

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.
SF 080565 - A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Schalk - Ojito

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Ojito Gallup-Dakota

11. SEC. T., R. M., OR BLK. AND SURVEY OR AREA
Sec. 8, T-25N, R-3W

12. COUNTY OR PARISH
Rio Arriba

13. STATE
New Mexico

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
M. R. Schalk

3. ADDRESS OF OPERATOR
P. O. Box 26687, Albuquerque, New Mexico 87125

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
SW/4 NE/4 Section 8
At proposed prod. zone
2160' FNL & 1900' FEL, Section 8

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Ten (10) miles northeast of Lindreth, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
1900'

16. NO. OF ACRES IN LEASE
1700 1115 115

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
435'

19. PROPOSED DEPTH
8,500'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DE, RT, GR, etc.)
7,128 GL

DRILLING OPERATIONS AUTHORIZED APPROX. DATE WORK WILL START*
October 1, 1984

SUBJECT TO OIL CON. DIV. PERMITS AND "GENERAL REGULATIONS" This action is subject to administrative appeal pursuant to 30 C.F.R. 250.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#	300'	160 sacks - circ. to surface; (188 cu. ft.)
7-7/8"	5-1/2"	15.5#	8,500'	Stage 1: 365 sacks (518 cu. ft.) Stage 2: 220 sacks (360 cu. ft.) Stage 3: 353 sacks (879 cu. ft.)

(DV tools set @ 6100' & 3900')

Propose to drill this Gallup-Dakota well in order to obtain maximum oil production from the Ojito Gallup-Dakota field. Samples will be taken at 20' intervals from 4500' to TD. No cores or DST's are planned. Logs will be run from surface casing to TD. Prospective zones will be perforated and fractured. Blowout preventer equipment will be as indicated on the attached exhibit, and will be tested at regular intervals. Necessary steps will be taken to protect the environment.

** ADDITIONAL INFORMATION ON REVERSE

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. M. R. Schalk
SIGNED: M. R. Schalk TITLE: Agent

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY: Stan McKee TITLE: _____
CONDITIONS OF APPROVAL: ANY: _____

RECEIVED
OCT 29 1984

Oil CON. DIV.
DIST. 3 *See Instructions On Reverse Side

APPROVED
OCT 05 1984
Stan McKee
ASST. AREA MANAGER
FARMINGTON RESOURCE AREA

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

U.S. GOVERNMENT PRINTING OFFICE : 1963-O-711-396
939-171

* * #23 ADDITIONAL INFORMATION

ESTIMATED FORMATION TOPS

Ojo Alamo	3378'
Kirtland	3581'
Fruitland	3791'
Pictured Cliffs	3871'
Chacra	4755'
Cliff House	5423'
Menefee	5698'
Point Lookout	6010'
Mancos	6214'
Gallup	6850'
Greenhorn	7705'
Grenaros	7790'
Dakota	7975'
Total Depth	8500'

Estimated depths at which water, gas, oil or other minerals are expected to be encountered:

3871'; 5423'; 5698'; 6010'; 6850'; 7975'

No anticipated abnormal pressure is expected.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-10
Revised 1-1-84

Distances must be from the outer boundaries of the section.

