

# RECEIVED

Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Bureau of Land Management  
Farmington Field Office

MAY 15 2008

FORM APPROVED  
OMB No 1004-0137  
Expires: July 31, 2010

**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.**

5. Lease Serial No.  
NM-6894

6. If Indian, Allottee or Tribe Name

OIL CONS. DIV.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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)  
960' FNL & 800' FEL, SECTION 26, T-32N, R-8W

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

8. Well Name and No.  
SCHALK 94 #1

9. API Well No.  
30-045-21313

10. Field and Pool or Exploratory Area  
BASIN DAKOTA

11. Country or Parish, State  
SAN JUAN COUNTY, NM

12. CHECK THE 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 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 checked="" type="checkbox"/> Other <u>CHANGE ZONES</u>
	<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 recomple 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

The Schalk 94 #1 is no longer productive from the Gallup or Dakota formations. We would like to complete and produce this well from the Mesa Verde formation. The Schalk 94 #4 was a Mesa Verde well on this quarter section that experienced casing failure and was plugged in March of 2001. This completion will convert the Schalk 94 #1 to a Mesa Verde producer and replace the Schalk 94 #4. We request permission to perform the following work:

1. Plug and abandon the Gallup formation perforations per BLM instructions. Set bridge plug at 6,100' and pressure test casing.
2. Perforate Cliff House and Menefee at 5,694-5,698 (4 holes); 5,703-5,706 (3 holes); 5,766-5,768 (2 holes); 5,774-5,776 (2 holes); 5,822-5,826 (4 holes); 5,833-5,839 (6 holes). Frac with 70,000# sand with nitrogen and gel.
3. Set bridge plug at 5,900'.
4. Perforate Point Lookout at 6,022-6,036 (14 holes); 6,050-6,061 (11 holes); 6,065-6,070 (5 holes). Frac with 70,000# sand with nitrogen and gel.
5. Remove bridge plug, test well and produce.

(Actual quantity of sand may be adjusted before frac.)

1) Set BPC @ 8169' as proposed on 10/22/07 dated Sundry Notice  
2) Cup with 100' of cement (8169' - 8069')  
3) Set cement plug from 7384' - 7284' or set BPC @ 7450' and cup with cement to 7284'

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

Steve Schalk

Title General Manager

Signature

Date 05/12/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

MAY 21 2008

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 page 2)

Note - plat Attached

NMOCD 5

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RECEIVED

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

Bureau of Land Management

State Lease - 4 Copies

Farmington Field Office

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-21313	2 Pool Code 72319	3 Pool Name BLANCO MESA VERDE
4 Property Code 10047	5 Property Name SCHALK 94	6 Well Number #1
7 OGRID No.	8 Operator Name SCHALK DEVELOPMENT CO.	9 Elevation 6781.0

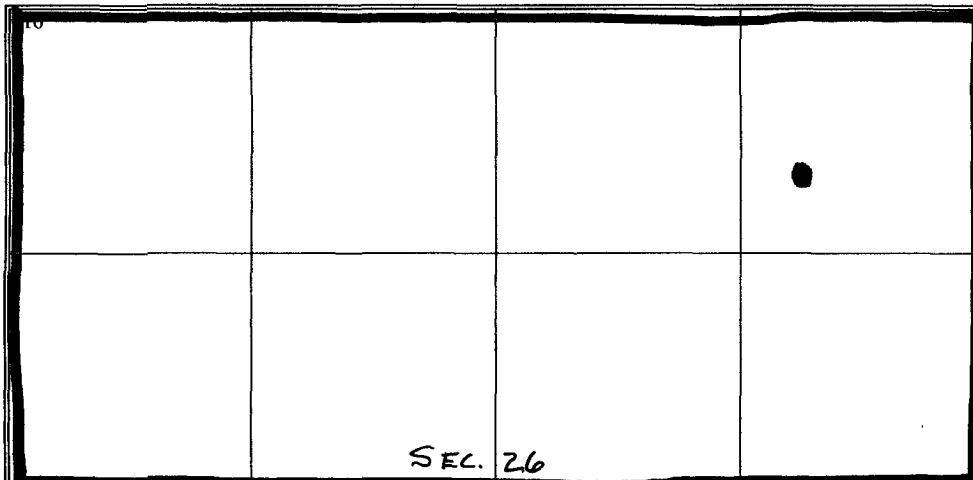
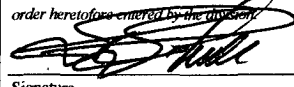
10 Surface Location

