CONDITIONS OF APPROVAL, IF ANY:

SUBMIT IN TRIPLICATE*

Form approved. Budget Bureau No. 42-R1425.

UNITED STATES

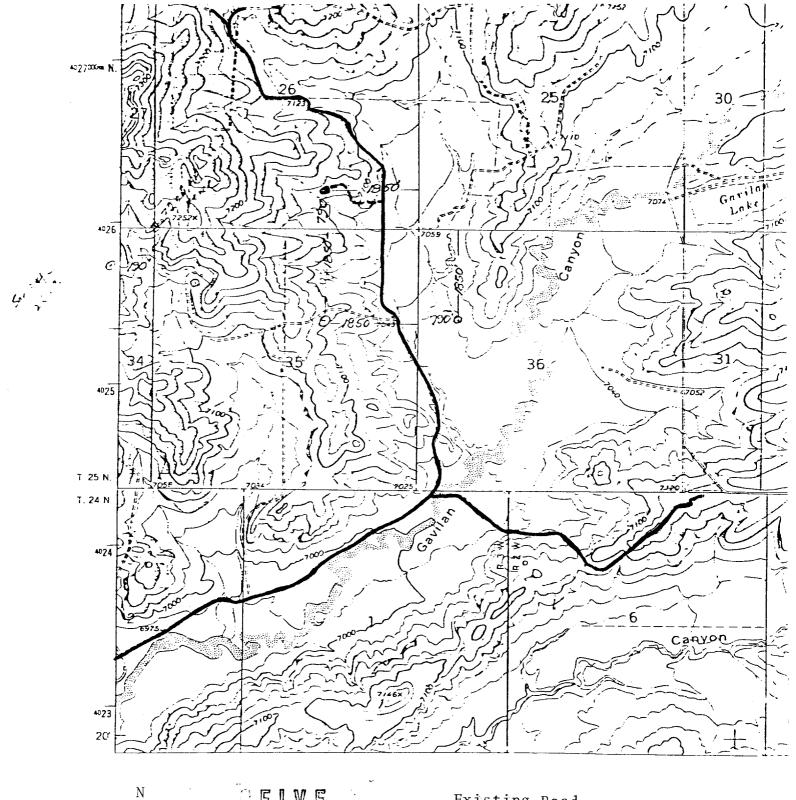
(Other instructions on reverse side) 30-039-01961

