

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.

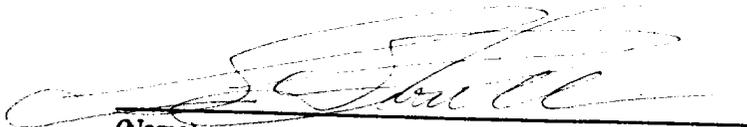
Steve Schalk

RECEIVED  
APR 25 1997

OIL CON. DIV.  
DIST. 3

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)

SUBSCRIBED AND SWORN TO before me this 23<sup>rd</sup> day of April, 1997

Karan Johnston  
Notary Public

My Commission expires: August 26, 2000

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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 guage 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

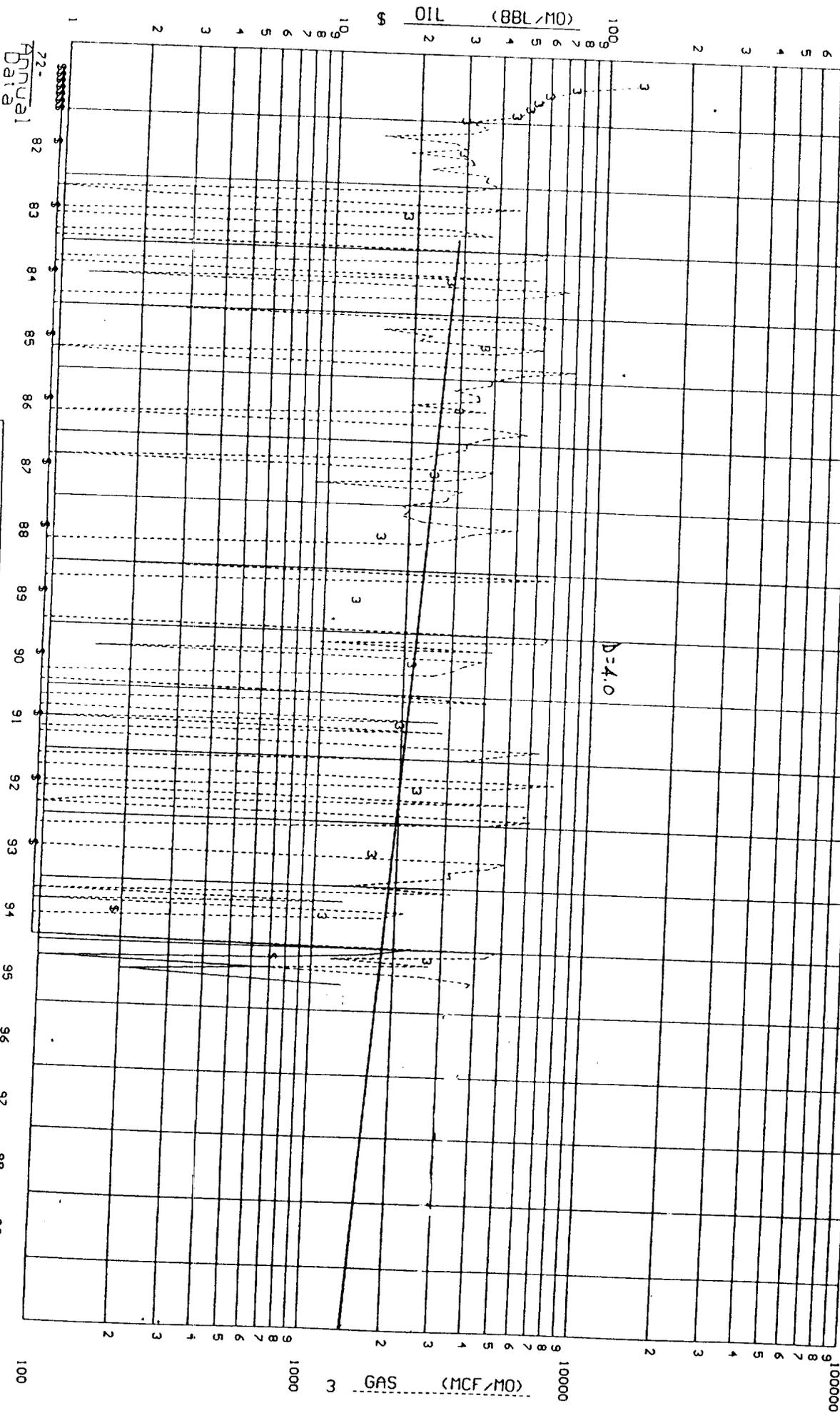
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
January 902	January 866	January 832	January 800	January 768	January 738	January 709
February 899	February 864	February 830	February 797	February 766	February 736	February 707
March 896	March 861	March 827	March 794	March 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

1000 Leaser: SCHALK 52

000003

Dwights

Retrieval Code: 251, 039, 29N05U24E00PC



22- Annual Data

F.P. Date 01-75

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

HISTORICAL