

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-039-22390

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
 1120' FSL; 1520' FEL; Sec. 6, T-25N, R-3W
 At proposed prod. zone Rio Arriba County, New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 15 miles from Lindrith, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1120'

16. NO. OF ACRES IN LEASE 1015.18

17. NO. OF ACRES ASSIGNED TO THIS WELL E 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1/4 mile

19. PROPOSED DEPTH 6288'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7361 GR

22. APPROX. DATE WORK WILL START* June 20, 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#	200	150 sacks circulated
7-7/8"	4-1/2"	10.5#	6288	300 sacks

Formation Tops

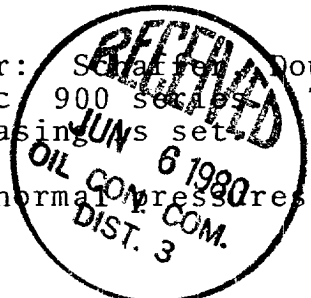
Ojo Alamo	3378'
Kirtland	3581'
Fruitland	3791'
Pictured Cliffs	3871'
Charca	4755'
Cliff House	5423'
Menefee	5698'
Point Lookout	6010'
Mancos	6214'
Total Depth	6288'

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

3871' 5698'
 5423' 6010'

Blow-Out Preventer: *Shank* Double-gate, Hydraulic 900 lbs. Tested when surface casing set.

No anticipated abnormal pressures are 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.

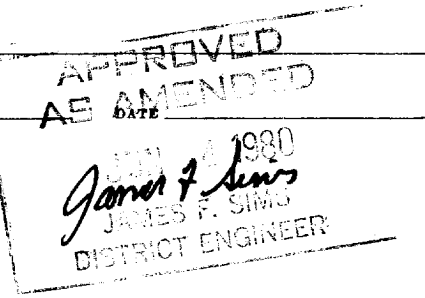
24. SIGNED *John E. Schalk* TITLE Operator DATE 5-9-80

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY: *ok Frank*

*See Instructions On Reverse Side



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

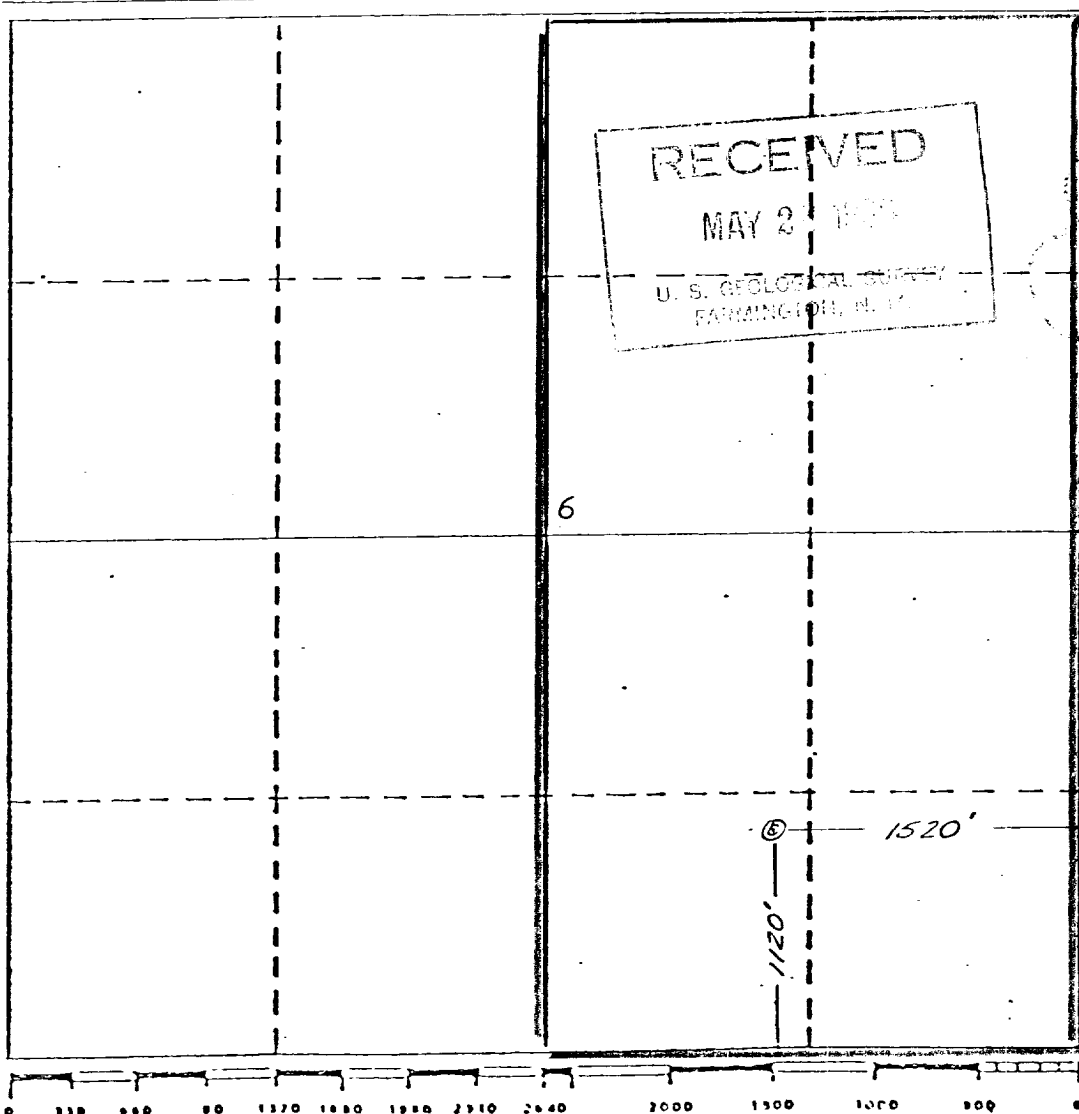
Operator John E. Schalk		Lease SCHALK-GULF		Well No. 3
Unit Letter 0	Section 6	Township 25 NORTH	Range 3 WEST	County RIO ARRIBA
Actual Postage Location of Well:				
1120 feet from the SOUTH line and		1520 feet from the EAST line		
Ground Level Elev. 7361	Producing Formation Mesa Verde	Pool Blanco	Dedicated Acres 320	Area