UL or lot no. A	Section 26	Township 32N	Range 8W	Lot Idn	Feet from the 960	North/South line NORTH	Feet from the 800	East/West line EAST	County RIO ARRIBA, NM
--------------------	---------------	-----------------	-------------	---------	----------------------	---------------------------	----------------------	------------------------	--------------------------

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

				<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  5/12/08 Signature Date STEVE SCHALK Printed Name	
				<b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor	
				Certificate Number	

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator <b>JOHN E. SCHALK</b>			Lease <b>LONE STAR INDUSTRIES-SCHALK-94</b>		Well No. <b>1</b>
Unit Letter <b>A</b>	Section <b>26</b>	Township <b>32 NORTH</b>	Range <b>8 WEST</b>	County <b>SAN JUAN</b>	
Actual Footage Location of Well: <b>960</b> feet from the <b>NORTH</b> line and <b>800</b> feet from the <b>EAST</b> line					
Ground Level Elev <b>6781.0</b>	Producing Formation <b>DAKOTA</b>	Pool <b>BASIN DAKOTA</b>		Dedicated Acreage <b>320</b>	Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

( ) Yes ( ) No If answer is "yes," type of consolidation .....

If answer is "no," list the owners and tract descriptions which have actually consolidated (Use reverse side of this form if necessary) .....

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission

**CERTIFICATION**

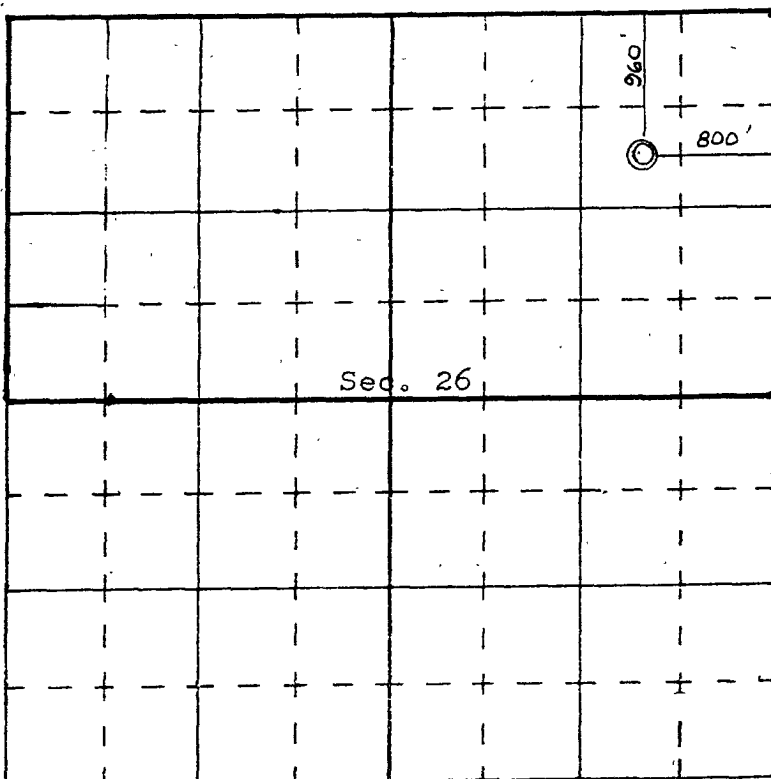
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*John E. Schalk*  
 Name  
**OPERATOR**  
 Position

Company  
 Date **JULY 23, 1973**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **16 July, 1973**  
*James P. Leese*  
 Registered Professional Engineer  
 and/or Land Surveyor  
**JAMES P. LEESE**  
 1462  
 Certificate No. ....



SCALE—4 INCHES EQUALS 1 MILE

**SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.**