

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

John E. Schalk

3. ADDRESS OF OPERATOR

P. O. Box 25825, Albuquerque, N.M. 87125

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

925' FNL; 790' FEL; Sec.8, T-25N, R-3W
At proposed prod. zone Rio Arriba County, N. M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15 miles from Lindrieth, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

790'

16. NO. OF ACRES IN LEASE

1015.18

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1/4 mile

19. PROPOSED DEPTH

6150'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

100-320

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

7223' GR

22. APPROX. DATE WORK WILL START*

July 15, 1980

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8"	24#	150-200	150 sacks circulated
7-7/8"	4-1/2"	10.5#	6150	300 sacks
Cover Ojo Alamo with cement				

FORMATION TOPS

Ojo Alamo	3240'
Kirtland	3443'
Fruitland	3653'
Pictured Cliffs	3733'
Chacra	4617'
Cliff House	5285'
Menefee	5560'
Point Lookout	5872'
Mancos	6076'
Total Depth	6150'

Estimated Depths at which anticipated
water, oil, gas or other minerals
are expected to be encountered:

3733'
5285'
5560'
5872'

Blow-Out Preventer: Schaffer,
Double-Gate, Hydraulic, 900 Series
Tested when Surface Casing set.

No anticipated abnormal pressure expected.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE

Operator

DATE

4-29-80

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

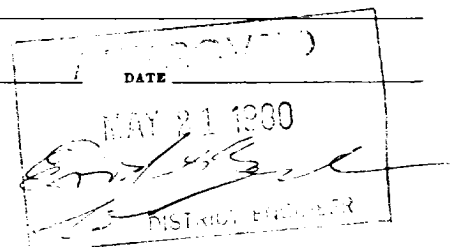
DATE

CONDITIONS OF APPROVAL, IF ANY:

CERTIFICATES AUTHORIZED ARE
SUBJECT TO COMING WITH ATTACHED
"GENERAL REQUIREMENTS"

*See Instructions On Reverse Side

ALAMCO



OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

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

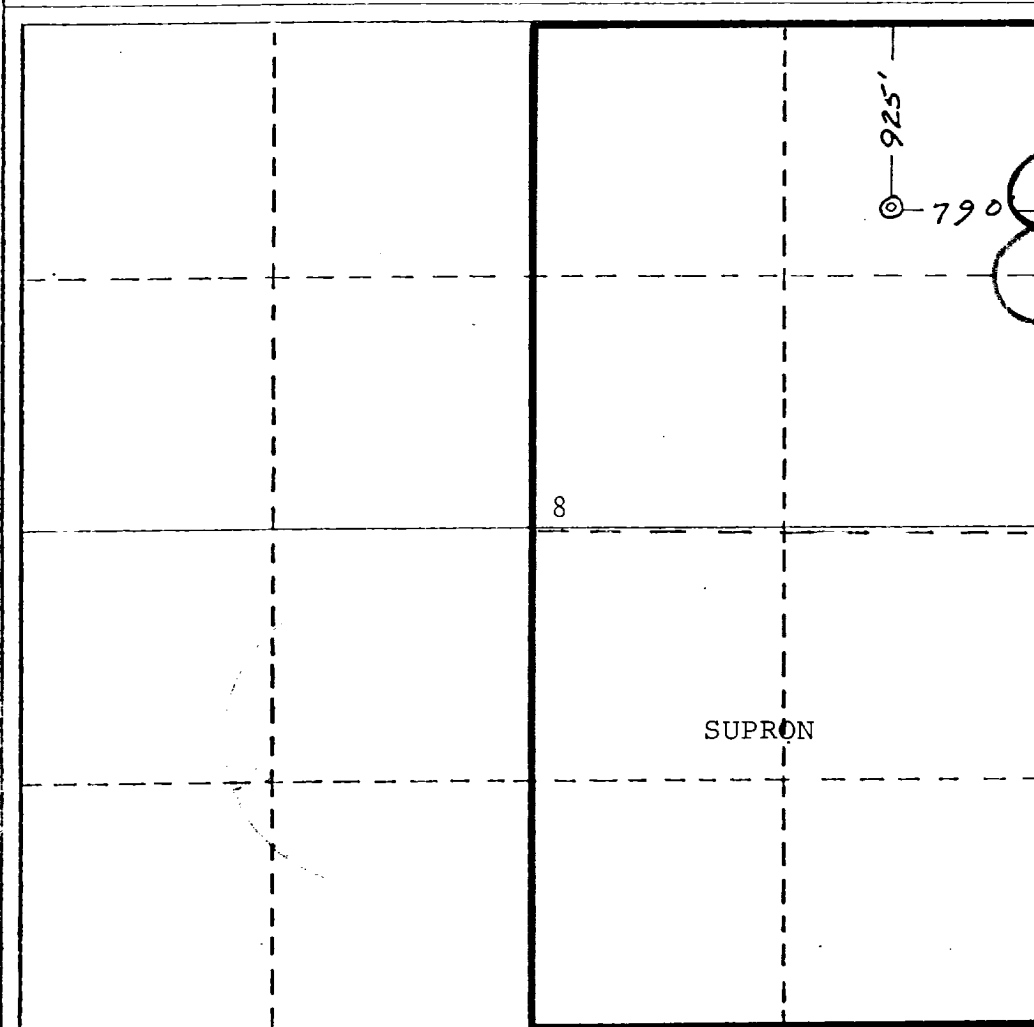
Operator JOHN E. SCHALK			Lease SCHALK-GULF		Well No. 2
Unit Letter A	Section 8	Township 25 NORTH	Range 3 WEST	County RIO ARriba	
Actual Footage Location of Well: 925 feet from the NORTH line and 790 feet from the EAST line					
Ground Level Elev. 7223	Producing Formation MESA VERDE		Pool BLANCO <i>mv cut</i>	Dedicated Acreage: E 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

