

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK **DRILL** ☒ **DEEPEN** ☐

1b. TYPE OF WELL
OIL WELL ☐ ☒ OTHER SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR **Schalk Development Company**

3. ADDRESS OF OPERATOR **c/o Walsh Engineering, 7415 E. Main St. Farmington, NM 87402**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At Surface **660' FNL and 2630' FWL**
At proposed Prod. Zone

5. LEASE DESIGNATION AND SERIAL NO **NM-4455**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME **10044**

8. FARM OR LEASE NAME, WELL NO **Schalk 55 #2A**

9. API WELL NO **30-039-2673**

10. FIELD AND POOL OR WILDCAT **Blanco Mesa Verde**

11. SEC., T., R., M., OR BLK AND SURVEY OR AREA **C Sec. 3, T30N, R5W**

12. COUNTY OR PARISH **Rio Arriba** 13. STATE **NM**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* **32 miles northeast of Blanco, NM**

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any) **660**

16. NO. OF ACRES IN LEASE **397.60**

17. NO. OF ACRES ASSIGNED TO THIS WELL **N/2 317.6**

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. **1800**

19. PROPOSED DEPTH **5950'**

20. ROTARY OR CABLE TOOLS **Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **6545' GR**

22. APPROX. DATE WORK WILL START* **August 1, 2001**

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36# J-55	200'	130 cu ft. Cl "B" w/ 3% CaCl ₂
8-3/4"	7"	20# J-55	3775'	783 cu.ft. lead & 312 cu.ft. tail
6-1/4"	4-1/2"	10.5# J-55	3675' - 5950'	203 cu.ft. lead & 203 cu.ft. tail

Schalk Development Company proposes to drill a vertical well to develop the Blanco Mesa Verde formation at the above described location in accordance with the attached drilling and surface use plans.

This location has been archaeologically surveyed by La Plata Archeological Service. Copies of their report are have been submitted directly to your office. LAC Report 2001-10c, CNF Report # 2001-02-10

The wellpad, access road, and pipeline will be located on Carson National Forest land. An on-site inspection was held with the Forset Service on 4/20/01.

production review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

COPIES OF PROPOSAL AND ATTACHED
"CUMULATIVE REGIONAL IMPACT"

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 Paul C. Thompson TITLE Paul Thompson, Agent DATE 4/24/01

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 12/5/01

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] TITLE APM DATE 12/5/01

***See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOOD

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

2001 APR 26 PM 3:43

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30039-26739		*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 10037	*Property Name SCHALK 55		*Well Number 2A
*GRID No. 020389	*Operator Name SCHALK DEVELOPMENT COMPANY		*Elevation 6545'

10 Surface Location

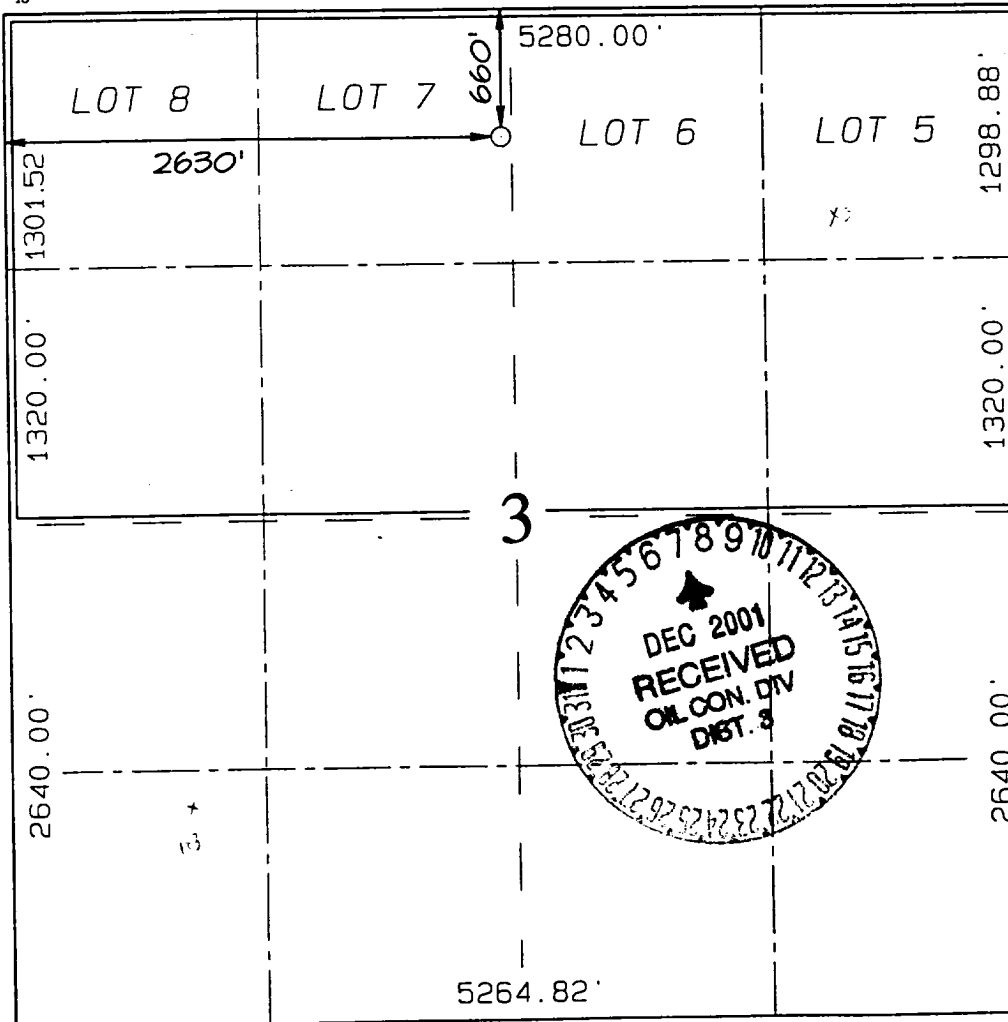
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	3	30N	5W		660	NORTH	2630	WEST	RIO ARriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres N/2 317.6		13 Joint or Infill I		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16