LEASE DESIGNATION AND BERIAL NO. DEPARTMENT OF THE INTERIOR

| | D. LEASE DESIGNATION AND SERIAL NO. | | | | | | |
|--|--------------------------------------|-------------------------|--|--|--|--|--|
| | NM-23043 | | | | | | |
| APPLICATION | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME | | | | | | |
| 1a. TIPE OF WORK | 1 TOK TERMIT | O DRILL, DLL | I LIV, ON I LOO L | | | | |
| | ILL 🗵 | DEEPEN 🗌 | PLUG BA | CK 7. UNIT AGREEMENT NAME | | | |
| b. TYPE OF WELL | | | | | | | |
| OIL G. | VELL X OTHER | 8. FARM OR LEASE NAME | | | | | |
| 2. NAME OF OPERATOR | | | • | Schalk 43 | | | |
| Schalk D | 9. WELL NO. | | | | | | |
| 3. ADDRESS OF OPERATOR | | | | | | | |
| | ox 25825, Alb | • • | | 10. FIELD AND POOL, OR WILDCAT | | | |
| 4. LOCATION OF WELL (R At surface | eport location clearly and | I in accordance with an | y State requirements.*) | Wildcat Mesa Werd | | | |
| 790' | FSL, 1850' | FEL, Sec. 26 | 5, T-25N, R-3W | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA | | | |
| At proposed prod. zon | ne e | | | Sec. 26, T-25N, R-3 | | | |
| | | | | · · · · · · · · · · · · · · · · · · · | | | |
| | AND DIRECTION FROM NEA | | | 12. COUNTY OR PARISH 13. STATE Rio Arriba NM | | | |
| | es from Lindr | | | | | | |
| 15. DISTANCE FROM PROPO LOCATION TO NEARES? | $oldsymbol{	au}$ | | NO. OF ACRES IN LEASE | 17. NO. OF ACRES ASSIGNED TO THIS WELL | | | |
| PROPERTY OR LEASE I | g. unit line, if any) | 790' | 640 | 160 | | | |
| 18. DISTANCE FROM PROF TO NEAREST WELL, D | DITTING COMPIEMED | į. | PROPOSED DEPTH | 20. ROTARY OR CABLE TOOLS | | | |
| OR APPLIED FOR, ON TH | IS LEASE, FT. | 3300' | 5907' | Rotary | | | |
| 21. ELEVATIONS (Show wh | ether DF, RT, GR, etc.) | 7123 GR | | 22. APPROX. DATE WORK WILL START* | | | |
| | | /125 GR | | November 1, 1978 | | | |
| 23. | 1 | PROPOSED CASING A | ND CEMENTING PROGR. | AM | | | |
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT | | | |
| II" | 8-5/8" | 23# | 300' | 200 sacks | | | |
| 7-7/8" | 4-1/2" | 10.5# | 5907' | 350 sacks | | | |
| | | | | | | | |
| | 1 | | | | | | |
| | | | | | | | |
| | | FORMATIO | N TOPS | | | | |
| | | | | | | | |
| | | | | | | | |
| | Ojo Alamo |) | 3177' | | | | |
| | OFIME | | | | | | |
| | Lewis | | | | | | |
| | Cliff Hou | | S 5167 ° | The state of the s | | | |
| | Point Loc Manos | kout | 5705' | NOV 6 1978 | | | |
| | S / MONT O 1919 | | | | | | |
| | Salah Andrew Barrell | | | | | | |
| | | oth delicates | () | | | | |
| | gus no | 1 Julian | | | | | |
| | | | | | | | |
| IN ABOVE SPACE DESCRIBI | e PROPOSED PROGRAM: If | proposal is to deepen o | r plug back give pata ou p a on subsurface locations a | present productive zone and proposed new productive of measured and true vertical depths. Give blowout | | | |
| preventer program if a | y. A | any, give pertinent due | The state of the s | | | | |
| 24. | -CN-U | | | | | | |
| STATE OF THE PARTY | N MAN | | Managing Part | ther $10/6/78$ | | | |
| BIGNED | | TITLE | | | | | |
| This space for Fede | eral or State office use) | | | | | | |
| PERMIT NO | | | APPROVAL DATE | | | | |
| | | | | | | | |
| APPROVED BY | | TITLE _ | | DATE | | | |

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

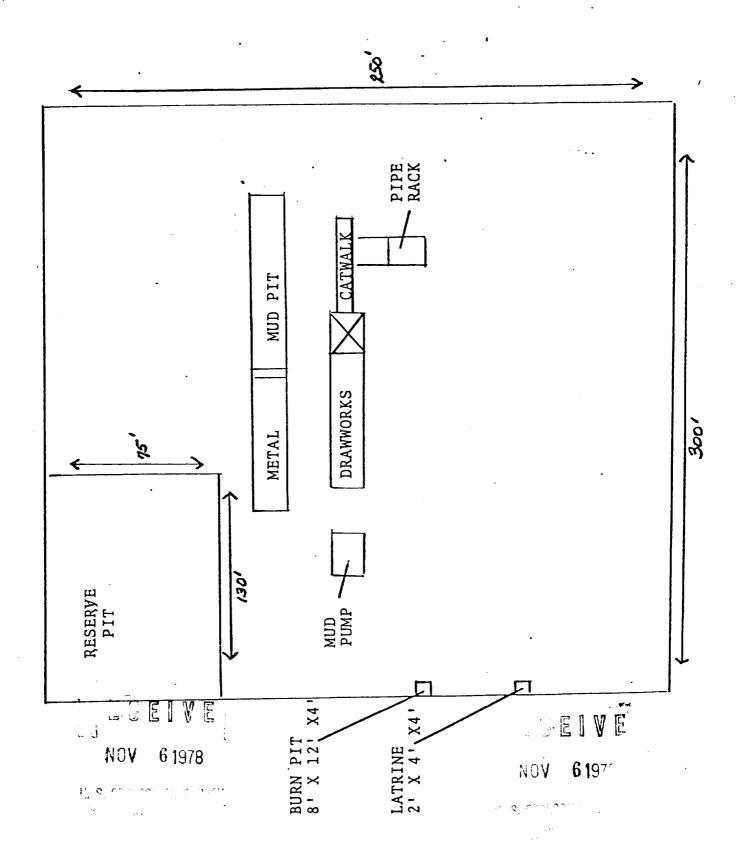
| | | All distances must b | e from the outer | boundaries of | the Section. | | |
|--------------------------------|------------------------------|--|---------------------------------------|-----------------------|--------------|-------------------|--|
| Schalk Deve | lopment C | 0. | Leose | SCHAL | K 45 | 3 | Well No. |
| | ction 26 | Township 25 NORTH | Fange | 3 WEST | County R | IO ARRII | BA – |
| Actual Fostage Location | | SOUTH line on | ad 1850 | (en | from the | EAST | line |
| 790 fe | Producing For | nation | Pool | . 1 | | | edicated Acreage: |
| 7123 | Mesa V | | · · · · · · · · · · · · · · · · · · · | lildea | | | 160 - Acres |
| 2. If more than interest and r | one lease is oyalty). | | ell, outline e | ach and ide | ntify the ov | vnership the | reof (both as to working |
| dated by com | munitization, v | ifferent ownership initization, force-po | oling.etc? | | | terests of a | ll owners been consoli- |
| Yes L | ~ | | | | | consolidate | ed. (Use reverse side of |
| this form if no | ecessary.) will be assign | ed to the well until | all interests | have been o | onsolidate | d (by commi | unitization, unitization, pproved by the Commis- |
| | ı | | | | | | CERTIFICATION |
| | | | - | | | I hereby cer | rtify that the information con- |
| | 1 1 | , | | IVE | | 1 riged herei | in is true and complete to the |
| | - + | + | NGV | 6 1978 - | (| Nome John | n E. Schalk |
| | İ | | . l | and the second of the | | | aging Partner |
| - | | | 1 2 3 4 m | | | Company Schalk | Development Co. |
| | 1 | | 1 | | | Date | 06/78 |
| | | 26 | 1 | | | 1070 | THE EVENTER OF THE PARTY OF THE |
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| | ì | | | | | shown on th | was PNO from field? |
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| | İ | | 1 | | | is true on | M. M. M. C. E. |
| | | | | | | know ledge | one of the life of |
| | ĺ | | | / | | Date Surveye | d |
| | 1 | | | 1850' | |] | September 0 1978 |
| | 1 | , O | į | | | Registered P. | rofessional Engineer |
| | 1 | -73 | 1 1 | | | Jan. | James P. Leese |
| | | | | | | Certificate N | °. 1463 |
| C 330 660 190 | 1320 1650 19 | 80 2310 2640 | 2000 1500 | 1000 | 500 0 | <u> </u> | |