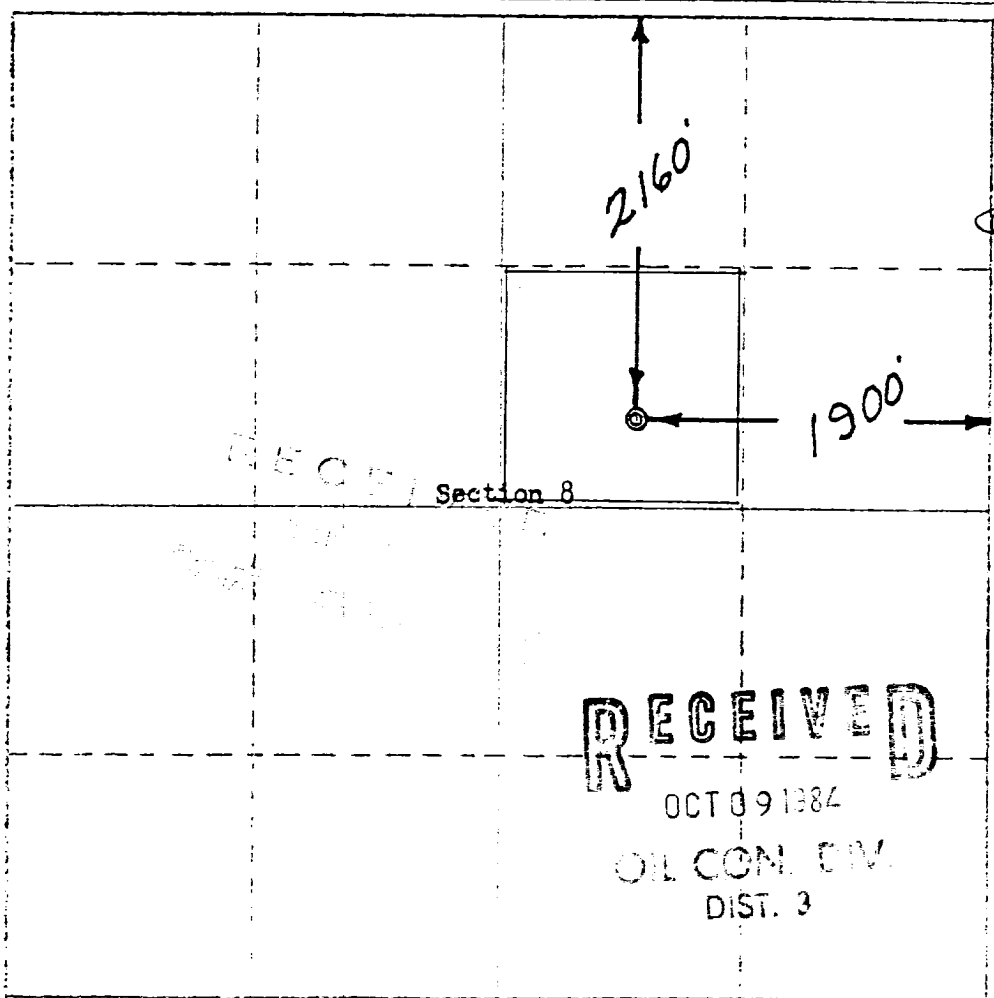
M. R. Schalk		Schalk Ojito		1
0	8	25 North	3 West	Rio Arriba
2160	North	1900	East	
7128	Gallup	Ojito Gallup		40

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 been 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.