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

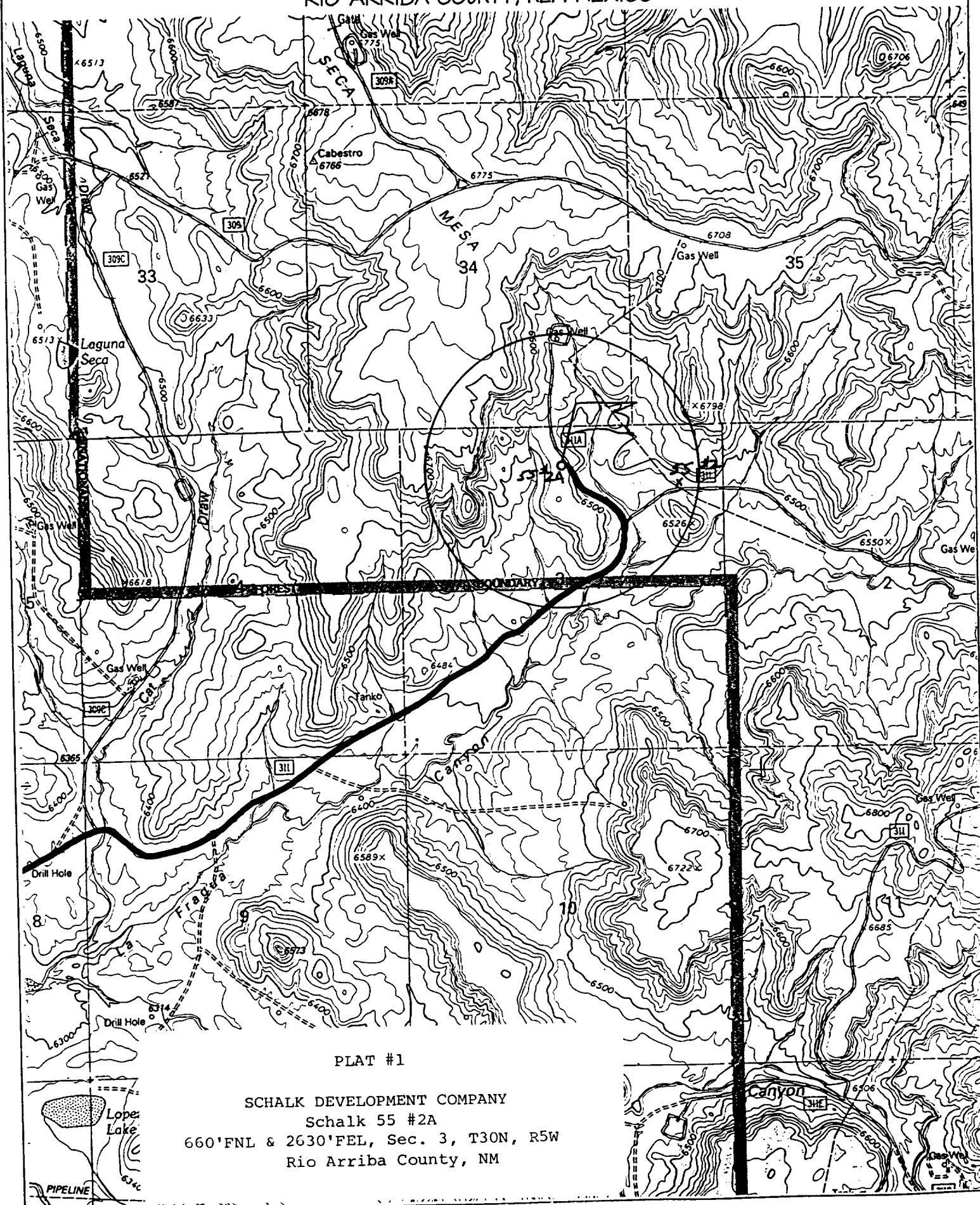
Paul C. Thompson
Signature
Paul C. Thompson
Printed Name
Agent
Title
4/23/01
Date

