

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 94 #4 API # 30-045-25181
Location of Well:
Unit Letter A, 1120 Feet from the North line and 860 feet from the East line,
Section 26, Township 32N, Range 8W, NMPM, San Juan County
- III. Date Workover Procedures Commenced: 01/20/97
Date Workover Procedures were Completed: 02/12/97
- 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: Blanco Mesa Verde

VII. AFFIDAVIT:

State of New Mexico)
) ss.
County of Bernalillo)
Steve Schalk

RECEIVED
APR 25 1997
OIL CON. DIV.
DIST. 3

_____, 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 25th day of April, 1997

Karen Johnson
Notary Public

My Commission expires: August 24, 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 3/1, 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 94 Well No. 4

Begin work on January 20, 1997: Pull tubing out of well and replace packer in hole. Treat well with nitrogen and acid (HcL). Blow well back and clean up wellbore. Shut well in to build up. From February 10 through February 12, 1997, swab well and bring back fluid. Shut well in to build up. Bring well on line March 1, 1997.

Schalk 94 #4

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	1210	January	1161	January	1109	January	1060	January	1013	January	968	January	925
March	1205	February	1156	February	1105	February	1056	February	1009	February	964	February	921
April	1201	March	1152	March	1101	March	1052	March	1005	March	960	March	918
May	1196	April	1147	April	1096	April	1048	April	1001	April	957	April	914
June	1192	May	1143	May	1092	May	1044	May	997	May	953	May	911
July	1187	June	1139	June	1088	June	1040	June	994	June	949	June	907
August	1183	July	1134	July	1084	July	1036	July	990	July	946	July	904
September	1178	August	1130	August	1080	August	1032	August	986	August	942	August	900
October	1174	September	1126	September	1076	September	1028	September	982	September	939	September	897
November	1169	October	1122	October	1072	October	1024	October	979	October	935	October	894
December	1165	November	1117	November	1068	November	1020	November	975	November	932	November	890
		December	1113	December	1064	December	1016	December	971	December	928	December	887

<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>2010</u>	
January	883	January	844	January	807	January	771	January	736	January	704	January	672
February	880	February	841	February	804	February	768	February	734	February	701	February	670
March	877	March	838	March	801	March	765	March	731	March	698	March	667
April	873	April	835	April	797	April	762	April	728	April	696	April	665
May	870	May	831	May	794	May	759	May	725	May	693	May	662
June	867	June	828	June	791	June	756	June	723	June	691	June	660
July	864	July	825	July	788	July	753	July	720	July	688	July	657
August	860	August	822	August	785	August	751	August	717	August	685	August	655
September	857	September	819	September	783	September	748	September	714	September	683	September	652
October	854	October	816	October	780	October	745	October	712	October	680	October	650
November	851	November	813	November	777	November	742	November	709	November	678	November	647
December	847	December	810	December	774	December	739	December	706	December	675	December	645

<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>	
January	643	January	614	January	587	January	561	January	536	January	512	January	489
February	640	February	612	February	584	February	558	February	534	February	510	February	487
March	638	March	609	March	582	March	556	March	532	March	508	March	485
April	635	April	607	April	580	April	554	April	530	April	506	April	484
May	633	May	605	May	578	May	552	May	528	May	504	May	482
June	630	June	602	June	576	June	550	June	526	June	502	June	480
July	628	July	600	July	573	July	548	July	524	July	500	July	478
August	626	August	598	August	571	August	546	August	522	August	498	August	476
September	623	September	596	September	569	September	544	September	520	September	497	September	474
October	621	October	593	October	567	October	542	October	518	October	495	October	473
November	619	November	591	November	565	November	540	November	516	November	493	November	471
December	616	December	589	December	563	December	538	December	514	December	491	December	469