NOV 61978 Existing Road

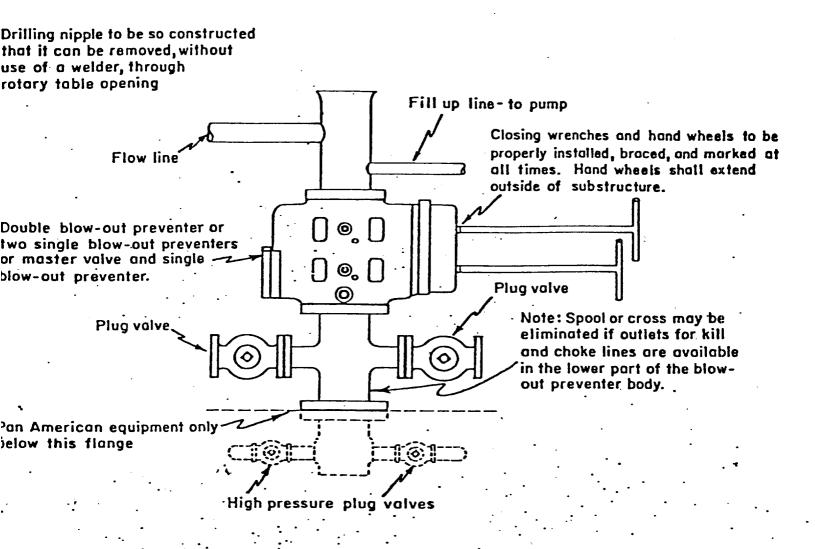
yer om Myr BrSchalk 43-1

Section 26, Township 25 North, Range 3 West 790' From the South Line, 1850' From the East Line Rio Arriba County, New Mexico



ARAPAHOE DRILLING CO.

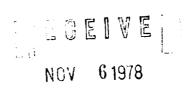
BLOW-OUT PREVENTER HOOK-UP



... G E I V E NOV 61978

Multi-Point Surface Use and Operations Plan

- 1. Existing roads: Attached map shows existing road running from the South line directly North, then turns to the Northwest.
- 2. Planned Access road: Will depart from the main (existing) road and run 2000' Northwest to proposed sight.
- 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 8 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 at approximately 5' per 100' to the Southwest. There will be approximately a six foot cut on the Northeast side of the proposed location. Vegetation is sage brush, pinon, juniper trees, snake-weed, 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.



