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| TRANSPORTER            | OIL |
|                        | GAS |
| OPERATOR               |     |
| PRORATION OFFICE       |     |

NEW MEXICO OIL CONSERVATION COMMISSION  
REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104  
Supersedes Old C-104 and C-110  
Effective 1-1-65

|  |  |
|--|--|
| Operator<br><b>SCHALK DEVELOPMENT COMPANY</b>  |  |
| Address<br><b>P. O. BOX 25825 / ALBUQUERQUE, NEW MEXICO 87125</b>  |  |
| Reason(s) for filing (Check proper box)<br>New Well <input type="checkbox"/> Change in Transporter of:<br>Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/><br>Change in Ownership <input checked="" type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |  |

If change of ownership give name and address of previous owner **ARAPAHOE DRILLING CO. /P.O. BOX 26687/ ALBUQUERQUE, NM 87125**

|   |                      |   |   |                             |
|---|----------------------|---|---|-----------------------------|
| Lease Name<br><b>SCHALK 63</b>  | Well No.<br><b>1</b> | Pool Name, including Formation<br><b>Basin Dakota</b> | Kind of Lease<br>State, Federal or Fee <b>Federal</b> | Lease No.<br><b>NM 4463</b> |
| Location<br>Unit Letter <b>M</b> ; <b>1055</b> Feet From The <b>South</b> Line and <b>1190</b> Feet From The <b>WEST</b><br>Line of Section <b>34</b> Township <b>32 North</b> Range <b>5 WEST</b> , NMPM, <b>Rio Arriba</b> County |                      |   |   |                             |

|  |      |  |      |      |                            |      |
|--|------|--|------|------|----------------------------|------|
| Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>                    |      | Address (Give address to which approved copy of this form is to be sent) |      |      |                            |      |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/> |      | Address (Give address to which approved copy of this form is to be sent) |      |      |                            |      |
| <b>NORTHWEST PIPELINE CORPORATION</b>  |      | <b>P.O. BOX 1526/SALT LAKE CITY, UTAH 84110</b>                          |      |      |                            |      |
| If well produces oil or liquids, give location of tanks.   | Unit | Sec.   | Twp. | Rge. | Is gas actually connected? | When |
|  |      |  |      |      | <b>NO</b>                  |      |

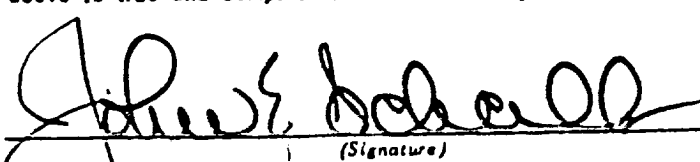
If this production is commingled with that from any other lease or pool, give commingling order number:

|   |  |                                |           |                                  |          |              |           |             |              |
|---|--|--------------------------------|-----------|----------------------------------|----------|--------------|-----------|-------------|--------------|
| Designate Type of Completion - (X)  |  | Oil Well                       | Gas Well  | New Well                         | Workover | Deepen       | Plug Back | Same Res'v. | Diff. Res'v. |
|   |  |                                | <b>XX</b> |                                  |          |              |           |             |              |
| Date Spudded<br><b>3/13/73</b>  | Date Compl. Ready to Prod.<br><b>6/38/73</b> | Total Depth<br><b>8046'</b>    |           | P.B.T.D.                         |          |              |           |             |              |
| Elevations (DF, RKB, RT, GR, etc.)<br><b>6240KB</b>                         | Name of Producing Formation<br><b>Dakota</b> | Top Oil/Gas Pay<br><b>7772</b> |           | Tubing Depth                     |          |              |           |             |              |
| Perforations<br><b>7770-82, 7826-32, 7860-70, 7810-14, 7840-54, 7886-94</b> |  |                                |           | Depth Casing Shoe<br><b>8046</b> |          |              |           |             |              |
| TUBING, CASING, AND CEMENTING RECORD  |  |                                |           |                                  |          |              |           |             |              |
| HOLE SIZE   |  | CASING & TUBING SIZE           |           | DEPTH SET                        |          | SACKS CEMENT |           |             |              |
| <b>17-1/4</b>   |  | <b>13-3/8</b>                  |           | <b>313</b>                       |          | <b>330</b>   |           |             |              |
| <b>7-7/8</b>  |  | <b>4-1/2</b>                   |           | <b>8046</b>                      |          | <b>600</b>   |           |             |              |
|   |  | <b>2-3/8</b>                   |           | <b>7950</b>                      |          |              |           |             |              |

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

|                                 |                 |   |            |
|---------------------------------|-----------------|---|------------|
| Date First New Oil Run To Tanks | Date of Test    | Producing Method (Flow, pump, gas lift, etc.) |            |
| Length of Test                  | Tubing Pressure | Casing Pressure                               | Choke Size |
| Actual Prod. During Test        | Oil-Bbls.       | Water-Bbls.                                   | Gas-MCF    |

|                                  |                           |                           |                       |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| GAS WELL                         |                           |                           |                       |
| Actual Prod. Test-MCF/D          | Length of Test            | Bbls. Condensate/MMCF     | Gravity of Condensate |
| Testing Method (pitot, back pr.) | Tubing Pressure (shut-in) | Casing Pressure (shut-in) | Choke Size            |

|  |  |   |  |
|--|--|---|--|
| VI. CERTIFICATE OF COMPLIANCE<br>I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.<br><br><b>JOHN E. SCHALK</b><br>(Title)<br><b>June 5, 1981</b><br>(Date) |  | OIL CONSERVATION COMMISSION<br><b>JUN 12 1981</b><br>APPROVED _____<br>BY <b>Original Signed by FRANK T. CHAVEZ</b><br>TITLE _____<br>SUPERVISOR DISTRICT # _____<br>This form is to be filed in compliance with RULE 1104.<br>If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.<br>All sections of this form must be filled out completely for allowable on new and recompleted wells.<br>Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.<br>Separate Forms C-104 must be filed for each pool in multiply |  |
|--|--|---|--|