


APPLICATION FOR QUALIFICATION OF WELL WORKOVER PROJECT
AND CERTIFICATION OF APPROVAL

- I. Operator: SCHALK DEVELOPMENT CO. OGRID # 020389
Address: P. O. Box 25825, Albuquerque, NM 87125
Contact Party: Steve Schalk Phone: (505) 881-6649
- II. Name of Well: Schalk 52 #1 API # 30-039-20594
Location of Well:
Unit Letter M 910 Feet from the West line and 790 feet from the south line,
Section 24 Township 29N Range 5W NMPM, Rio Arriba County
- III. Date Workover Procedures Commenced: 01/10/97
Date Workover Procedures were Completed: 01/11/97
- IV. Attach a description of the Workover Procedures undertaken to increase the production from the Well.
- V. Attach an estimate of the oil and gas production rate of the Well (a production decline curve or other acceptable method, and table showing monthly oil and/or gas Production Projection) based on at least twelve (12) months of established production which shows the future rate of production based on well performance prior to performing the Workover.
- VI. Pool(s) on which Production Projection is based: Gobernador Pictured Cliffs
- VII. AFFIDAVIT:
State of New Mexico)
County of Bernalillo) ss.
Steve Schalk)
being first duly sworn, upon oath states:
1. I am the Operator or authorized representative of the Operator of the above referenced Well.
 2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
 3. To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete and accurate and this projection was prepared using sound petroleum engineering principles.


(Name)
General Manager
(Title)

SUBSCRIBED AND SWORN TO before me this 23rd day of April, 1997

Karen Johnston
Notary Public

My Commission expires: August 26, 2000

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production Projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 1/11, 1997

[Signature]
District Supervisor, District 3
Oil Conservation Division

Date: 5/1/97

IX. NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE: _____

WORK-OVER PROJECT - SCHALK 52 Well No. 1

On Friday, January 10, 1997 a plunger lift system was installed on the Schalk 52 #1 to remove produced water from the wellbore more efficiently and allow for increased production.

B & R Wireline Service was used to first broach and guage the tubing and then to set a bottom hole spring assembly. A plunger was dropped from the surface and a full control panel was installed along with a piston catcher. Third party services were released once it was determined that the plunger would surface.

Schalk 52 #1

Projected Production without work-over

(Work-over completed January 1997)

<u>1997</u>		<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>		<u>2003</u>	
February	1025	January	1005	January	983	January	961	January	940	January	920	January	900
March	1023	February	1003	February	981	February	959	February	939	February	918	February	898
April	1021	March	1001	March	979	March	958	March	937	March	916	March	897
May	1019	April	999	April	977	April	956	April	935	April	915	April	895
June	1018	May	997	May	975	May	954	May	933	May	913	May	893
July	1016	June	995	June	974	June	952	June	932	June	911	June	892
August	1014	July	994	July	972	July	951	July	930	July	910	July	890
September	1012	August	992	August	970	August	949	August	928	August	908	August	888
October	1010	September	990	September	968	September	947	September	927	September	906	September	887
November	1008	October	988	October	967	October	946	October	925	October	905	October	885
December	1006	November	986	November	965	November	944	November	923	November	903	November	883
		December	984	December	963	December	942	December	922	December	901	December	882

<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>2010</u>	
January	880	January	861	January	842	January	824	January	806	January	788	January	771
February	879	February	859	February	841	February	822	February	805	February	787	February	770
March	877	March	858	March	839	March	821	March	803	March	786	March	768
April	875	April	856	April	838	April	819	April	802	April	784	April	767
May	874	May	855	May	836	May	818	May	800	May	783	May	766
June	872	June	853	June	835	June	816	June	799	June	781	June	764
July	871	July	852	July	833	July	815	July	797	July	780	July	763
August	869	August	850	August	832	August	813	August	796	August	778	August	761
September	867	September	849	September	830	September	812	September	794	September	777	September	760
October	866	October	847	October	829	October	810	October	793	October	776	October	759
November	864	November	845	November	827	November	809	November	791	November	774	November	757
December	863	December	844	December	825	December	807	December	790	December	773	December	756

<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>	
January	755	January	738	January	722	January	706	January	691	January	676	January	661
February	753	February	737	February	721	February	705	February	690	February	675	February	660
March	752	March	735	March	719	March	704	March	688	March	673	March	659
April	750	April	734	April	718	April	702	April	687	April	672	April	658
May	749	May	733	May	717	May	701	May	686	May	671	May	656
June	748	June	731	June	715	June	700	June	685	June	670	June	655
July	746	July	730	July	714	July	699	July	683	July	668	July	654
August	745	August	729	August	713	August	697	August	682	August	667	August	653
September	744	September	727	September	711	September	696	September	681	September	666	September	652
October	742	October	726	October	710	October	695	October	680	October	665	October	650
November	741	November	725	November	709	November	693	November	678	November	664	November	649
December	739	December	723	December	708	December	692	December	677	December	662	December	648