E. S. Grandon Coll. S. IRVIY

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

CEIVE

NOV 61978

T'S Common STATA

SURFACE REHABILITATION AGREEMENT

| | THIS A | GREEMENT | as o | of | November | 2 | 1978 |
|--------|-----------|-----------|------|--------|-------------|----------|-------|
| by and | between_ | GENE BI | SHOP | | : | hereina, | after |
| called | "Surface | Owner", | and | Schalk | Development | t Compai | ny, |
| herein | after cal | led "Open | rato | r". | | | |

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 NOV 61978

SURFACE OWNER

Dany H. William

BY Dece Brotop.

Report 78-SJC-189 Permit - Private

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

NOV 61978

to de constant of the bold

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

NOV 61978

电点对应 电电影图象

Land Status: Private

Location: SW4 of the SE4 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)

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

the location from the southeast was surveyed. The road

edges along a plowed and seeded field.

Terrain: Gently sloping to the southwest with alluvial surface

deposits.

Soil: Sandy clayey loam.

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

field is rye grass.

Cultural Resources: None found.

Recommendations: Clearance is recommended.

Proposed Well: SCHALK #43-2

Land Status: Privațe

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

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

top. Surface deposits are alluvial.

Soil: Sandy clayey loam.

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

Cultural Resources: None found.

Recommendations: Clearance is recommended.

NOV 6 1978

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

M. S. COMONING SHOWS

area was surveyed. (Figure 1)

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

from the north.

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

posits.

Soil: Sandy clayey loam.

Vegetation: Pinon, sage, snakeweed, and grasses.

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.

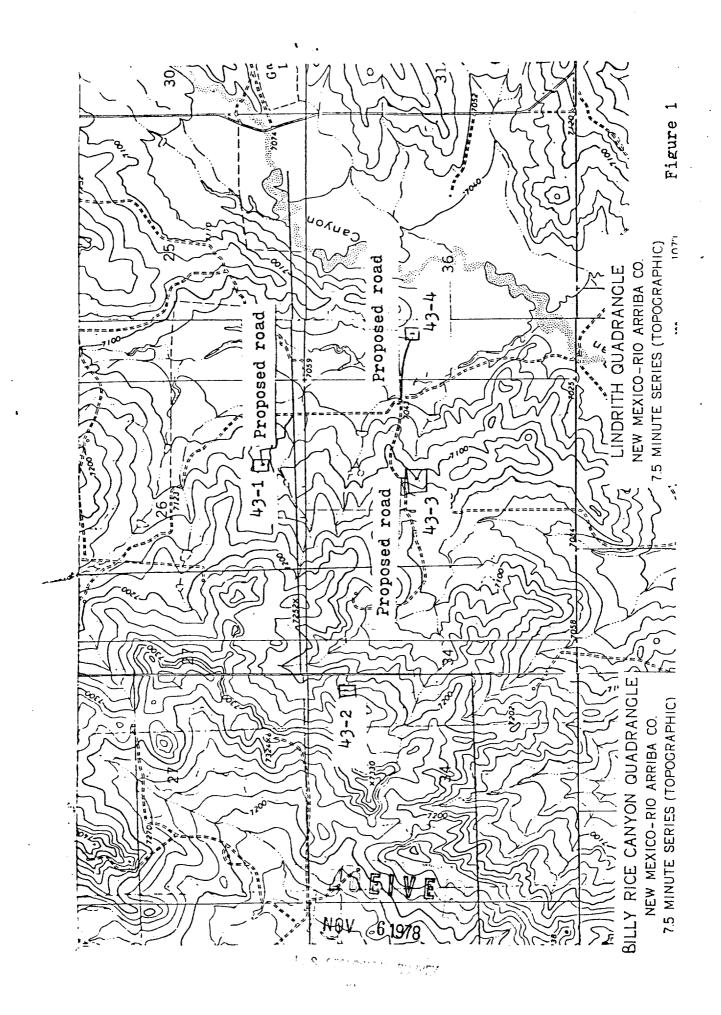
Vegetation: Sage, pinon, grasses, snakeweed.

Cultural Resources: None found.

Recommendations: Clearance is recommended.

NOV 61978

E. S. C. Commercial Street



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 from the north northeast. A corrected map is attached.

Sincerely,

Susan Barnett

Cultural Resource Management Program

SB:dq

cc: Mr. Ben Phillips, BLM Farmington

Mr. Randy Morrison, BLM Albuquerque

NOV 6 1978

