

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL APL NO. (30-039-30018) & 30-039-30019	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name SCHALK 55	
8. Well Number 200 42B	
9. OGRID Number 20389	
10. Pool name or Wildcat BASIN FRUITLAND COAL (#200) BLANCO MESA VERDE (#2B)	

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" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator SCHALK DEVELOPMENT CO.	
3. Address of Operator P.O. BOX 25825 ALBUQUERQUE, NM 87125	
4. Well Location Unit Letter <u>F</u> ; <u>1945</u> feet from the <u>NORTH</u> line and <u>1800 (#200) & 1950 (#2B)</u> feet from the <u>WEST</u> line Section <u>3</u> Township <u>30N</u> Range <u>5W</u> NMPM County <u>RIO ARRIBA, NM</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,468' GR	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type <u>DRILLING</u> Depth to Groundwater <u>50' - 700'</u> Distance from nearest fresh water well <u>> 1,000'</u> Distance from nearest surface water <u>< 1,000'</u>	
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: DRILLING PIT APPLICATION <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SCHALK DEVELOPMENT CO. REQUESTS APPROVAL FOR A 55' x 275' DRILLING PIT FOR THE SCHALK 55 #200 AND SCHALK 55 #2B. THE TWO WELLS SHARE THE SAME WELLPAD TO LIMIT SURFACE DISTURBANCE AND WILL BE DRILLED BACK TO BACK. PIT CONSTRUCTION WILL BE PER OCD, BLM AND FOREST SERVICE GUIDELINES. CONSTRUCTION WILL BEGIN AS SOON AFTER APRIL 1, 2007 AS POSSIBLE. CLOSURE OF PIT WILL BE PER OCD GUIDELINES.

RCVD MAR26'07
OIL CONS. DIV.
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE MANAGER DATE 03/21/07

Type or print name STEVE SCHALK E-mail address: SPSchalk@aol.com Telephone No. (505) 881-6649

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE 3/27/07

Conditions of Approval (if any):

8