Form approved. Budget Barcau No. 1004-0135 Ferm 3160-5 UNITED STATES SUBMIT IN TRIPLICATE. Expires August 31, 1985 (November 1983) (Other instructions on re-DEPARTMENT OF THE INTERIOR Verse side) 5. LEASE DESIGNATION AND SERIAL NO (Formerly 9-331) BUREAU OF LAND MANAGEMENT NM-6894 6. IF INDIAN, ALLOTTEE OR TRIBE NAME SUNDRY NOTICES AND REPORTS ON WELLS (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.

Use "APPLICATION FOR PERMIT—" for such proposals.) 7. UNIT AGREEMENT NAME WELL GAS WELL X OTHER 8. FARM OR LEASE NAME NAME OF OPERATOR Schalk 94 SCHALK DEVELOPMENT CO. 9. WELL NO. 3. ADDRESS OF OPERATOR 3 P. O. Box 25825 Albuquerque, NM LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) 10. FIELD AND POOL: OR WILDCAT → Pictured Cliffs 11. SEC., T., R., M., OR BLK. AND SURVEY OR ARMA 1,188' FSL & 1,107' FWL Sec. 26, T-32N, R-8W12. COUNTY OR PARISH; 13. STATE 14. PERMIT NO 15. ELEVATIONS (Show whether DF, RT, GR. etc.) 6,893' KB San Juan Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data 16 SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: REPAIRING WELL TEST WATER SHUT-OFF PULL OR ALTER CASING WATER SHUT-OFF PRACTURE TREATMENT ALTERING CASING MULTIPLE COMPLETE FRACTURE TREAT SHOOTING OR ACIDIZING ABANDON MENT SHOOT OR ACIDIZE ABANDON* CHANGE PLANS REPAIR WELL (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) Recompletion X (Other) 17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) * We propose to recomplete this well in the bottom section of the Pictured Cliffs formation. We would move a rig to the well and clean out to TD of 3,900'. A Blue Jet GSL log (cased hole) would then be run from TD to 3,000'. The lower Pictured Cliffs zone would be perforated with exact perforations to be picked from GSL log. We would then frac the well below a packer using balls to seal off the upper perforations. would then be swabbed back and tested. The current perforations in this well are at 3,715' to 3,780'. proposed perforations would be below 3,814'. We would like to perform this recompletion after June 1, 1993pto give the roadways and location ample time to dry our. 5 1993 OIL CON. DIV. DIST. 3 true and correct 18. I hereby certify that the DATE 2-25-93 General Manager TITLE SILNE (This space for Federal or State office use) DATE APPROVED BY CONDITIONS OF APPROVAL, IF ANY: *See Instructions on Reverse Side NMOCD

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.