

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR

Schalk Development Co.

3. ADDRESS OF OPERATOR

P.O. Box 25825, Albuquerque, NM 87125

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)

At surface

NW/4 NE/4 Section 34

410' FNL 2,300' FEL

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

7,289' GL

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

5. LEASE DESIGNATION AND SERIAL NO.

NM 23043

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Schalk Gavilan

9. WELL NO.

#1

10. FIELD AND POOL, OR WILDCAT

West Lindrith, Gallup/Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Section 34, T25N, R3W

12. COUNTY OR PARISH 13. STATE

Rio Arriba

NM

16.

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

flare produced gas

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Schalk Development Company respectfully requests permission to flare associated gas produced from subject well until such time as we have recovered all of the water used to complete said well. A total of 7000 barrels of gelled water was used in our completion. To date we have recovered approximately 2000 barrels of this water. The well is currently producing 15 to 20 barrels of water per day. The water is being metered so that an accurate total can be kept. We feel that permanent reservoir damage will result if this treatment water is allowed to stay in the formation should the well be shut in for an indefinite period of time waiting on a gas contract to be negotiated. We are presently pursuing, as diligently as possible, a sale for the casing head gas.

During the time we pursue a gas contract, if we are required to shut in this well, we estimate a loss of 80 BOPD in oil reserves and 200 MCFPD of gas reserves due to reservoir damage and drainage by producing wells in the immediate area. Permission to flare gas from this well will allow the most efficient use of the energy reserves developed in the Schalk Gavilan #1 well.

18. I hereby certify that the foregoing is true and correct

SIGNED *Steve Schalk*

TITLE General Manager

(This space for Federal or State office use)

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

TITLE

NM000

*See Instructions on Reverse Side