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
5-9-80

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
April 25, 1980

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

Certificate No.
1463

MULTI-POINT SURFACE AND OPERATIONS PLAN

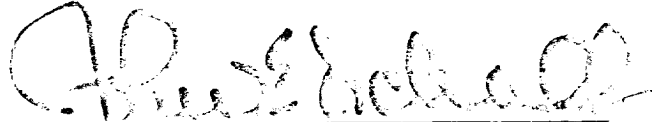
- 1) Existing roads: Departs from NM 44 and travels in a Northeastern direction. Existing road, as shown on map, enters the Southern edge of Section 5 and continues running North. In SW quarter of Section 5, another existing road departs from the main road and run West into Section 6 ending at an existing pipeline road.
- 2) Planned access road: Departs existing road at junction described and runs approximately 900' Southwest to proposed location.
- 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 the restoration of surface. Restoration will be to the satisfaction of the U.S.G.S.
- 10) This location slopes at an increase of 10% of the North. There will be approximately a 5' to 8' cut on the North side of the proposed location. Vegetation is Pinon, juniper, sagebrush, snakeweed, indian ricegrass, crested wheat, grama, galleta, lupine, king's crown. 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.

5-9-80

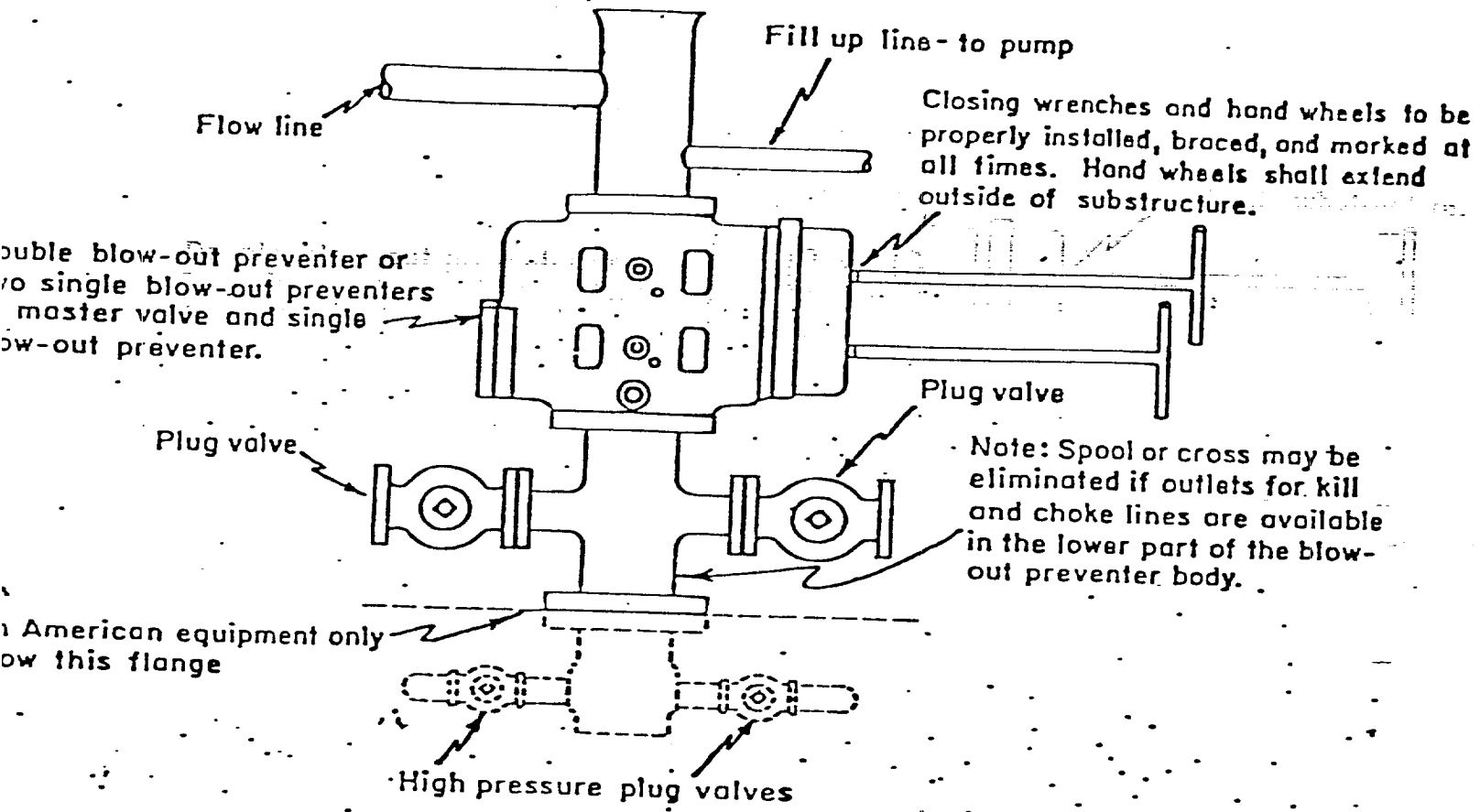
Date

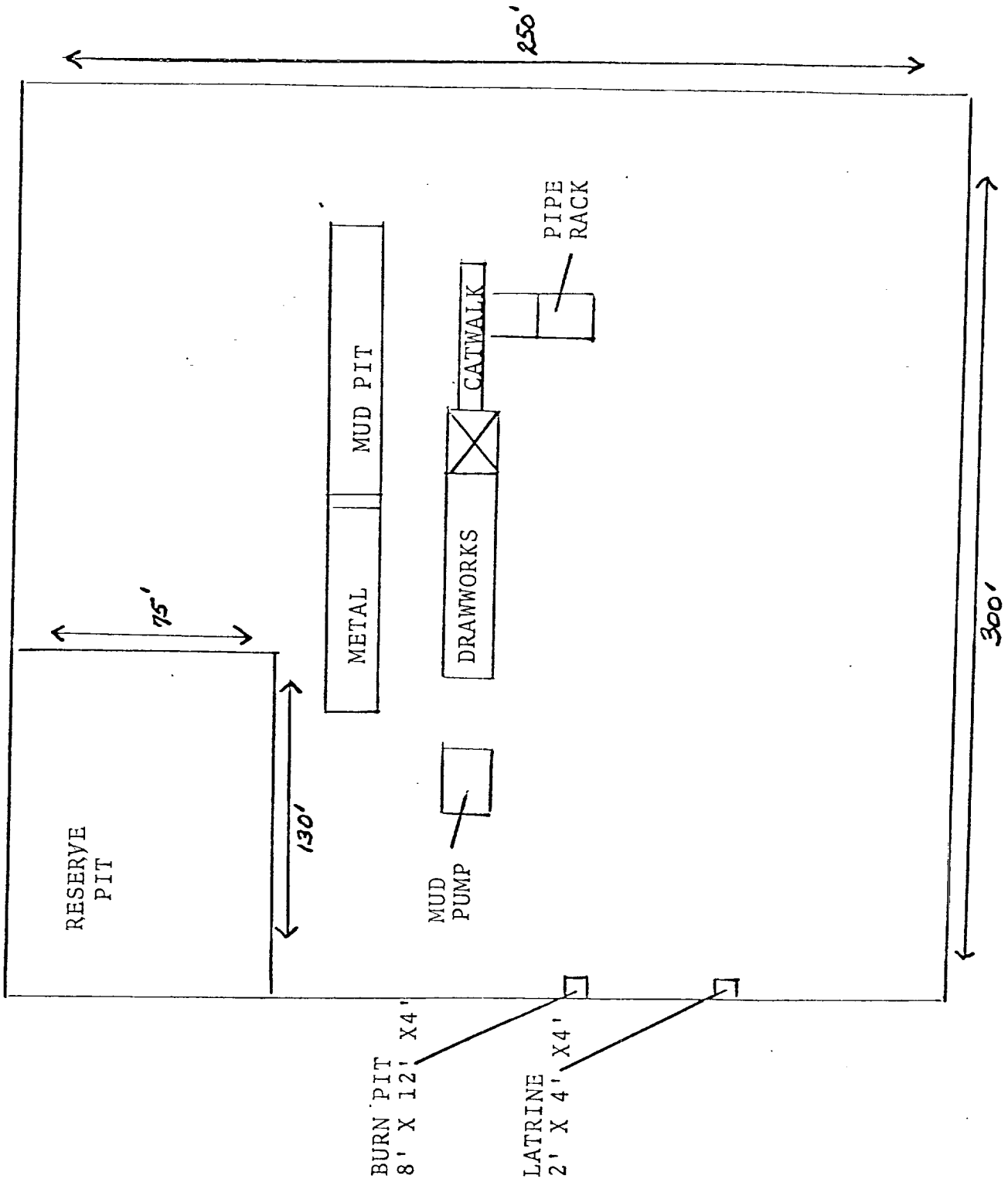


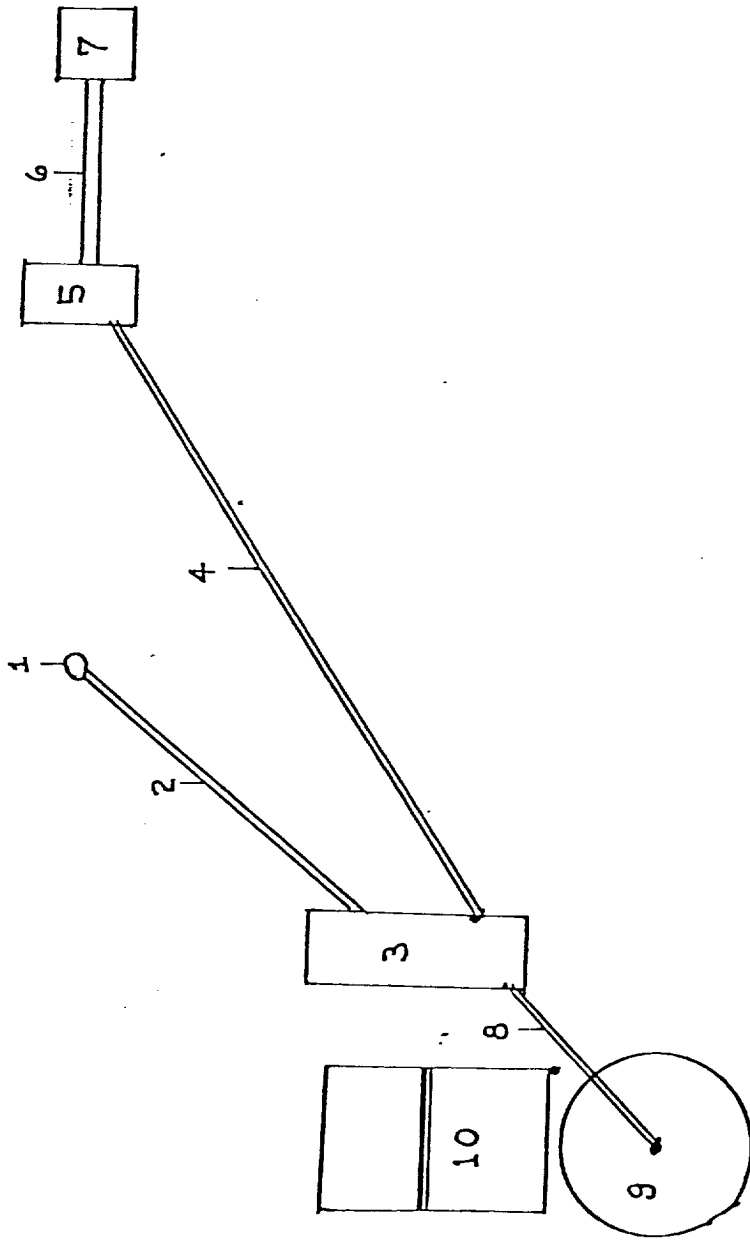
John E. Schalk
Operator

BLOW-OUT PREVENTER HOOK-UP

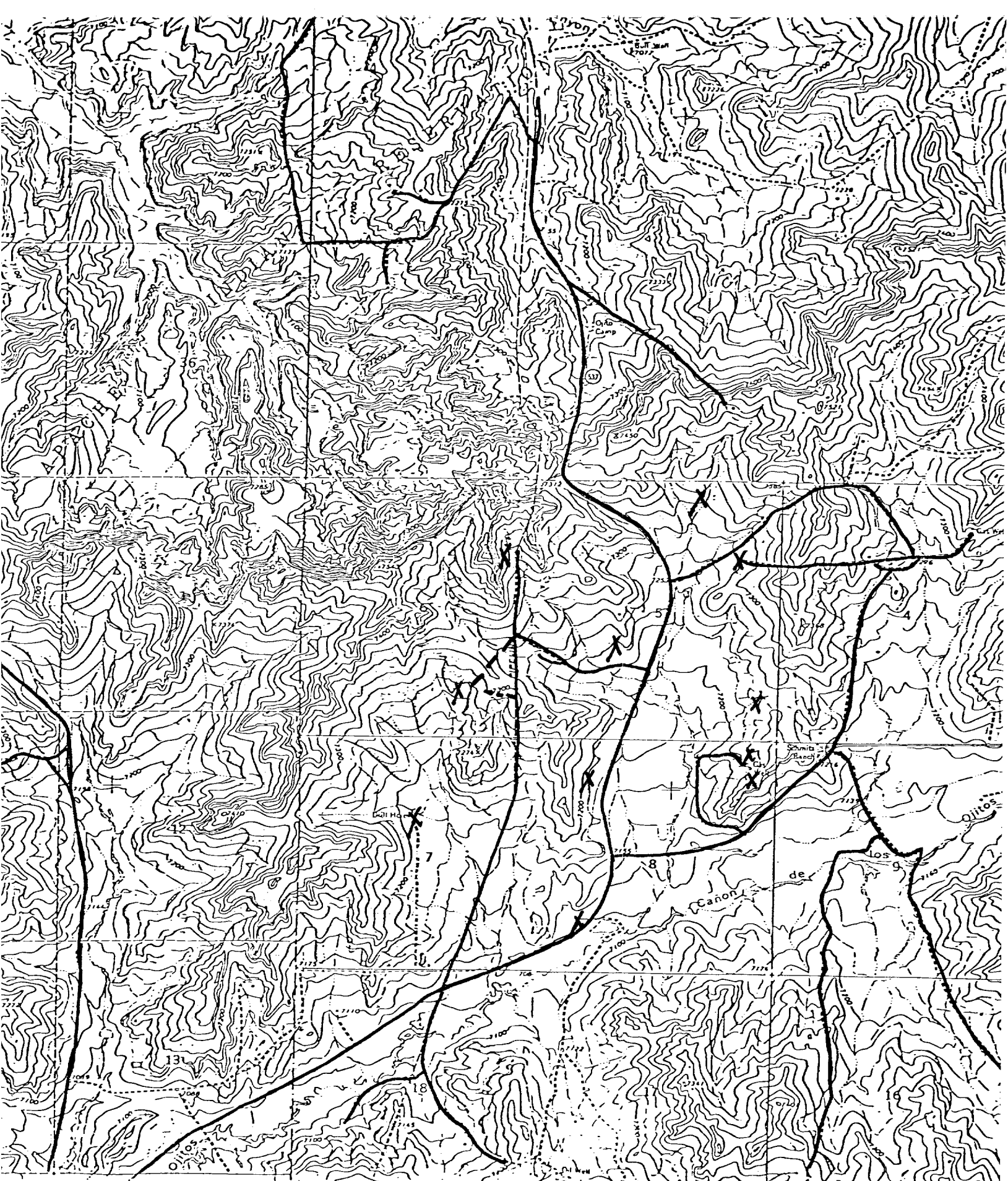
Drilling nipple to be so constructed
that it can be removed, without
use of a welder, through
rotary table opening