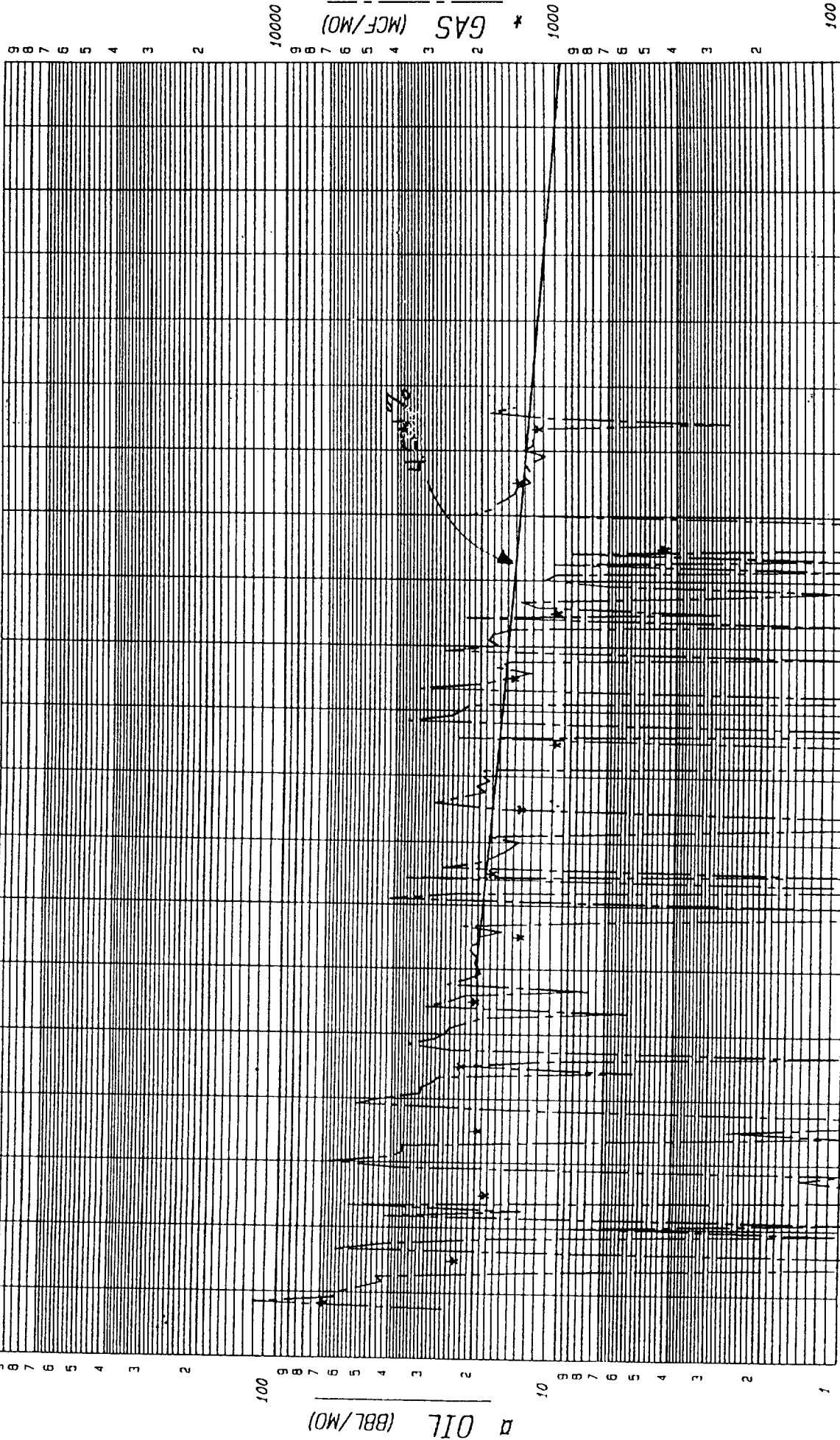
1000 Lease: SCHALK 94

4

Dwights

Retrieval Code: 251, 045, 32N08W26A00MV

100000



County: SAN JUAN
Field: BLANCO (MESAVARDE) MV
Reservoir: MESAVARDE
Operator: SCHALK DEV CO
Oil Cum: 0 Gas Cum: 283695
Location: 26A 32N 8W

State: NM

F.P. Date 09-82