Southwest. There will be approximately a 2' cut on the Northeast side of the proposed location. Vegetation is sage brush, Pinon, Snakeweed, and grasses. The surrounding area is comparable and any disturbances to the wildlife will be only temporary. With the restoration of surface, surface damage will be minimal.
- 12. Lessee's or Operator's Representative: John E. Schalk, P. O. Box 25825, Albuquerque, New Mexico, 87125; or J. D. Christesson, 2301 Southside River Road, Farmington, New Mexico, 87401.

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Arapahoe Drilling Co. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

DATE 10/06/78

John E. Schalk Schalk Development Co.

Managing Partner

An Archaeological Clearance Survey of Four Proposed Well Locations & Access Roads Conducted for Arapaho Drilling Company

> Susan Barnett Cultural Resource Management San Juan Campus N. M. State University

27 September 1978

An Archaeological Clearance Survey of Four Proposed Well Locations & Access Roads Conducted for Arapaho Drilling Company

On September 25, 1978, Susan Barnett of the Cultural Resource Management Program, NMSU, San Juan Campus, conducted an archaeological clearance survey at the request of Mr. John Ahlm of Arapaho Drilling Company. Present during the survey were Mr. Ahlm and surveyors from San Juan Engineering.

METHODOLOGY

The four well locations were surveyed by walking parallel transects about 50 feet apart over the easements. The access roads were surveyed by walking down the centerline.

GENERAL RECOMMENDATIONS

No cultural resources were observed on the well locations or the access roads. Therefore, full archaeological clearance is recommended for all locations.

Proposed Well: SCHALK #43-1

Land Status: Private

Location: SW1/4 of the SE1/4 of Section 26, Township 25 North, Range

3 West, N.M.P.M., in Rio Arriba County, New Mexico. The well will be 790 feet from the south line and 1850 feet from the east line of Section 26. An area 300 X

300 feet was surveyed. (Figure 1)

A road about 2000 feet long and 20 feet wide, approaching Access:

the location from the southeast was surveyed.

edges along a plowed and seeded field.

Terrain: Gently sloping to the southwest with alluvial surface

deposits.

Soil: Sandy clayey loam.

Pinon, juniper, sage, snakeweed, grasses. Vegetation: Planted

field is rye grass.

Cultural Resources: None found.

Recommendations: Clearance is recommended.

Proposed Well: SCHALK #43-2

Land Status: Private

NE% of the NE% of Section 34, Township 25 North, Range Location:

3 West, N.M.P.M., in Rio Arriba County, New Mexico. The well will be 790 feet from the north line and 790 feet from the east line. A 300 X 300 foot area was

surveyed. (Figure 1)

Access: An existing road goes to the location.

Terrain: On the edge of a southwest draining arroyo near the

Surface deposits are alluvial.

Soil: Sandy clayey loam.

Pinon, juniper, sage, scrub oak, snakeweed, and grasses. Vegetation:

Cultural Resources: None found.

Recommendations: Clearance is recommended.

Proposed Well: SCHALK #43-3

Land Status: Private

Location: SW% of the NE% of Section 35, Township 25 North, Range

3 West, N.M.P.M., in Rio Arriba County, New Mexico. The well will be 1850 feet from the north line and 1850 feet from the east line of Section 35. A 300 X 300 foot

area was surveyed. (Figure 1)

A 200 foot road, 20 feet wide approaching the location Access:

from the north.

Gently sloping to the east with alluvial surface de-Terrain:

posits.

Soil: Sandy clayey loam.

Pinon, sage, snakeweed, and grasses. Vegetation:

Cultural Resources: One Black on White sherd was found on the access

road. Nothing found on the location.

Recommendations: Clearance is recommended.

Proposed Well: SCHALK #43-4

Land Status: Private

Location: SW4 of the NW4 of Section 36, Township 25 North, Range

3 West, N.M.P.M., in Rio Arriba County, New Mexico. The well will be 1850 feet from the north line and 790 feet from the west line of Section 36. A 300 X 300 foot

area was surveyed. (Figure 1)

Access: 1500 feet long and 20 feet wide, approaching the location

from the west.

Terrain: Gently sloping to the southwest with alluvial surface

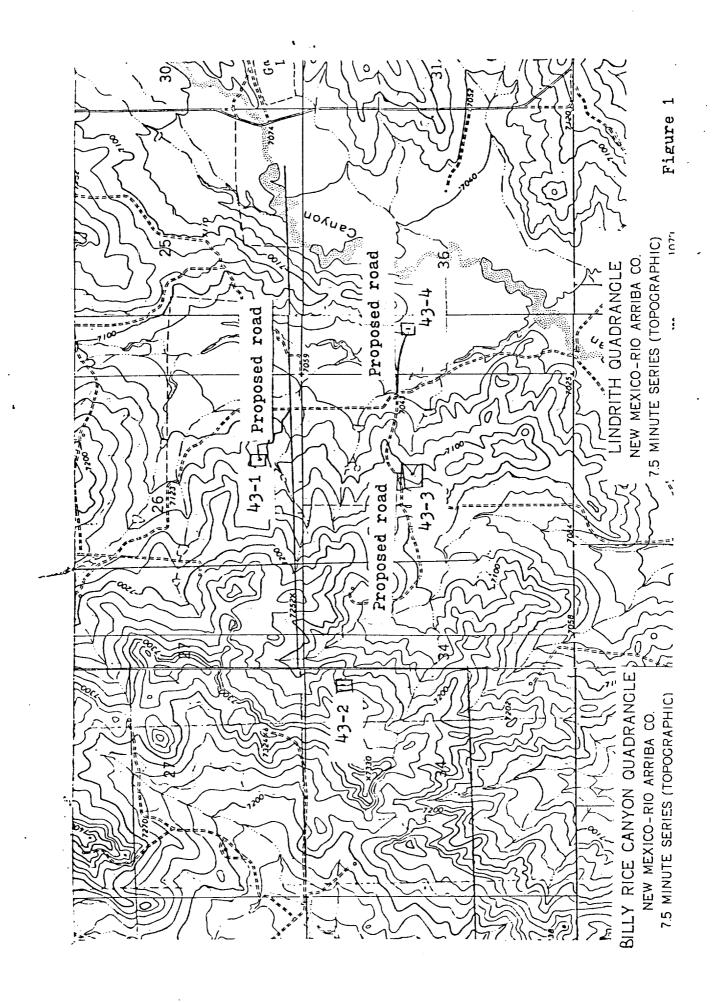
deposits.