- 1) W-X-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 dehydrater.
- 5) E1 Paso Natural Gas Company's dehydrater.
- 6) 4" meter run from dehydrater to meter house.
- 7) E1 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.



John E. Schalk
Schalk-Gulf Well #3
NE Section 6, T-25N, R-3W

- Existing Roads
- X Existing Wells
- - - - - Access Road

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>
SE	6	25N	3W	SF080565-A

Received of John E. Schalk the amount of \$ 2900⁰⁰.

DATED THIS 4th DAY OF May, 1980 A.D.

[Signature]
WITNESS

[Signature]

SURFACE REHABILITATION AGREEMENT

THIS AGREEMENT as of May 4, 1972,
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 [Signature]

BY [Signature]



An Archaeological Clearance Survey of
Three Proposed Well Locations & Access Roads
Conducted for John Schalk

L. Jean Hooton

Gulf #1
Gulf #2
Gulf #3

Report 80-SJC-137
of the
Cultural Resource Management Program
San Juan Campus
New Mexico State University

2 May 1980

An Archaeological Clearance Survey of
Three Proposed Well Locations & Access Roads
Conducted for John Schalk

On April 30, 1980, L. Jean Hooton from the Cultural Resource Management Program, New Mexico State University, San Juan Campus, conducted an archaeological clearance survey of three proposed well locations and access roads at the request of Mr. Johnny Ahlm from Arapahoe Drilling.

Present during the survey were Mr. Steve Schalk representing John Schalk, Mr. John Keller from the U.S. Geological Survey - Farmington office, and Mr. Dan Armstrong from the U.S. Bureau of Land Management - Rio Puerco office.

The proposed well locations are on private lands with Federal minerals and were surveyed under Federal Antiquities permit 80-NM-004.

METHODOLOGY

The well locations were surveyed by walking parallel transects, 75 feet apart, over a 300 x 300 foot easement. Proposed access roads were surveyed by walking the flagged route to and from the well.

GENERAL RECOMMENDATIONS

No cultural resources warranting avoidance were found during the course of the survey, therefore archaeological clearance is recommended for the inspected areas.

Proposed Well: SCHALK - GULF #1

Land Status: Fee surface - Federal minerals.

Location: The proposed location is in the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 6, Township 25 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico. The well will be 1700 feet from the north line and 905 feet from the east line of Section 6. (Figure 1)

U.T.M.: Center - 13; 3,04,600 mE; 40,33,770 mN.

Access: Existing.

Area Surveyed: 2.07 acres.

Terrain: Highly eroded steep slope with southeasterly drainage, alluvial surface deposits, and sandstone outcrops.

Soil: Sandy clayey loam.

Vegetation: Piñon, juniper, sagebrush, saltbush, scrub oak, mountain mahogany, bitterbrush, snakeweed, indian ricegrass.

