

STATE OF NEW MEXICO
ENERGY, MINERALS AND
NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
Post Office Box 6429
Santa Fe, New Mexico 87505-6429

FORM C-140
October, 1995

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 52 #3 API # 30-039-20799
Location of Well:
Unit Letter E, 2418 Feet from the Northline and 858 feet from the West line,
Section 24, Township 29N, Range 5W, NMPM, Rio Arriba County
- III. Date Workover Procedures Commenced: 01/09/97
Date Workover Procedures were Completed: 01/10/97
- 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: Gobernador Pictured Cliffs

VII. AFFIDAVIT:

State of New Mexico)
County of Bernalillo) ss.

Steve Schalk, 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)

RECEIVED
APR 25 1997

OIL CON. DIV.
DIST. 3

SUBSCRIBED AND SWORN TO before me this 23rd day of April, 1997

Karen Johnston
Notary Public

My Commission expires: August 26, 2000

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 1/10, 1997

[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 52 #3

On Thursday, January 9, 1997 a plunger lift system was installed on the Schalk 52 #3 to remove produced water from the wellbore more efficiently and allow for increased production.

B & R Wireline Service was used to first broach and gauge the tubing and to then set a bottom hole spring assembly. A plunger was dropped from the surface and a full control panel was installed along with a piston catcher. Third party services were released once it was determined that the plunger would surface.

