

APPLICATION FOR QUALIFICATION OF WELL WORKOVER PROJECT
AND CERTIFICATION OF APPROVAL

- I. Operator: JOHN E. SCHALK OGRID # 011996
Address: P. O. Box 25825, Albuquerque, NM 87125
Contact Party: Steve Schalk Phone: (505) 881-6649
- II. Name of Well: Schalk 29-4 #17 API # 30-039-21743
Location of Well:
Unit Letter I, 1485 Feet from the South line and 985 feet from the East line,
Section 25, Township 29N, Range 4W, NMPM, Rio Arriba County
- III. Date Workover Procedures Commenced: 4/01/97
Date Workover Procedures were Completed: 4/02/97
- IV. Attach a description of the Workover Procedures undertaken to increase the production from the Well.
- V. Attach an estimate of the oil and gas production rate of the Well (a production decline curve or other acceptable method, and table showing monthly oil and/or gas Production Projection) based on at least twelve (12) months of established production which shows the future rate of production based on well performance prior to performing the Workover.
- VI. Pool(s) on which Production Projection is based: Choza Mesa Pictured Cliffs

VII. AFFIDAVIT:

State of New Mexico)
County of Bernalillo) ss.

Steve Schalk

RECEIVED
APR 25 1997

OIL CON. DIV.
DIST. 3

, being first duly sworn, upon oath states:

1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
3. To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete and accurate and this projection was prepared using sound petroleum engineering principles.

(Name)

Agent '

(Title)

SUBSCRIBED AND SWORN TO before me this 23RD day of April, 1997

Karen Johnston
Notary Public

My Commission expires: August 24, 2000

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production Projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 4/2, 1997.

37.8
District Supervisor, District 3
Oil Conservation Division

Date: 5/1/97

IX. NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE: _____

WORK-OVER PROJECT - SCHALK 29-4 Well No. 17

On Tuesday, April 1, 1997 a plunger lift system was installed on the Schalk 29-4 #17 to remove produced water from the wellbore more efficiently and allow for increased production.

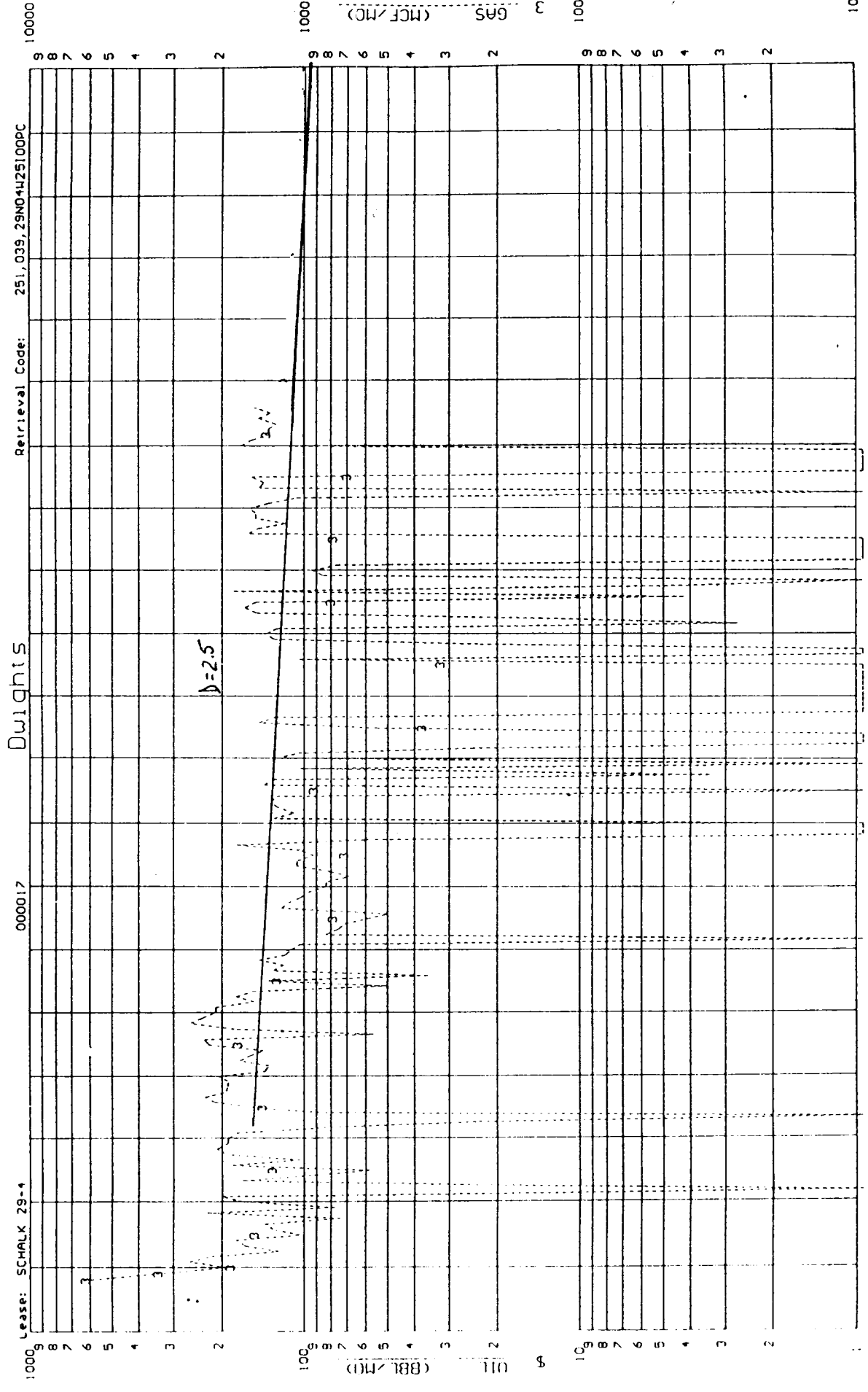
B & R Wireline Service was used to first broach and gauge the tubing and to then set a bottom hole spring assembly. A plunger was dropped from the surface and a full control panel was installed along with a piston catcher. Third party services were released once it was determined that the plunger would surface.

