

Form 160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
P.O. Box 1980
Hobbs NM 88241

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Discovery Operating, Inc.

3. Address and Telephone No. (915)683-5203

800 N. Marienfeld, Suite 100, Midland, TX 79701

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FNL & 1980' FEL
Sec. 4, T-26-S, R-32-E

5. Lease Designation and Serial No.

NM-0392082-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Union Federal #2

9. API Well No.

30-025-24007

10. Field and Pool, or Exploratory Area

Jennings Delaware

11. County or Parish, State

Lea County, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other surface commingle
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

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

13. 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.)*

Discovery Operating, Inc. formally requests approval to combine production from the Jennings Federal #1 and the Union Federal #2 in a tank battery located on the Union Federal Lease.

It is proposed to pipe the wellhead fluids from the Jennings Federal #1 to the heater treater on the Union Federal #2. Attached to this request is a diagram identifying the equipment which will be used.

Both the Union Federal #2 and the Jennings Federal #1 produce from the same formation. However, neither well produces sufficient amounts to justify separate batteries. The estimated production of the Union Federal #2 is 2.5 BOPD and 0 MCFPD. The Jennings Federal #1 makes approximately 5 BOPD and 17 MCFPD. The allocation of production to each well will be based off of periodic production tests of both wells.

The working interest owners and the revenue interest owners are the same for both wells. Since the Federal royalty interests are the same for both wells, there will not be a reduction in any royalties.

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

Signed [Signature]

Title Vice President, Operations Date 1/25/99

(This space for Federal or State office use)

Approved by ORIG. SGD. ALEXIS C. SWOBODA

Title SENIOR ENGINEER

Conditions of approval, if any

Date

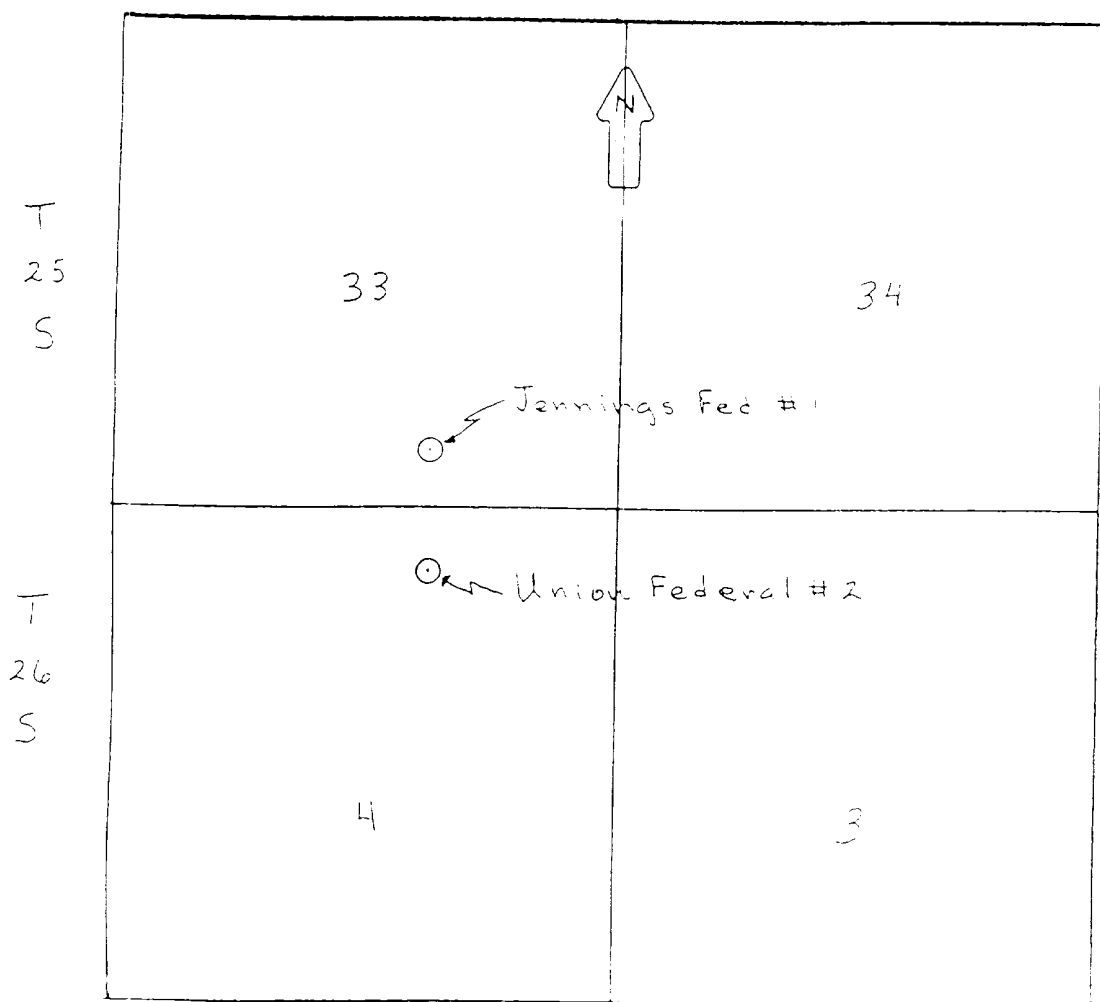
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

Field: Jennings Delaware
Operator: Discovery Operating, Inc.
Lease: Jennings Federal
County: Lea State: NM
No. of Wells: 1 Initial Prod: _____
NM-0359295-A

Field: Jennings Delaware
Operator: Discovery Operating, Inc.
Lease: Union Federal
County: Lea State: NM
No. of Wells: 1 Initial Prod: _____
NM-0392082-A

Scale: 1" = 2000'



Jennings Delaware
 Field Operator
 Discovery Operating, Inc.
 Union Federal
 Lea
 County 1
 No. of Wells Initial Prod.
 NM-0392082-A

Jennings Delaware
 Field Operator
 Discovery Operating, Inc.
 Union Federal
 Lea
 County 1
 No. of Wells Initial Prod.
 NM-0359295-A

