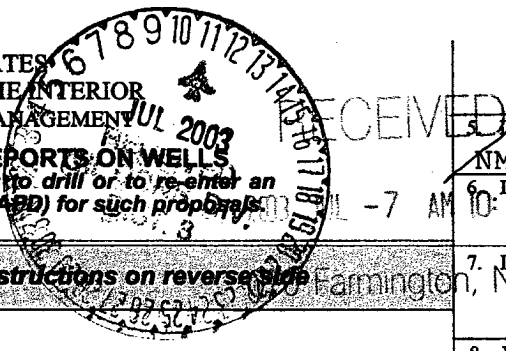


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (ADD) for such proposals.



5. Lease Serial No.

NM-4454

6. If Indian, Allottee or Tribe Name

Farmington, NM

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Schalk 54 #2A

9. API Well No.

30-039-22517

10. Field and Pool, or Exploratory Area

Blanco Mesa Verde

11. County or Parish, State

Rio Arriba County, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

SCHALK DEVELOPMENT CO.

3a. Address

3b. Phone No. (include area code)

P.O. Box 25825, Albuquerque, NM 87125

(505) 881-6649

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1625' FNL & 790' FEL Section 2, T-30N, R-5W

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1-24-88 Located holes in 4-1/2" casing. Top hole @ 1,097'; bottom hole @ 2,371'. Set service packer @ 858'; cement holes with 250 sxs Class B cement; displace with 6 bbls. fluid and shut in at 1250 psi.

1-26-88 Trip out packer and go in hole with 3.875 bit to 1,049' and drill out cement. Pressure test casing to 400 psi; held for 15 minutes.

1-27-88 Drill out cement to 1,657'; pressure test to 400 psi; held for 15 minutes.

1-28-88 Drill out cement to 1,856'. Pressure test indicated leak small leak. Drilled to 2,113'.

1-29-88 Drilled out cement to 2,371'. Pressure test bled off from 400 psi to 210 psi in 5 minutes.

1-30-88 Go in hole with retrieving head to pick up bridge plug set @ 5,410'. Trip in hole with MD R-3 double grip packer. Set packer at 2,585'. Swab well in. Release rig and return well to production.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Steve Schalk

Title General Manager

Signature

Date 6/30/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on reverse)

NMOC

JUL 08 2003

FARMINGTON FIELD OFFICE
Jm