Cultural Resources: Three sherds were found along the steep and eroded slope on the western side of the location and were probably washed down from the small mesa top west of the location. No other cultural resources were found on the location.

Recommendations: Clearance recommended.

Proposed Well: SCHALK - GULF #2

Land Status: Fee surface - Federal minerals.

Location: The proposed location is in the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 8, Township 25 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico. The well will be 925 feet from the north line and 790 feet from the east line of Section 8. (Figure 1)

U.T.M.: Center - 13; 3,06,220 mE; 40,32,185 mN.

Access: 20 feet wide and 250 feet long, approaching the location from the north.

Area Surveyed: 2.18 acres.

Terrain: Rolling slope with northwesterly drainage, alluvial surface deposits.

Soil: Sandy clayey loam.

Vegetation: Piñon, juniper, sagebrush, snakeweed, prickly pear, grama, squirreltail.

Cultural Resources: None found.

Recommendations: Clearance recommended.

Proposed Well: SCHALK - GULF #3

Land Status: Fee surface - Federal minerals.

Location: The proposed location is in the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 6, Township 25 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico. The well will be 1120 feet from the south line and 1520 feet from the east line of Section 6. (Figure 1)

U.T.M.: Center - 13; 3,04,380 mE; 40,32,855 mN.

Access: 20 feet wide and 900 feet long, approaching the location from the east.

Area Surveyed: 2.48 acres.

Terrain: Gently rolling slope with southerly drainage and alluvial surface deposits.

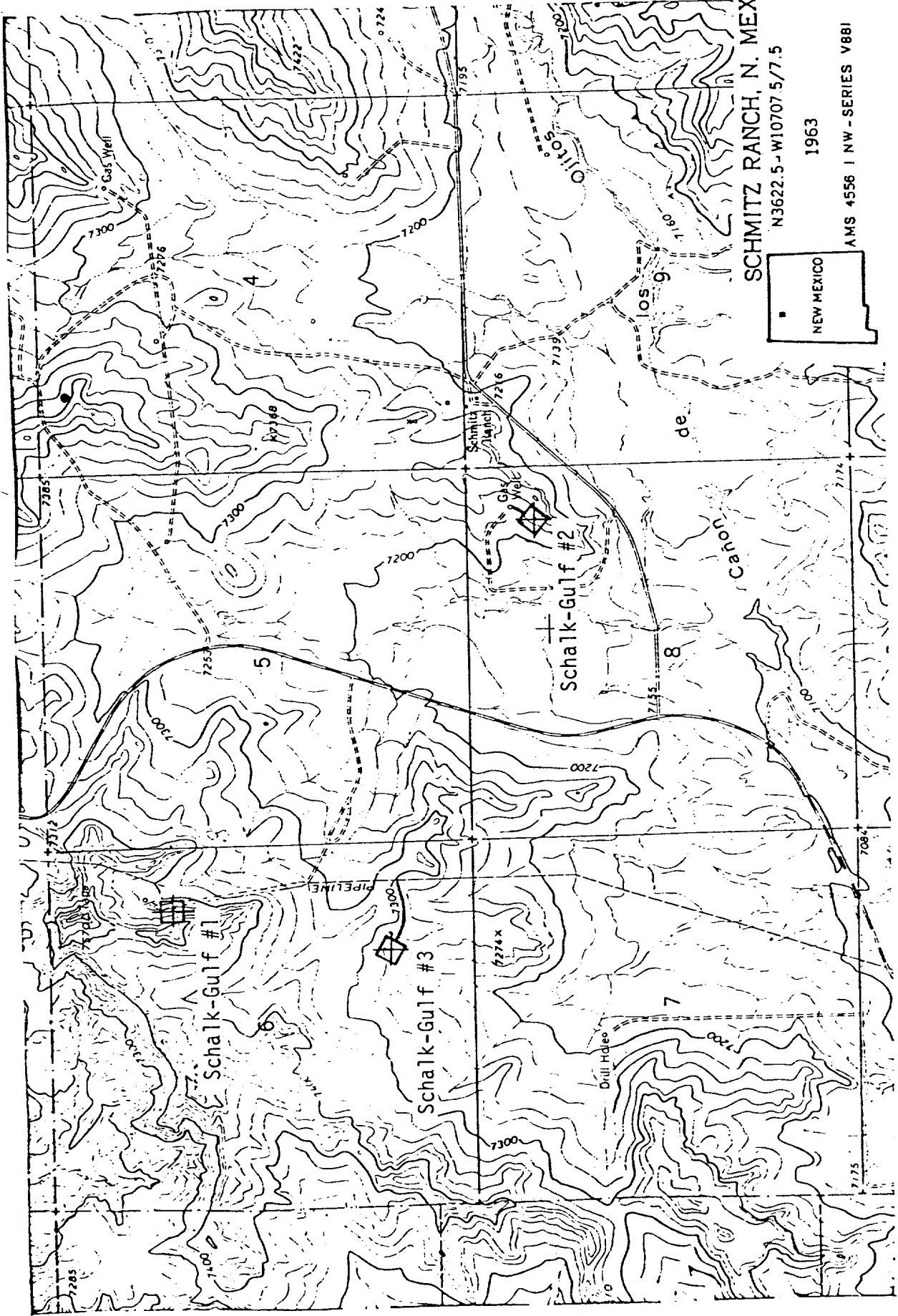
Soil: Sandy clayey loam.