John E. Schalk

Position

Operator

Company

Date

4-29-80

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 knowledge and belief.

Date Surveyed

 Registered Professional Engineer
and/or Land Surveyor

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

- 1) Existing roads: Departs from NM 44 and travels in a Northeastern direction. Existing road, as shown on map, enters the Southwest corner of Section 8, turns North, then Northwest. In the Northeast quarter of the Section, adjoining road turns to the Northwest, then North, then East to proposed location. There will be no improvements to the existing roads.
- 2) Planned access road: Access road will depart from existing road as shown on the attached map. The road will be 1/8 mile long, 18' wide with a drainage ditch on the upper side of the road. The maximum grade is 3 to 1. There will be no turnouts, culverts, or surface materials needed. There will not be any need for fences to be cut or cattleguards to be put in.
- 3) Location of existing wells: See attached map.
- 4) Location and type of water supply: Water will be taken from a water hole on Schmitz's ranch and transported to location by truck.
- 5) Source of construction materials: None.
- 6) Methods of 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.
- 7) Ancillary facilities: None.
- 8) Well site layout: Per attached drawing.
- 9) 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 resotration of surface. Restoration will be to the satisfaction of the U.S.G.S.
- 10) This location slopes at an increase of 10' per 400' to the East. There will be approximately a five foot cut on the East side of the proposed location. Vegetation is Pinon-Juniper, sage, snakeweed, prickly-pear, grama and squirrel-tail 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.
- 11) Lessee's or Operator's representatives: John E. Schalk, P. O. Box 25825, Albuquerque, New Mexico, 87125; Steve Schalk, 6200 Rio Hondo, NE, Albuquerque, New Mexico; or Joe 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 sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

