23.

SUBMIT IN TRIPLICATE*

Form approved.

1425.

| UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY | Other instructions on reverse side) 3 (-639-225/ 5. LEASE DESIGNATION AND SERIAL NM 4454 |
|---|--|
| APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR | PLUG BACK 6. IF INDIAN, ALLOTTEE OR TRIBE NA |
| b. TYPE OF WELL | 7. UNIT AGREEMENT NAME 8. FARM OR LEASE NAME |
| 2. NAME OF OPERATOR Schalk Development Company | S. WELL NO. |
| P. O. Box 25825, Albuquerque, N. M. 87.12 4. LOCATION OF WELL (Report location clearly and in accordance with any State requires | 10. FIELD AND POOL, OR WILDCAT |
| At surface 1625' FNL; 790' FEL; Sec. 2, T-30 At proposed prod. zone Rio Arriba County, New Mexico |)N, R-5W; 11. SEC., T., B., M., OR BLK. AND SURVEY OR AREA |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE. 50 miles East of Bloomfield, New Mexic | 12. COUNTY OR PARISH 13. STATE RIO Arriba N.M |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST | IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL |

15. DISTANCE FROM PROPOSED® LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) 790' 640 651 20. ROTARY OR CABLE TOOLS 18. DISTANCE FROM PROPOSED LOCATIONS
TO NEAREST WELL, DRILLING, COMPLETED,
OB APPLIED FOR, ON THIS LEASE, FT. 19. PROPOSED DEPTH 200' 6050' Rotary 22. APPROX. DATE WORK WILL START* 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6595' GR 10-01-80

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------------------------|
| 12-1/4" | 8-5/8" | 24# | 300' | 300 sacks |
| 8-5/8" | 4-1/2" | 10.5# | 6050' | 450 sacks |
| | | | This | action is entitied to desirentiative |

| ٠. | | | | | |
|----|--------|--------|---------|------|--|
| | TA 154 | | T. CALL | TOPS | |
| | HTIDM | T /1 + | 3 () N | 1110 | |
| | T OIG | ın. | TON | 1010 | |
| | | | | | |

| Ojo Alamo | 2745' |
|-----------------|---------------|
| Kirtland | 2868' |
| Pictured Cliffs | 3395' |
| Lewis | 3452' |
| Cliff House | 5570 ' |
| Menefee | 5615' |
| Point Lookout | 5812' |
| Mancos | 5900' |
| | |

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

3395' 5570'

> Double-Gate series.

Blow-out Prevento

No anticipated abnormal pressure is expected.

Tested when surface

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 pre 24.

| signed Title | Managing Pa | ertner |
|--|---------------------|---|
| This space for Federal or State office use) PERMIT NO. TITLE | APPROVAL DATE | APPROVED AS AMENDED |
| CONDITIONS OF APPROVAL, IF ANY: | ons On Reverse Side | OCT 02 1980 JAMES F. SIMS DISTRICT ENGINEER |

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT All distances must be from the outer boundaries of the Section. Well No. SCHALK DEVELOPMENT CO. SCHALK 2 A Township Hanas County 30 NORTH 5 WEST RIO ARRIBA Actual Factore Location of Well: NORTH 790 EAST 1625 feet from the line and Ground Level Elev. Producing Formation Mesa Verde Blanco Mesa Verde 1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 consolideted by communitization, unitization, force-pooling. etc? Il answer is "yes," type of consolidation Il 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 Commis-CERTIFICATION I hereby certify that the information com-John E. Schalk Pceltion Managing Partner Schalk Development Co. 9-5-80 August 25,