Vegetation: Piñon, juniper, sagebrush, snakeweed, indian ricegrass, crested wheat, grama, galleta, lupine, king's crown.

Cultural Resources: None found.

Recommendations: Clearance recommended.

T 25N

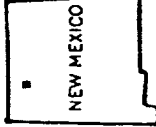


SCHMITZ RANCH, N. MEX.

N3622.5-W10707.5/7.5

1963

AMS 4556 I NW-SERIES V881



R 3W

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well gas well other

2. NAME OF OPERATOR
JOHN E. SCHALK

3. ADDRESS OF OPERATOR
P. O. BOX 25825 / ALBUQ., NM 87125

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 1120' FSL, 1520' FEL
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

5. LEASE
SF 080565-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
SCHALK/GULF

9. WELL NO.
#3

10. FIELD OR WILDCAT NAME
Blanco Mesaverde

11. SEC., T., R., M.; OR BLK. AND SURVEY OR AREA
Sec.6, T-25N, R-3W

12. COUNTY OR PARISH
Rio Arriba

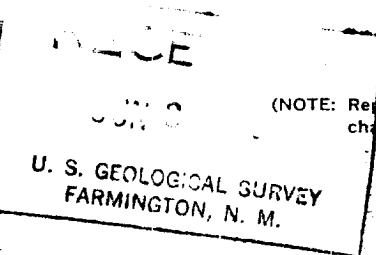
13. STATE
New Mexico

14. API NO.

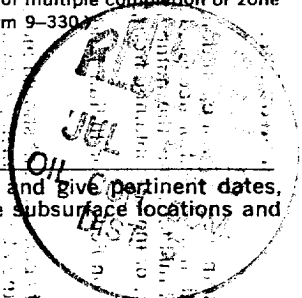
15. ELEVATIONS (SHOW DF, KDB, AND WD)
7361' GR

REQUEST FOR APPROVAL TO: SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF	<input type="checkbox"/>	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>	<input type="checkbox"/>
MULTIPLE COMPLETE	<input type="checkbox"/>	<input type="checkbox"/>
CHANGE ZONES	<input type="checkbox"/>	<input type="checkbox"/>
ABANDON*	<input type="checkbox"/>	<input type="checkbox"/>
(other) DRILLING	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



(NOTE: Report results of multiple completion or zone change on Form 9-330)



17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

- 6/20/80 Spud and Drill 12-1/4" surface hole to 318'
- 6/20/80 Set 7 joints 8-5/8", 32#, K-55 casing @ 311' KBM. Cementing with 315 sacks Class 'B' with 2% C.C. Plug down @ 10:30 pm
- 6/24/80 Drilling 7-7/8" Hole @ approximately 2420'

ACCEPTED FOR RECORD
JUL 3 1980
FARMINGTON DISTRICT

Subsurface Safety Valve: Manu. and Type _____

18. I hereby certify that the foregoing is true and correct

SIGNED: John E. Schalk TITLE OPERATOR BY: [Signature] DATE 6/24/80

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side