Steve Schalk

Name
Steve Schalk
Position
Agent
Company
M. R. Schalk
Date
August 30, 1984

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
July 26, 1984

Registered Professional Engineer

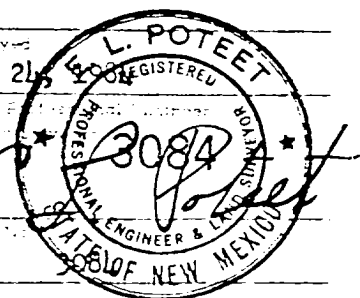
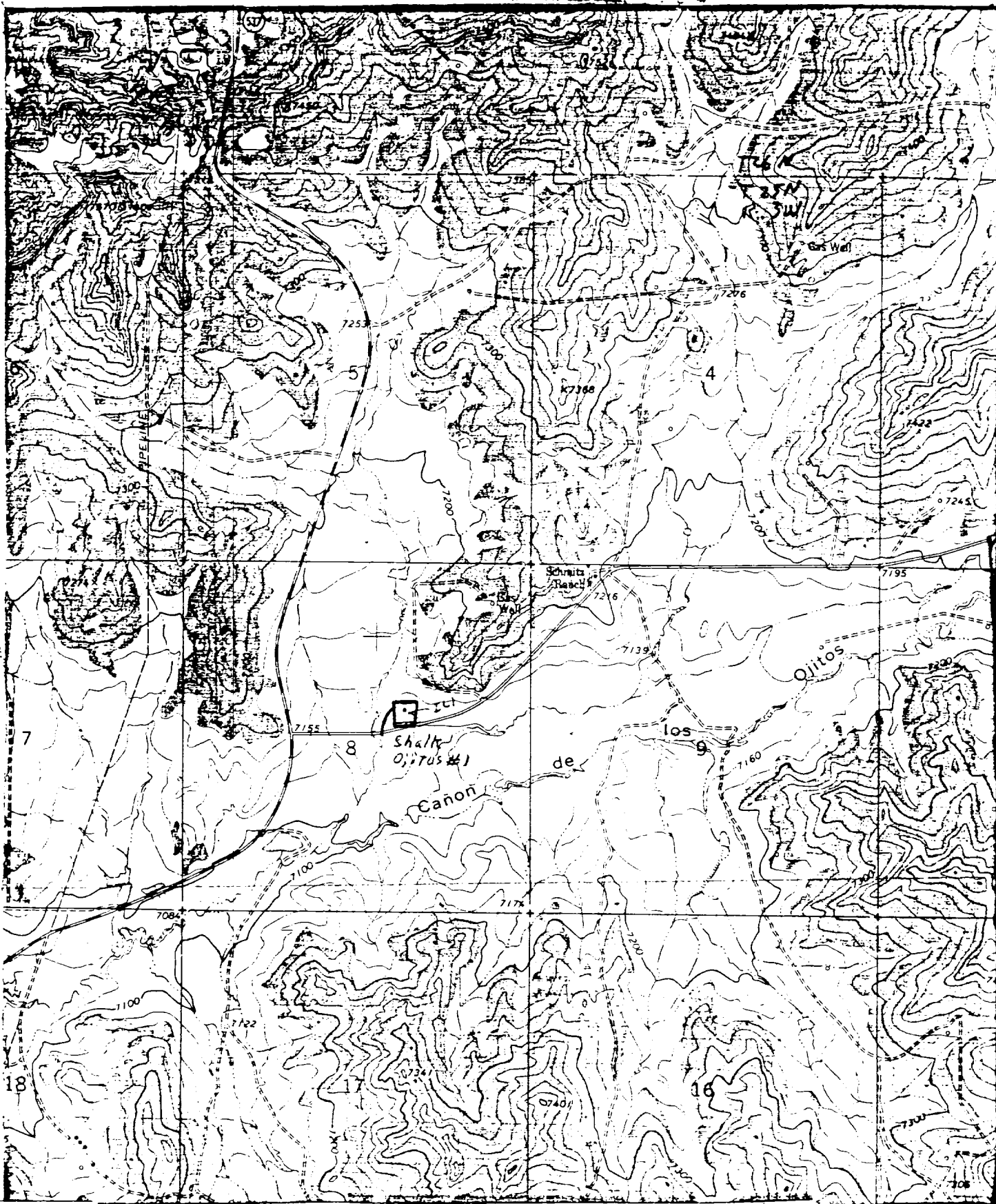
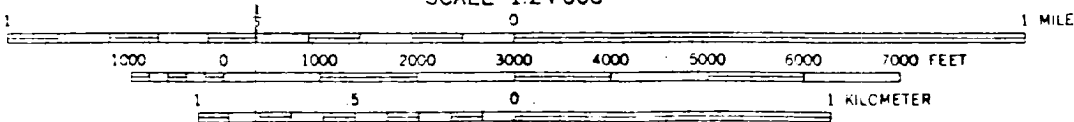


Figure 1



SCALE 1:24 000



CONTOUR INTERVAL 20 FEET

SCHMITZ RANCH; N. ME



CHABRANGE LOCAL