Schalk 29-4 #17
 Projected Production without work-over
 (Work-over completed March 1997)

<u>1997</u>		<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>		<u>2003</u>	
April	1025	January	1006	January	981	January	957	January	933	January	910	January	888
May	1023	February	1004	February	979	February	955	February	931	February	908	February	886
June	1021	March	1002	March	977	March	953	March	929	March	906	March	884
July	1019	April	1000	April	975	April	951	April	927	April	904	April	882
August	1016	May	998	May	973	May	949	May	925	May	903	May	880
September	1014	June	996	June	971	June	947	June	924	June	901	June	878
October	1012	July	993	July	969	July	945	July	922	July	899	July	877
November	1010	August	991	August	967	August	943	August	920	August	897	August	875
December	1008	September	989	September	965	September	941	September	918	September	895	September	873
		October	987	October	963	October	939	October	916	October	893	October	871
		November	985	November	961	November	937	November	914	November	891	November	869
		December	983	December	959	December	935	December	912	December	889	December	868

<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>2010</u>	
January	866	January	844	January	823	January	803	January	783	January	764	January	745
February	864	February	843	February	822	February	801	February	782	February	762	February	743
March	862	March	841	March	820	March	800	March	780	March	761	March	742
April	860	April	839	April	818	April	798	April	778	April	759	April	740
May	859	May	837	May	817	May	796	May	777	May	758	May	739
June	857	June	836	June	815	June	795	June	775	June	756	June	737
July	855	July	834	July	813	July	793	July	774	July	754	July	736
August	853	August	832	August	812	August	791	August	772	August	753	August	734
September	851	September	830	September	810	September	790	September	770	September	751	September	733
October	850	October	829	October	808	October	788	October	769	October	750	October	731
November	848	November	827	November	806	November	787	November	767	November	748	November	730
December	846	December	825	December	805	December	785	December	765	December	747	December	728

<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>	
January	727	January	709	January	691	January	674	January	657	January	641	January	625
February	725	February	707	February	690	February	673	February	656	February	640	February	624
March	724	March	706	March	688	March	671	March	655	March	638	March	623
April	722	April	704	April	687	April	670	April	653	April	637	April	621
May	721	May	703	May	685	May	668	May	652	May	636	May	620
June	719	June	701	June	684	June	667	June	651	June	635	June	619
July	718	July	700	July	683	July	666	July	649	July	633	July	618
August	716	August	698	August	681	August	664	August	648	August	632	August	616
September	715	September	697	September	680	September	663	September	647	September	631	September	615
October	713	October	695	October	678	October	662	October	645	October	629	October	614
November	712	November	694	November	677	November	660	November	644	November	628	November	612
December	710	December	693	December	675	December	659	December	643	December	627	December	611



HISTORICAL

County:	RIO ARriba	State:	NM
Field:	CHOZA MESA (PICTURED CLIFFS) PC		
Reservoir:	PICTURED CLIFFS		
Operator:	SCHALK JOHN E		
Oil Cum:	0	Gas Cum:	305744
Location:	251, 29N 41W		