4 - 29 - 80

Date _____

Robert E. Ingham

John E. Schalk
Operator

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

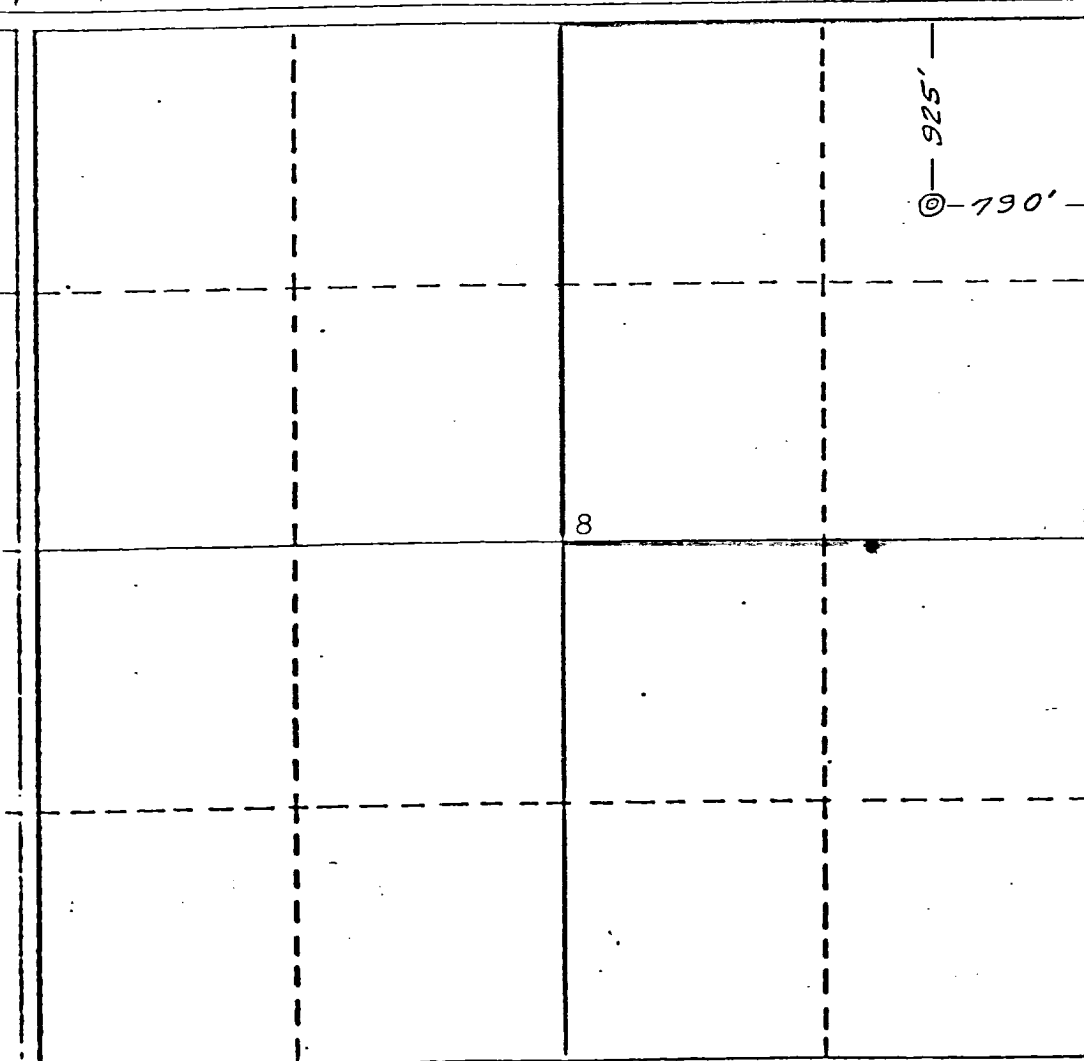
Operator JOHN E. SCHALK		Lease SCHALK - GULF		Well No. 2
Unit Letter A	Section 8	Township 25 NORTH	Range 3 WEST	County Rio Arriba
Actual Footage Location of Well: 925 feet from the NORTH line and 790 feet from the EAST line				
Ground Level Elev. 7223	Producing Formation Mesa Verde	Pool Blanco	Dedicated Acres 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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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 Division.