1500

1463

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

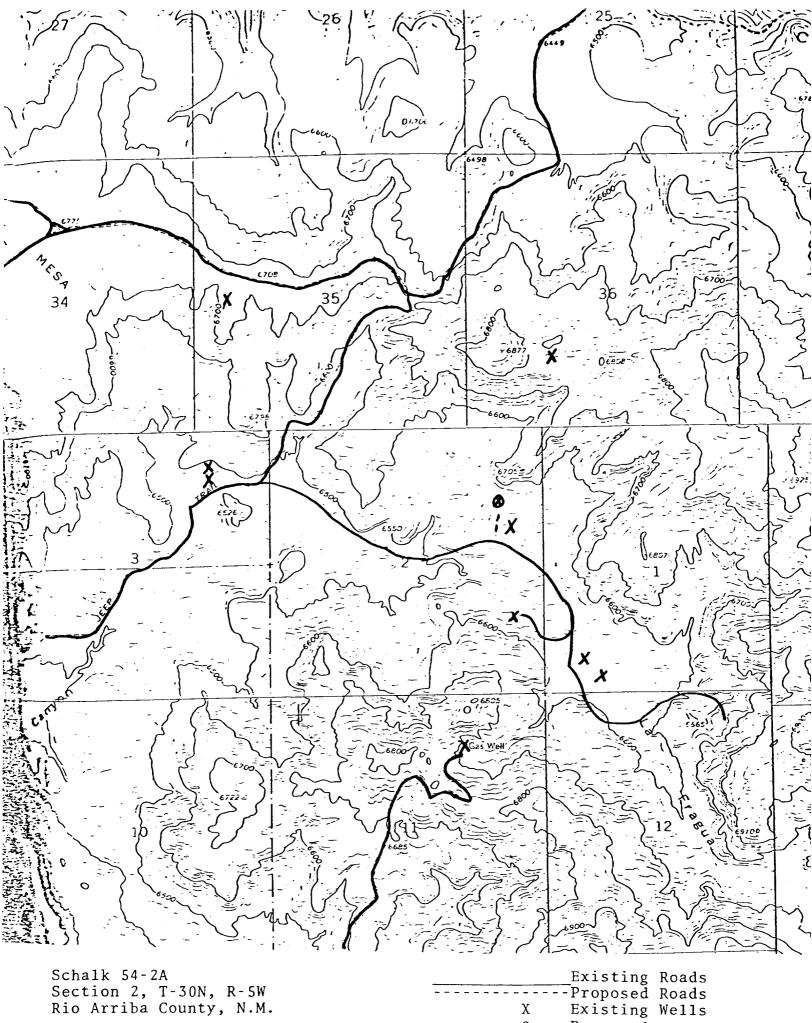
- 1) Existing Roads: Jeep road departs from Highway 64 and goes in a Northeasternly direction through Section 3. Road turns East, Southeast after crossing Section line into Section 2. Road passes by proposed location.
- 2) Planned access Roads: None.
- 3) Location of existing wells: See attached Map.
- 4) Location and type of water supply: Water will be taken from Navajo Lake 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) Ancilary 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 in encountered, it will be stockpiled for restoration of surface. Restoration will be to the satisfaction of the U.S.G.S.
- 10) This location slopes at an increase of 7' per 400' to the North. There will be approximately a 5' to 8' cut on the North side of the proposed location. Vegetation is described in attached archaeological report. The surrounding area is comparable and any disturbances of 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 subcontractors in conformity with this plan and the terms and conditions under which it is approved.

