

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Schalk Development Co.

3. ADDRESS OF OPERATOR

P. O. Box 25825, Albuquerque, N. M. 87125

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

NE/4 NE/4 Sec. 26

At proposed prod. zone

790' FNL; 790' FEL; Sec. 26

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 20 miles from Ignacio, Colorado

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

790'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

250'

19. PROPOSED DEPTH

4050'

20. ROTARY OR CABLE TOOLS

Rotary

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

6780' GR

22. APPROX. DATE WORK WILL START*

August 20, 1981

23.

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: circ. to surface
7-7/8"	4-1/2"	10.5#	4050'	500 sacks

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED

"GENERAL REQUIREMENTS"

Ample amount of cement will be used to cover the Ojo Alamo formation.

This action is subject to administrative
appeal pursuant to 30 CFR 290.

Propose to drill this development well in order to gain optimum gas recovery from the Pictured Cliffs formation. Samples will be taken at 10' intervals from 3600' to TD. No cores or DST's are planned. Logs will be run from surface casing to TD. Prospective zones will be perforated and fractured. Blowout preventer equipment will be as indicated on the attached exhibit, and will be tested at regular intervals. Necessary steps will be taken to protect the environment.

** ADDITIONAL Information on Reverse-----

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 [Signature]

TITLE Managing Partner

DATE July 31, 1981

(This space for Federal or State office use)

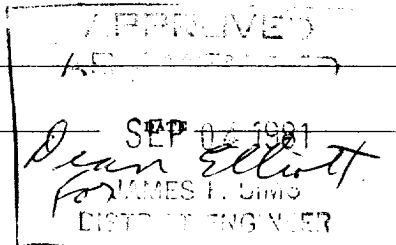
PERMIT NO. _____

APPROVAL DATE _____

APPROVED BY _____

TITLE _____

CONDITIONS OF APPROVAL, IF ANY:



Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

★ U.S. GOVERNMENT PRINTING OFFICE : 1963-O-711-396

** #23 Additional Information

ESTIMATED FORMATION TOPS

Ojo Alamo	- 2873'
Kirtland	- 2946'
Farmington	- 3012'
Fruitland	- 3585'
Pictured Cliffs	- 3659'
TD	- <u>4050'</u>

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

3585'; 3659'.

No anticipated abnormal pressure is expected.

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

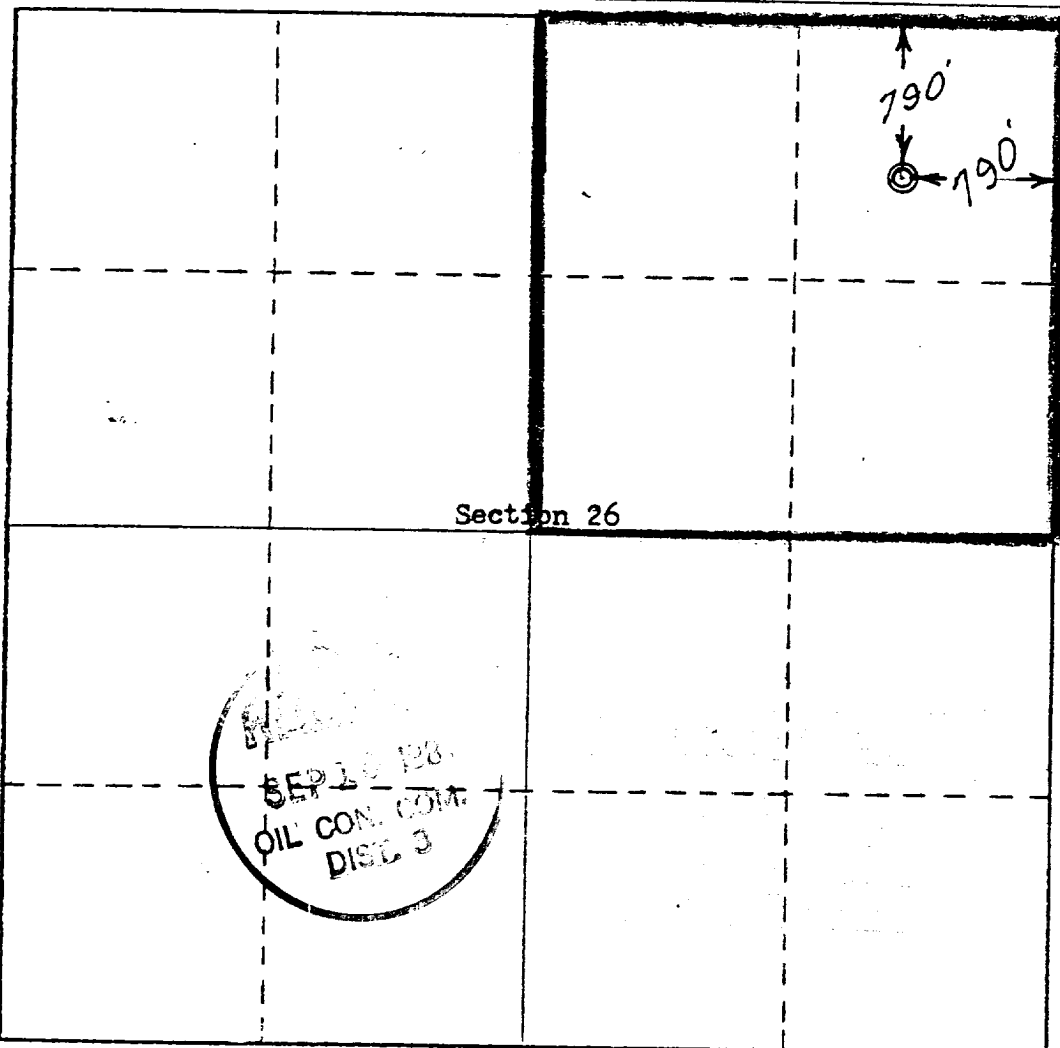
Operator Schalk Development Co.			Lease Schalk 94		Well No. 5
Unit Letter A	Section 26	Township 32 North	Range 8 West	County San Juan	
Actual Footage Location of Well: 790 feet from the North line and 790 feet from the East line					
Ground Level Elev. 6780	Producing Formation Pictured Cliffs		Pool Gobernador Pic. Cliffs		Dedicated Acreage: 160 Acres

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 consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If 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 Commission.



CERTIFICATION

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

Name
John E. Schalk
Position
Managing Partner
Company
Schalk Development Co.
Date
July 31, 1981

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 knowledge.

Date
July 10, 1981
Registered Professional Engineer and
E. L. POTEET
STATE OF NEW MEXICO

Certificate No.
3084