CERTIFICATION

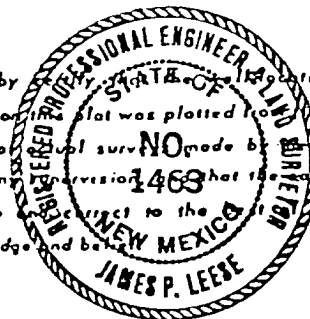
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
John E. Schalk
Position
Operator

Company

Date
4-29-80

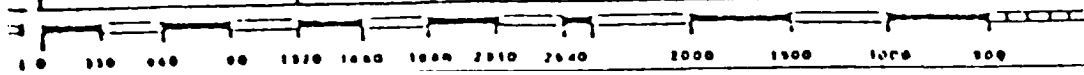
I hereby certify that the plat was plotted from field notes of a legal survey made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed
March 3, 1980

Registered Professional Engineer
and/or Land Surveyor
James P. Leese

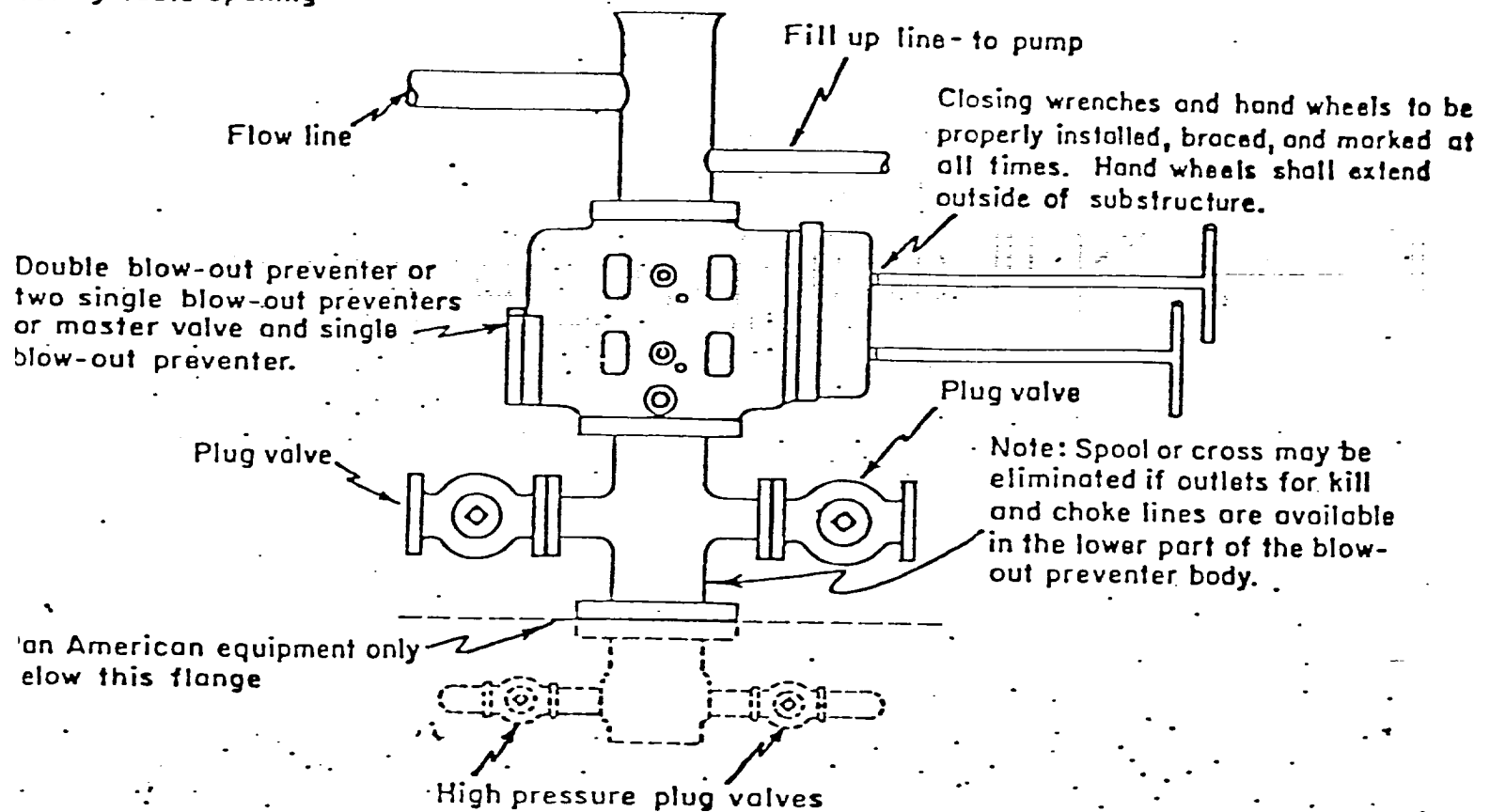
Certificate No.
1463

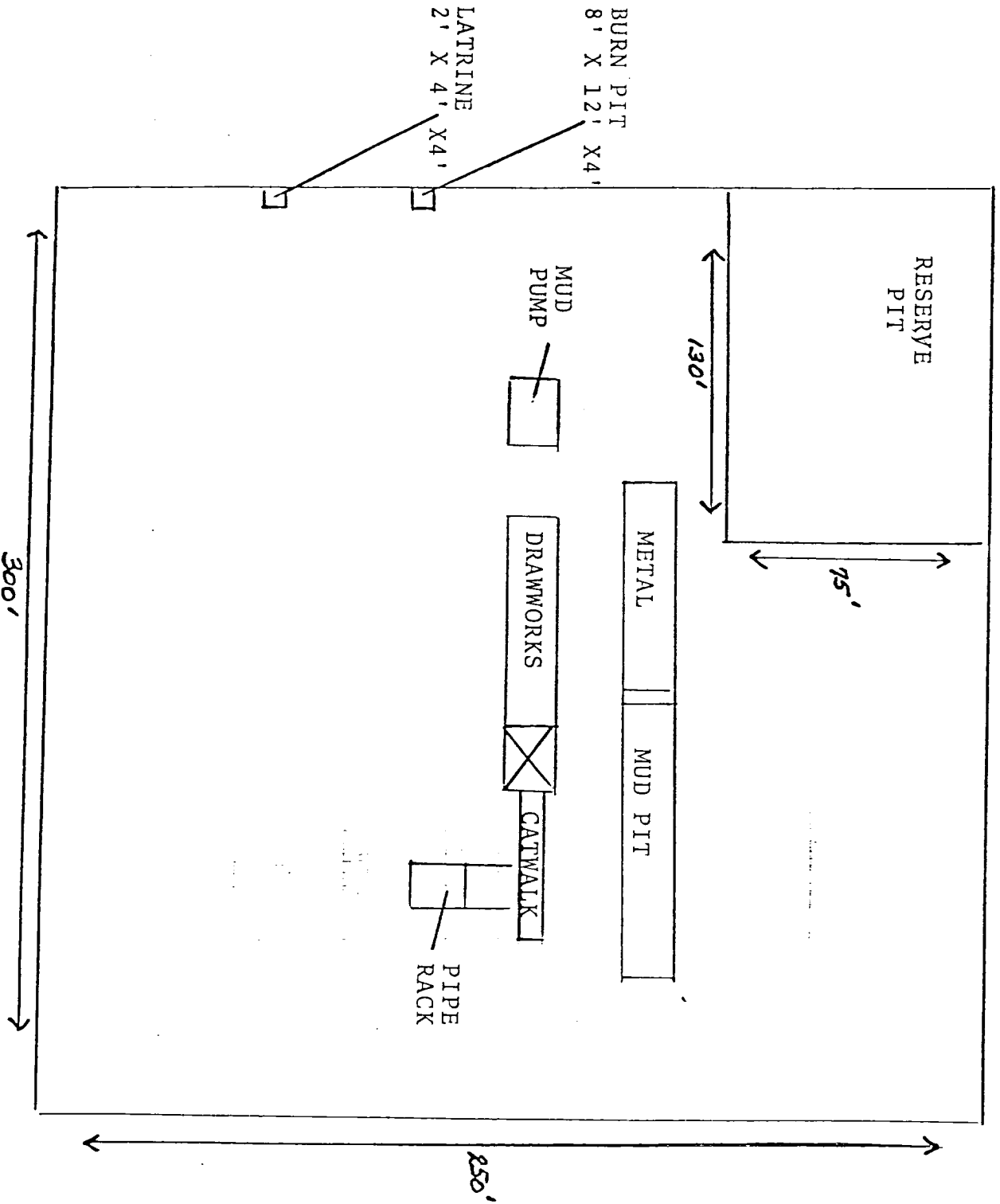


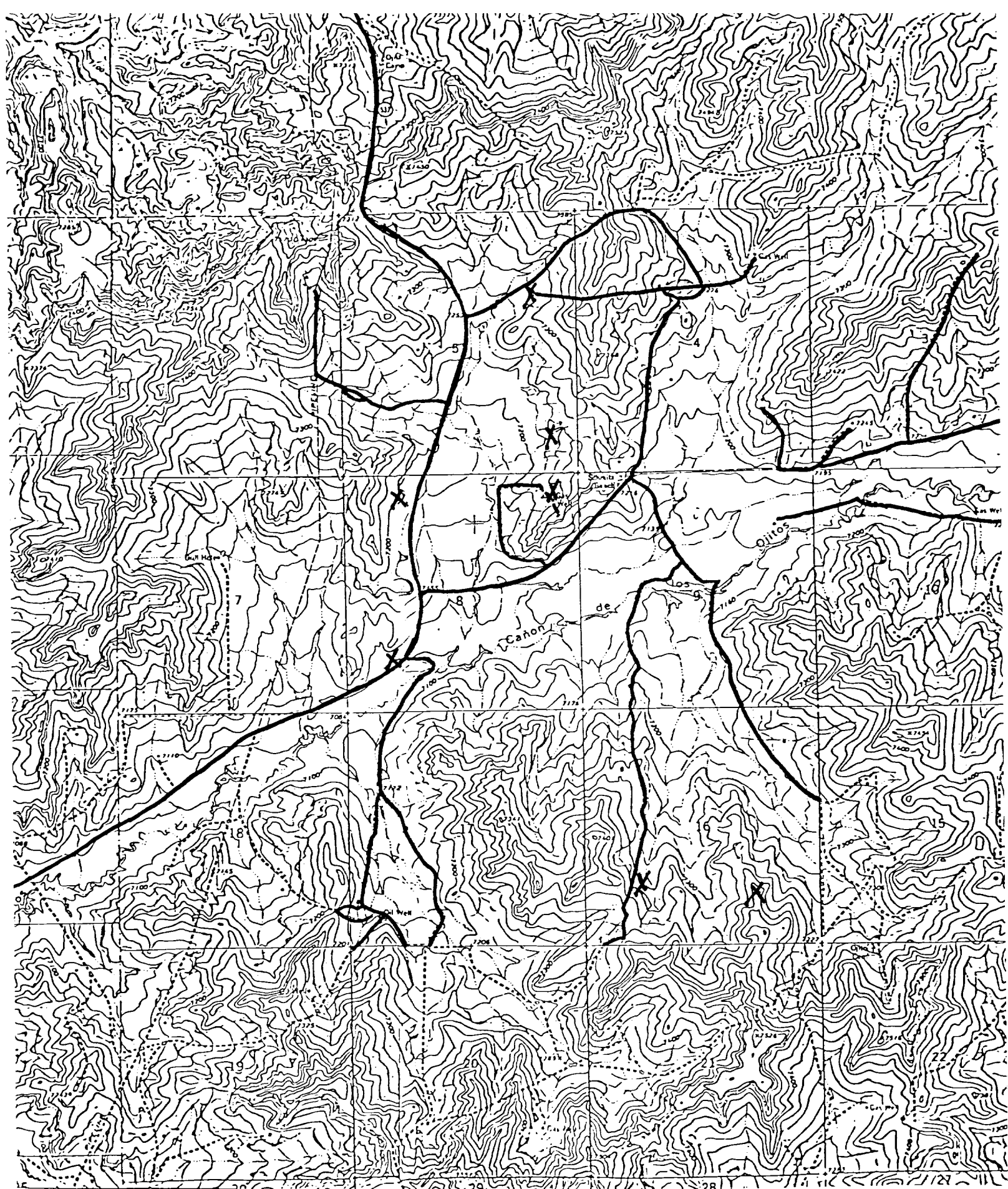
ARAPAHOE DRILLING CO.