9-5-80 Date

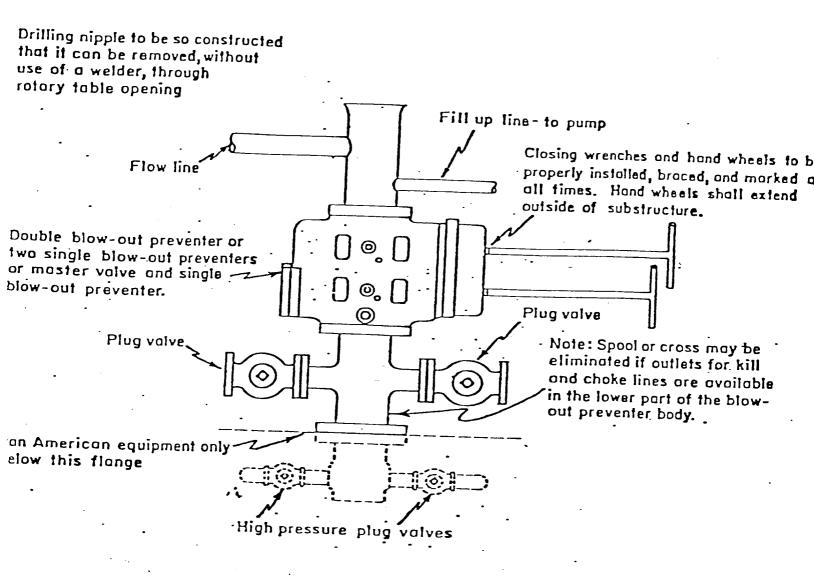
ohn E. Schalk

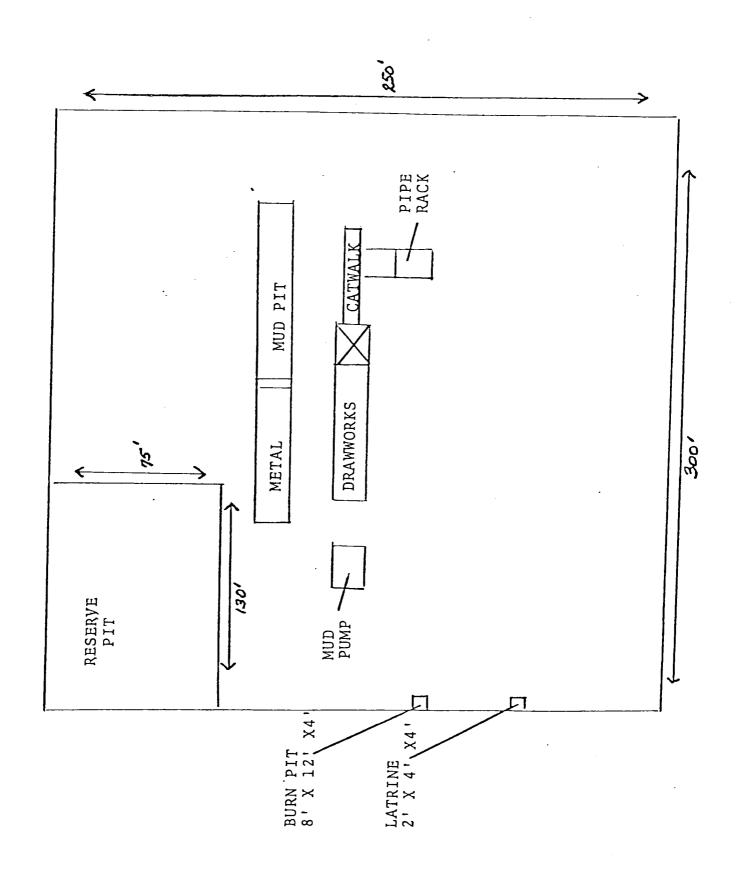


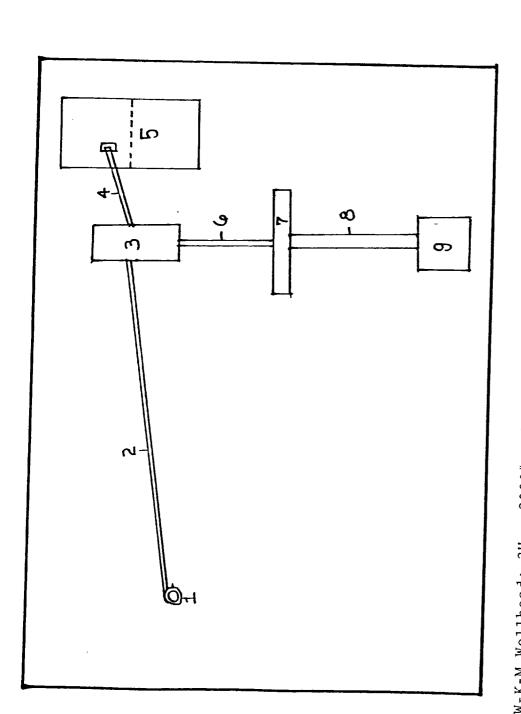
Proposed Location Ø

ARAPAHOE DRILLING CO.

BLOW-OUT PREVENTER HOOK-UP







W-K-M Wellhead; 2" - 2000# valves throughout. Fifty foot long, 2" underground line from the wellhead to the separator; rated to 4000#. P & A, Inc. separator. Rated to handle 2000 MCF/day. 2" above ground line to water pit. Water pit; 10' x 10' x 4'. 2" underground line from separator to dehydrator. Northwest Pipeline's dehydrator.

40 foot long, 4" meter run from dehydrator to meter house. Northwest Pipeline's meter house. 087656