18 SURVEYOR CERTIFICATION
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 belief.

MARCH 27, 2001
Date of Survey
Neale C. Edwards
Signature and Seal of Professional Surveyor
NEALE C. EDWARDS
NEW MEXICO
6857
Certificate No. 6857

SCHALK DEVELOPMENT COMPANY SCHALK 55 #2A

660' FNL & 2630' FNL, SECTION 3, T30N, R5W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO



C. Minimum Blowout Control Specifications:

Double ram type 2000 psi working pressure BOP with a rotating head. See the attached exhibits (#1 and #2) for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1500 psi.

The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
12-1/4"	200'	9-5/8"	36# J-55
8-3/4"	3775'	7"	20# J-55
6-1/4"	5950'	4-1/2"	10.5# J-55

B. Float Equipment:

- a) Surface Casing: Notched collar and 3 centralizers on the bottom 3 collars.
- b) Intermediate Casing: Cement-nosed guide shoe and insert float collar on top of the bottom joint. Place 5 centralizer on every other collar starting at the float, and turbolizers on every third collar starting at 2900' to the surface.
- c) Production Casing: 4-1/2" whirler type cement-nosed guide shoe and a latch collar on top of the shoe joint.

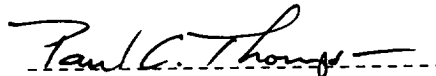
V. Cementing:

Surface casing: 9-5/8" - Use 110 sx (130 cu. ft.) of Cl "B" with 3% CaCl₂, and ¼ #/sk. celloflake. (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours.
Pressure test surface casing to 1500 psi for 30 min.

Intermediate casing: 7" - Lead with 380 sx (783 cu. ft.) of Cl "B" 65/35 poz with 10% gel, 2% CaCl₂, and ¼ #/sk. celloflake. Yield = 2.06 cu. ft./sk; slurry weight = 12.3 PPG). Tail with 215 sx (312 cu. ft.) of Cl "B" 50/50 poz with 4% gel, 0.4% fluid loss, 2% CaCl₂, and ¼ #/sk. celloflake. (Yield = 1.45 cu. ft./sk; slurry weight = 13.2 PPG). Total volume = 1095 cu.ft. Use 100% excess in lead and 75% excess in tail to circulate cement to surface. WOC 12 hours. Pressure test casing to 1500 psi for 30 min.

Production Casing: 4-1/2" - Before cementing circulate hole clean with air. Precede cement with 20 bbls of gel water and 10 bbls of water.

1st Stage: Lead with 140 sx (203 cu.ft) of Cl "B" 50/50 poz with 4% gel 0.4% fluid loss, and 2% CaCl₂. (Yield = 1.45 cu. ft./sk; slurry weight = 13.2 PPG); Tail with 140 sx (203 cu.ft.) of Cl "B" 50/50 poz with 4% gel, 0.4% fluid loss, 2% CaCl₂, 4% phenoseal, and ¼ #/sx celloflake (Yield = 1.45 cu. ft./sk; slurry weight = 13.2 PPG). Total cement volume is 406 cu.ft. 70% excess to circulate the liner top. Run temperature survey after 8 hours if cement is not circulated. *100' min overlap*


Paul C. Thompson, P.E.