

PALMER OIL & GAS COMPANY

P.O. BOX 2564
BILLINGS, MONTANA 59103
(406) 248-3151

PC - 563

February 1, 1979

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey
Secretary-Director

Re: F. Montoya 27 No. 1 Well
SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 27-T32N-R13W
San Juan County, New Mexico

Gentlemen:

Please accept this letter as our application to request an exception to Rule 303-A to permit surface commingling of condensate from the Dakota and Mesa Verde formations produced from the F. Montoya 27 No. 1 well. The gas produced will be metered separately for each formation.

This is a newly completed well without production history; therefore, we request permission to allocate condensate production on the basis of 25% Dakota and 75% Mesa Verde. This allocation is justified according to our experience with condensate production from other dually completed Dakota-Mesa Verde wells in the area. The price of the condensate will be the same for both zones except for gravity adjustment and the gravity of each zone is comparable.

Attached is a schematic diagram of the proposed installation and a plat showing the location of this well, which is the only well on this lease.

Very truly yours,

PALMER OIL & GAS COMPANY

By: Robert D Ballantyne
Robert D. Ballantyne
Drilling Superintendent

RDB/ah
Attachment

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-124
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

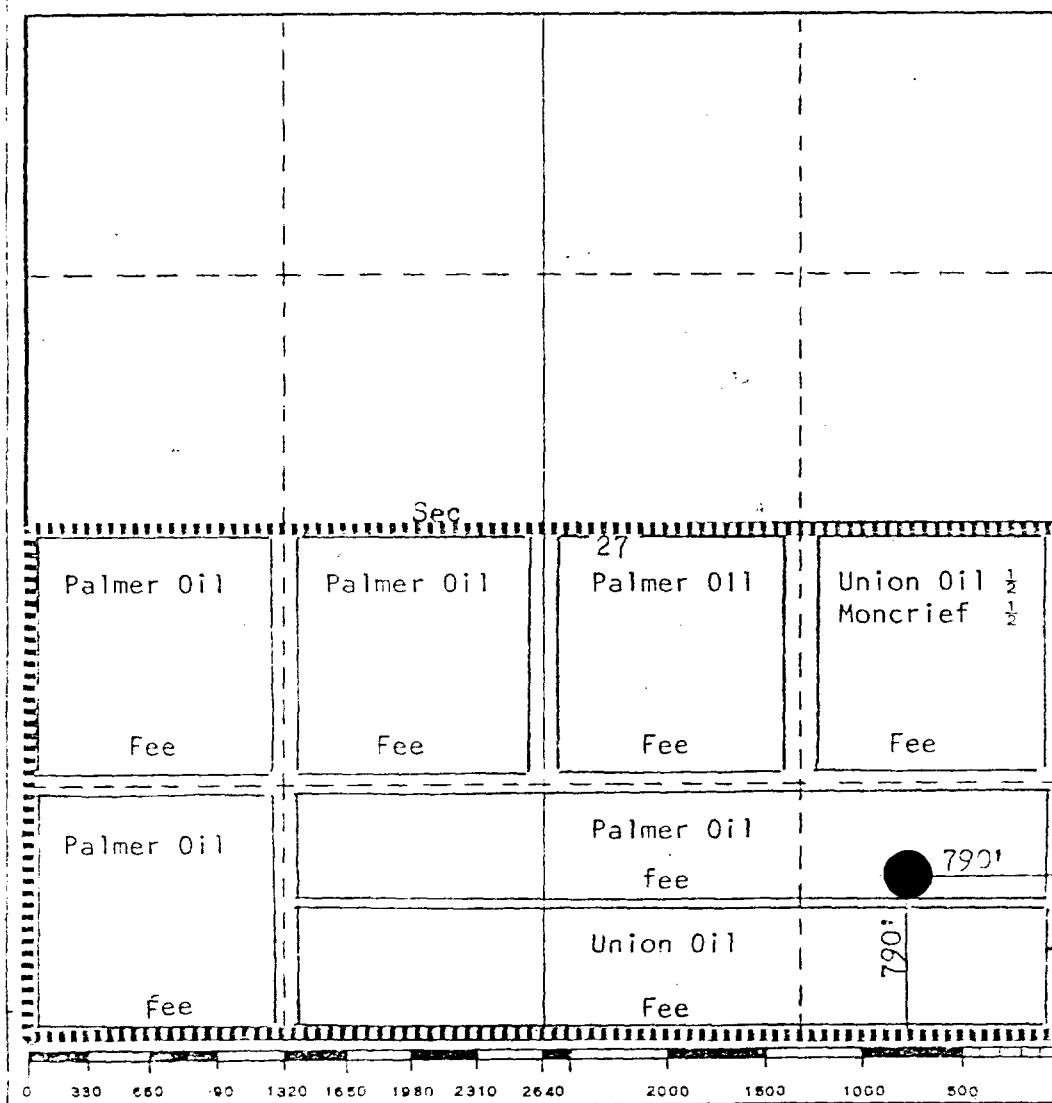
Operator PALMER OIL & GAS COMPANY		Lease F. Montoya		Well No. 1	
Unit Letter P	Section 27	Township 32N	Range 13W	County San Juan	
Actual Footage Location of Well: 790 feet from the South line and 790 feet from the East line					
Ground Level Elev. 5338	Producing Formation Dakota		Pool Basin Dakota		Dedicated Acreage: 320 Acres

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

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.

Robert D. Ballantyne

Name
Robert D. Ballantyne

Position
Drilling Superintendent

Company
Palmer Oil & Gas Company

Date
July 26, 1978

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
June 1978
Signed by *[Signature]*
and/or Land Surveyor
Area 3, 1978
Certification No.
3955

Proposed Battery Installation
F. Montoya 27 #1
P-27-32N-13W
Dakota-Mesquite Bank

Oil Commingled at Surface