Soil: Sandy clayey loam.

Vegetation: Sage, pinon, grasses, snakeweed.

Cultural Resources: None found.

Recommendations: Clearance is recommended.



SAN JUAN CAMPUS

4601 College Boulevard Farmington, New Mexico 87401 Telephone (505) 325-7556



3 October 1978

Mr. John Ahlm Arapaho Drilling Company' 3200 South Side River Rd. Farmington, New Mexico 87401

Re: ERRATUM for Report 78-SJC-189

Dear Mr. Ahlm,

In our report 78-SJC-189 'An Archaeological Clearance Survey of Four Proposed Well Locations & Access Roads Conducted for Arapaho Drilling Company' and dated 27 September 1978, the following corrections should be noted:

Proposed Well: SCHALK #43-3

Access:

50 feet long and 20 feet wide, approaching the location

from the north.

Proposed Well: SCHALK #43-4

Access:

4000 feet long and 20 feet wide, approaching the location

Susan Barnett

from the north northeast. A corrected map is attached.

Sincerely,

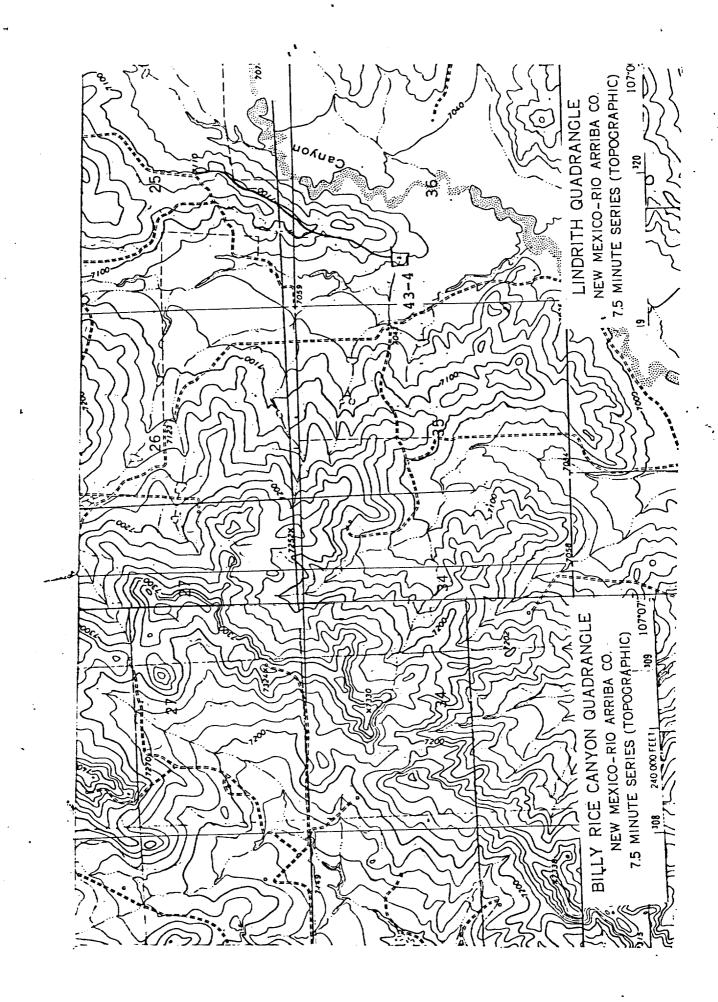
Susan Barnett

Cultural Resource Management Program

SB:dg

cc: Mr. Ben Phillips, BLM Farmington

Mr. Randy Morrison, BLM Albuquerque



SURFACE REHABILITATION AGREEMENT

WITNESSETH:

WHEREAS, Operator desires to construct a location for the drilling of a natural gas well and/or oil well on surface land owned by Surface Owner.

NOW, THEREFORE, in consideration of the premises,
Surface Owner and Operator agree as follows:

- 1) Operator will construct or cause to be constructed an access road to the proposed location from the nearest existing road as the terrain will allow. The road will be permanently maintained to allow access to the location throughout the drilling operation and while the well is in a producing state.
- 2) Upon completion of drilling operations, Operator will restore the disturbed surface area as near as practical to its original condition, except for permanent facilities necessary to producing a natural gas or oil well. Restoration will follow the guidelines as set forth by the U.S. Geological Survey.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed on the day and year first above written.

OPERATOR Schalk Development Company

SURFACE OWNER

BY John a. Allm.II

Gessie Bechdol