BLOW-OUT PREVENTER HOOK-UP

Drilling nipple to be so constructed that it can be removed, without use of a welder, through rotary table opening







John E. Schalk
Schalk-Gulf #2
Sec. 8, T-25N, R-3W

Existing Roads ———
Proposed Access Road - - - -
Existing Wells X

SURFACE REHABILITATION AGREEMENT

THIS AGREEMENT as of May 1, 1982,
by and between Tony Schmitz, hereinafter
called "Surface Owner", and John E. Schalk
hereinafter called "Operator".

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 guide-
lines 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

SURFACE OWNER

BY John E. Schalk

BY Tony Schmitz

DAMAGE RELEASE

THE UNDERSIGNED, for and in consideration of the amount shown below, the receipt of which is hereby acknowledged, releases John E. Schalk, his agents, contractors and employees, from all claims of any kind or character for damages sustained by the undersigned caused by the construction of a roadway and location for use in drilling operating gas or oil wells in the vicinity, or the project named below, with appurtenances thereto, over and through the hereinafter described property.

The Undersigned represents that he is legally entitled to possess and occupy the surface of said property and is, therefore, entitled to receive payment for the damages sustained thereto.

DESCRIPTION OF PROPERTY SITUATED IN Rio Arriba COUNTY,
STATE OF New Mexico.