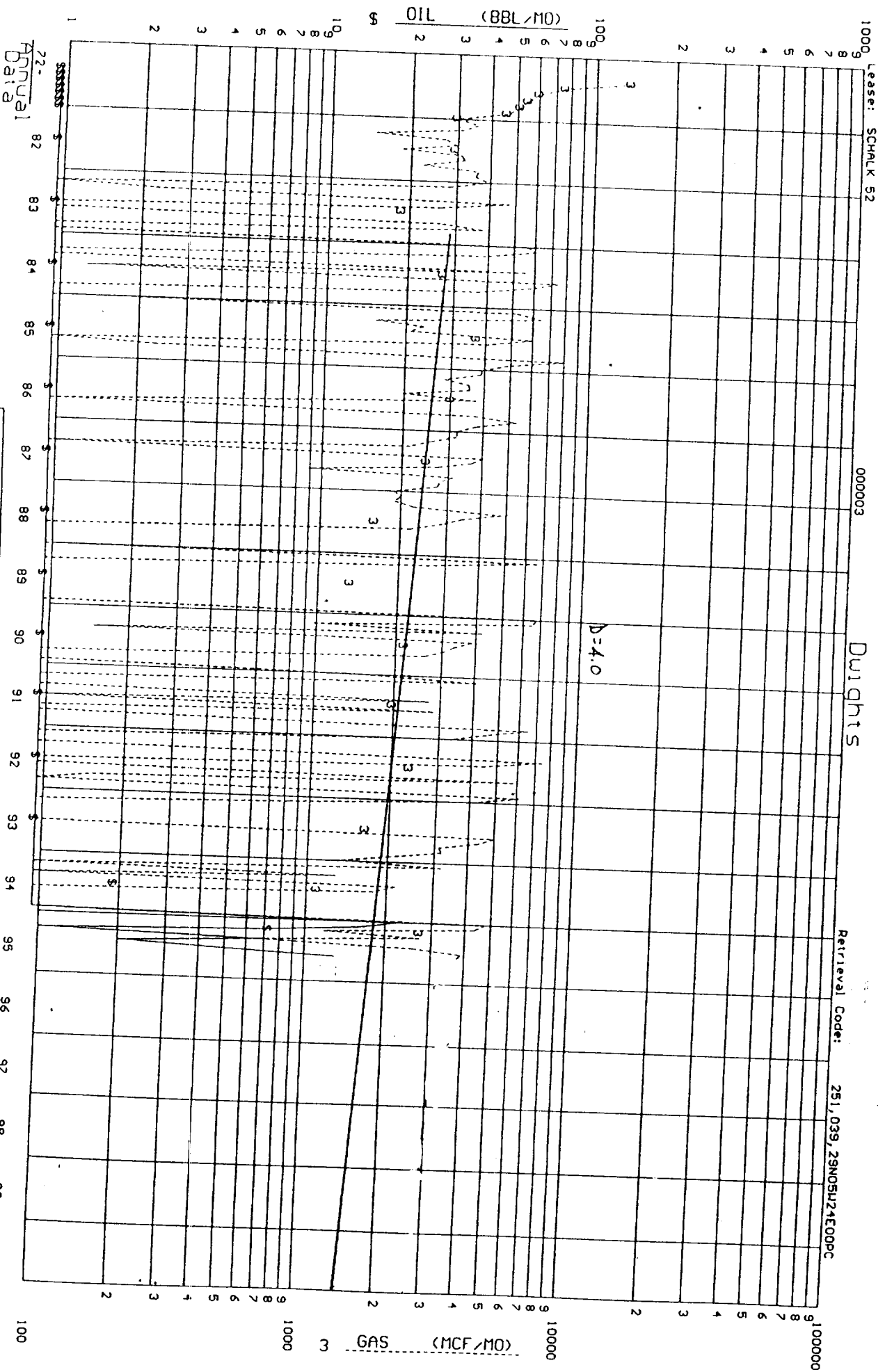
Schalk 52 #3

Projected Production without work-over
(Work-over completed January 1997)

<u>1997</u>		<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>		<u>2003</u>	
February	1575	January	1518	January	1459	January	1401	January	1346	January	1293	January	1243
March	1570	February	1513	February	1454	February	1397	February	1342	February	1289	February	1238
April	1565	March	1508	March	1449	March	1392	March	1337	March	1285	March	1234
May	1559	April	1503	April	1444	April	1387	April	1333	April	1281	April	1230
June	1554	May	1498	May	1439	May	1383	May	1328	May	1276	May	1226
July	1549	June	1493	June	1434	June	1378	June	1324	June	1272	June	1222
August	1544	July	1488	July	1430	July	1374	July	1320	July	1268	July	1218
September	1539	August	1483	August	1425	August	1369	August	1315	August	1264	August	1214
October	1533	September	1478	September	1420	September	1364	September	1311	September	1259	September	1210
November	1528	October	1473	October	1415	October	1360	October	1306	October	1255	October	1206
December	1523	November	1468	November	1411	November	1355	November	1302	November	1251	November	1202
		December	1463	December	1406	December	1351	December	1298	December	1247	December	1198

<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>2010</u>	
January	1194	January	1147	January	1102	January	1059	January	1017	January	977	January	939
February	1190	February	1143	February	1098	February	1055	February	1014	February	974	February	936
March	1186	March	1139	March	1095	March	1052	March	1010	March	971	March	932
April	1182	April	1136	April	1091	April	1048	April	1007	April	967	April	929
May	1178	May	1132	May	1087	May	1045	May	1004	May	964	May	926
June	1174	June	1128	June	1084	June	1041	June	1000	June	961	June	923
July	1170	July	1124	July	1080	July	1038	July	997	July	958	July	920
August	1166	August	1120	August	1076	August	1034	August	994	August	955	August	917
September	1162	September	1117	September	1073	September	1031	September	990	September	951	September	914
October	1158	October	1113	October	1069	October	1027	October	987	October	948	October	911
November	1155	November	1109	November	1066	November	1024	November	984	November	945	November	908
December	1151	December	1106	December	1062	December	1020	December	980	December	942	December	905

<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>	
January	902	January	866	January	832	January	800	January	768	January	738	January	709
February	899	February	864	February	830	February	797	February	766	February	736	February	707
March	896	March	861	March	827	March	794	March	763	March	733	March	704
April	893	April	858	April	824	April	792	April	761	April	731	April	702
May	890	May	855	May	821	May	789	May	758	May	728	May	700
June	887	June	852	June	819	June	786	June	756	June	726	June	697
July	884	July	849	July	816	July	784	July	753	July	724	July	695
August	881	August	846	August	813	August	781	August	751	August	721	August	693
September	878	September	844	September	810	September	779	September	748	September	719	September	690
October	875	October	841	October	808	October	776	October	746	October	716	October	688
November	872	November	838	November	805	November	773	November	743	November	714	November	686
December	869	December	835	December	802	December	771	December	741	December	712	December	684



Dwights

Retrieval Code: 251,039,29N05U24E00PC

County: RIO ARriba
 Field: GOVERNADOR (PICTURED CLIFFS) PC
 Reservoir: PICTURED CLIFFS
 Operator: SCHALK DEV CO
 Oil Cum: 74 Gas Cum: 908662
 Location: 24E 29N 5W

HISTORICAL

F.P. Date 01-75