

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. USA NM-23045
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME -----
2. NAME OF OPERATOR SCHALK DEVELOPMENT COMPANY		7. UNIT AGREEMENT NAME -----
3. ADDRESS OF OPERATOR P. O. BOX 25825 / ALBUQUERQUE, NM 87125		8. FARM OR LEASE NAME Schalk 31-4
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1845' FSL; 1670' FWL At proposed prod. zone		9. WELL NO. 2
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12 miles NE of Gobernador, NM		10. FIELD AND POOL, OR WILDCAT Mesa Verde <i>Andes</i>
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1670'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 33, T-31N, R4W
16. NO. OF ACRES IN LEASE 634.21		12. COUNTY OR PARISH 13. STATE Rio Arriba NM
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.
19. PROPOSED DEPTH		20. ROTARY OR CABLE TOOLS
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6657 GR		22. APPROX. DATE WORK WILL START* August 15, 1979

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
13-3/4	8-5/8	24#	344	220 sxs
7-7/8	4-1/2	10.5#	6269	330 sxs

Well drilled to Total Depth (6269') on 7/20/79. Perforated between 5782-91 and 5980-91 with 1 shot / ft. Used Versagel sand frac to complete well in the Mesa Verde Formation. Upon cleaning up and blowing of the well, it was determined that an insufficient volume of gas was present to make a producing well.

We intend to set a bridge plug between the Mesa Verde and Pictured Cliff formations and complete the well in the Pictured Cliff Formation.

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. *[Signature]* TITLE Managing Partner DATE August 15, 1979

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

AUG 17 1979