

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 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.

NM 23041

6. If Indian, Allottee or Tribe Name

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

SCHALK DEVELOPMENT CO.

3a. Address

P.O. Box 25825, Albuquerque, NM 87125

3b. Phone No. (include area code)

(505) 881-6649

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

1,980' FSL & 660' FWL, Sec. 16, T-25N, R-3W

8. Well Name and No.

SCHALK 41 #1B

9. API Well No.

3003926440

10. Field and Pool, or Exploratory Area

BLANCO MESA VERDE

11. County or Parish, State

RIO ARRIBA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input 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 recompleat 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 recompleat 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.)

We propose to complete this Mesa Verde well in the Cliffhouse section of the Mesa Verde formation. The work will be performed as follows:

- 1) Set removeable bridge plug above existing Point Lookout perforations.
- 2) Spot 250 gallons 7.5% HCL and perforate 5,476-85', 5,493-95', and 5,496-5,504' two shots per foot.
- 3) Fracture with 70% N2 Foam Frac with linear gel and 50,000 lbs. 20/40 sand. Volumes may be increased, but maximum sand would not exceed 90,000 lbs.
- 4) Clean well and produce entire Mesa Verde section (Point Lookout and Cliffhouse).

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Steve Schalk

Title General Manager

Signature

Date August 2, 2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ David R. Sitzler

Division of Multi-Resources

Title

Date

AUG 17 2004

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)