

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-104  
Revised June 10, 2003

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☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

|                                                                                                              |                                             |                                                                    |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------|
| <sup>1</sup> Operator name and Address<br>SCHALK DEVELOPMENT CO.<br>P. O. BOX 25825<br>ALBUQUERQUE, NM 87125 |                                             | <sup>2</sup> OGRID Number<br>20389                                 |
|                                                                                                              |                                             | <sup>3</sup> Reason for Filing Code/ Effective Date<br>NW 10/01/05 |
| <sup>4</sup> API Number<br>30 - 039-26739                                                                    | <sup>5</sup> Pool Name<br>BLANCO MESA VERDE | <sup>6</sup> Pool Code<br>72319                                    |
| <sup>7</sup> Property Code                                                                                   | <sup>8</sup> Property Name<br>SCHALK 55     | <sup>9</sup> Well Number<br>#2A                                    |

II. <sup>10</sup> Surface Location

|                    |              |                 |             |         |                      |                           |                        |                        |                      |
|--------------------|--------------|-----------------|-------------|---------|----------------------|---------------------------|------------------------|------------------------|----------------------|
| UL or lot no.<br>C | Section<br>3 | Township<br>30N | Range<br>5W | Lot Idn | Feet from the<br>660 | North/South Line<br>NORTH | Feet from the<br>2,630 | East/West line<br>WEST | County<br>RIO ARRIBA |
|--------------------|--------------|-----------------|-------------|---------|----------------------|---------------------------|------------------------|------------------------|----------------------|

<sup>11</sup> Bottom Hole Location

|                    |              |                 |             |         |                      |                           |                        |                        |                      |
|--------------------|--------------|-----------------|-------------|---------|----------------------|---------------------------|------------------------|------------------------|----------------------|
| UL or lot no.<br>C | Section<br>3 | Township<br>30N | Range<br>5W | Lot Idn | Feet from the<br>660 | North/South line<br>NORTH | Feet from the<br>2,630 | East/West line<br>WEST | County<br>RIO ARRIBA |
|--------------------|--------------|-----------------|-------------|---------|----------------------|---------------------------|------------------------|------------------------|----------------------|

|                        |                                     |                                   |                                   |                                    |                                     |
|------------------------|-------------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| <sup>12</sup> Lse Code | <sup>13</sup> Producing Method Code | <sup>14</sup> Gas Connection Date | <sup>15</sup> C-129 Permit Number | <sup>16</sup> C-129 Effective Date | <sup>17</sup> C-129 Expiration Date |
|------------------------|-------------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|

III. Oil and Gas Transporters

|                                 |                                                           |                   |                   |                                                  |
|---------------------------------|-----------------------------------------------------------|-------------------|-------------------|--------------------------------------------------|
| <sup>18</sup> Transporter OGRID | <sup>19</sup> Transporter Name and Address                | <sup>20</sup> POD | <sup>21</sup> O/G | <sup>22</sup> POD ULSTR Location and Description |
| 25244                           | WILLIAMS SERVICE CO.<br>P. O. Box 645<br>Tulsa, OK 74102  |                   | G                 | C-3-T30N-R5W Various valves and equipment        |
| 9018                            | GIANT REFINING<br>P. O. Box 12999<br>Scottsdale, AZ 85267 |                   | O                 | C-3-T30N-R5W<br>(1) 285 BBL API tank             |
|                                 |                                                           |                   |                   |                                                  |
|                                 |                                                           |                   |                   |                                                  |
|                                 |                                                           |                   |                   |                                                  |
|                                 |                                                           |                   |                   |                                                  |

IV. Produced Water

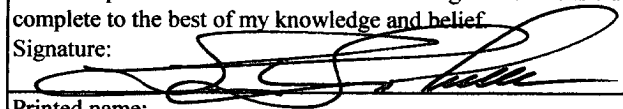
|                   |                                                                                          |
|-------------------|------------------------------------------------------------------------------------------|
| <sup>23</sup> POD | <sup>24</sup> POD ULSTR Location and Description<br>C-3-T30N-R5W 100 BBL fiberglass tank |
|-------------------|------------------------------------------------------------------------------------------|

V. Well Completion Data 9-27-05

|                                     |                                                      |                                 |                                                        |                                              |                       |
|-------------------------------------|------------------------------------------------------|---------------------------------|--------------------------------------------------------|----------------------------------------------|-----------------------|
| <sup>25</sup> Spud Date<br>04/02/05 | <sup>26</sup> Ready Date<br>10/18/05                 | <sup>27</sup> TD<br>5,944'      | <sup>28</sup> PBTD<br>5,866'                           | <sup>29</sup> Perforations<br>5,571' -5,849' | <sup>30</sup> DHC, MC |
| <sup>31</sup> Hole Size<br>12-1/4"  | <sup>32</sup> Casing & Tubing Size<br>8-5/8" J55 24# | <sup>33</sup> Depth Set<br>307' | <sup>34</sup> Sacks Cement<br>220 sacks Class B cement |                                              |                       |
| 7-7/8"                              | 4-1/2" J55 10.5#                                     | 5,944'                          | 1,725 sacks POZ & Type III cement                      |                                              |                       |
|                                     | 2.375" Tubing                                        | 5,665'                          |                                                        |                                              |                       |
|                                     |                                                      |                                 |                                                        |                                              |                       |

VI. Well Test Data

|                                  |                                 |                                     |                                      |                                    |                                                   |
|----------------------------------|---------------------------------|-------------------------------------|--------------------------------------|------------------------------------|---------------------------------------------------|
| <sup>35</sup> Date New Oil       | <sup>36</sup> Gas Delivery Date | <sup>37</sup> Test Date<br>10/13/05 | <sup>38</sup> Test Length<br>3 Hours | <sup>39</sup> Tbg. Pressure<br>175 | <sup>40</sup> Csg. Pressure<br>648                |
| <sup>41</sup> Choke Size<br>3/4" | <sup>42</sup> Oil<br>0          | <sup>43</sup> Water<br>1 BBL.       | <sup>44</sup> Gas<br>442             | <sup>45</sup> AOF<br>3,530         | <sup>46</sup> Test Method<br>Critical Flow Prover |

|                                                                                                                                                                                                                                                                                                           |                          |                                                                                                                                            |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|--|
| <sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.<br>Signature:  |                          | OIL CONSERVATION DIVISION<br>10-25-05<br>Approved by:  |  |
| Printed name:<br>Steve Schalk                                                                                                                                                                                                                                                                             |                          | Title:<br>DEPUTY OIL & GAS INSPECTOR, DIST. 4.                                                                                             |  |
| Title:<br>Manager                                                                                                                                                                                                                                                                                         |                          | Approval Date:<br>OCT 25 2005                                                                                                              |  |
| E-mail Address:<br>SPSchalk@aol.com                                                                                                                                                                                                                                                                       |                          |                                                                                                                                            |  |
| Date:<br>10/18/05                                                                                                                                                                                                                                                                                         | Phone:<br>(505) 881-6649 |                                                                                                                                            |  |