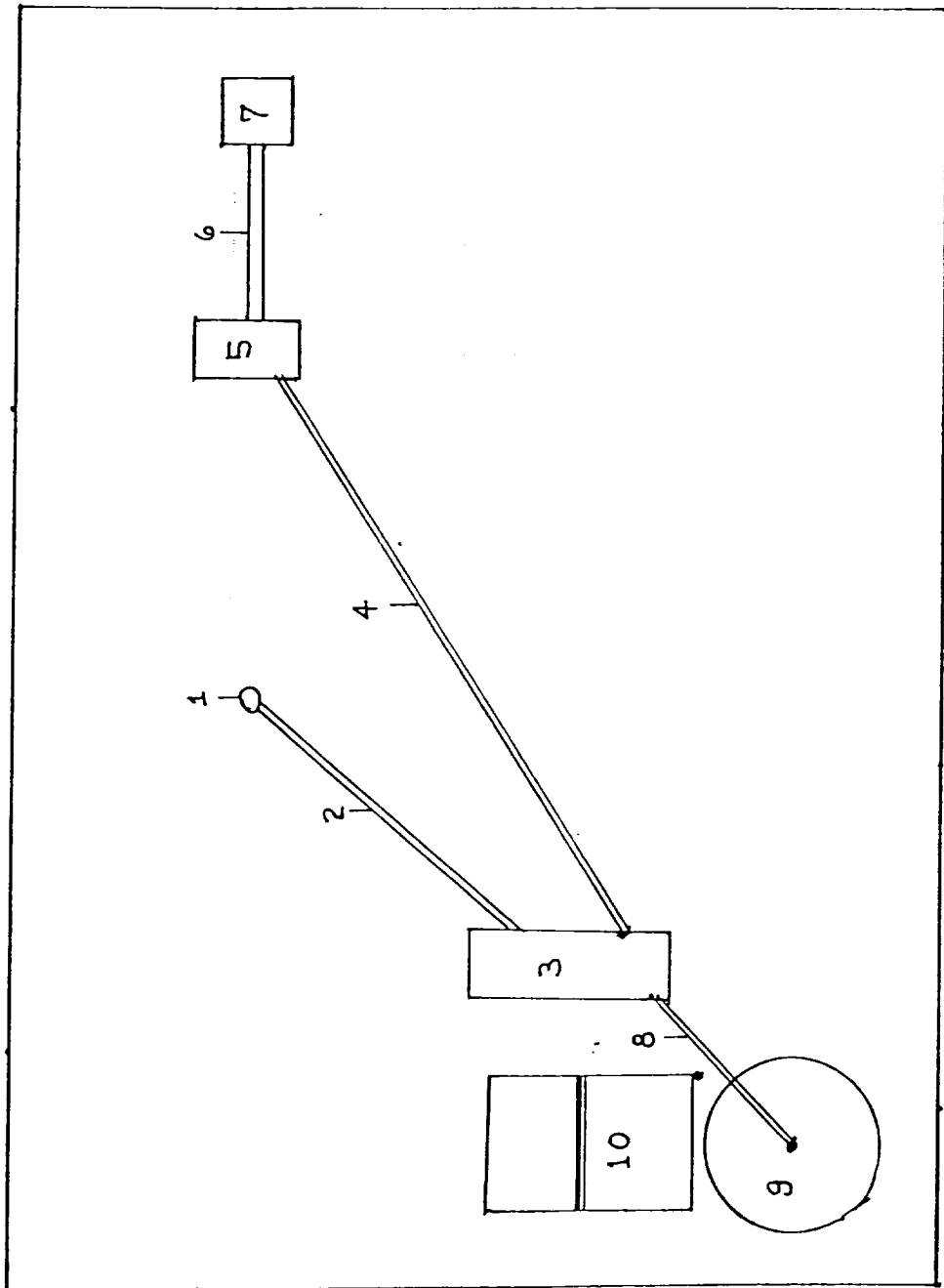
<u>Subdivision</u>	<u>Section</u>	<u>Township</u>	<u>Range or Block</u>	<u>BLM or Abstract Number</u>
NE	8	25N	3W	SF080565-A

Received of John E. Schalk the amount of \$ 2000.00.

DATED THIS 1st DAY OF May, 1980 A.D.

Witness

John Schalk



- 1) W-K-M wellhead 2" - 2000# valves throughout.
- 2) 2" underground line from the wellhead to production unit; rated to 4,000#.
- 3) P & A, Inc. production unit. Rated to handle 2,000 MCF/day.
- 4) 2" underground line from production unit to dehydrator.
- 5) El Paso Natural Gas Company's dehydrator.
- 6) 4" meter run from dehydrator to meter house.
- 7) El Paso Natural Gas Company's meter house.
- 8) 2" - 4,000# rated line from production unit to oil tank.
- 9) 100# oil tank (7' diameter; 15' high).
- 10) 3-1/2' deep water drainage pits.

May 7, 1980

U. S. Geological Survey
P.O. Box 959
Farmington, New Mexico 87401

Attention: Mr. James Sims
District Engineer

Gentlemen:

Enclosed please find our application for Permit to Drill the Schalk-Gulf #2 well located in the NE/4 Section 8, T-25N, R-3W, Rio Arriba County, New Mexico. We are dedicating the E/2 of Section 8 to this Blanco Mesa Verde well.

We are, however, requesting approval to form a non-standard gas proration unit consisting of the NE/4 of Section 8 containing 160 acres. In the event approval is not granted, we plan to consolidate the E/2 of Section 8 by communitization prior to first production.

I hope the attached application is found to be in order. Thank you for your cooperation in this matter and if any further information is needed, please let me know.

Yours very truly,



John E. Schalk

IES/lr

enclosure