

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.

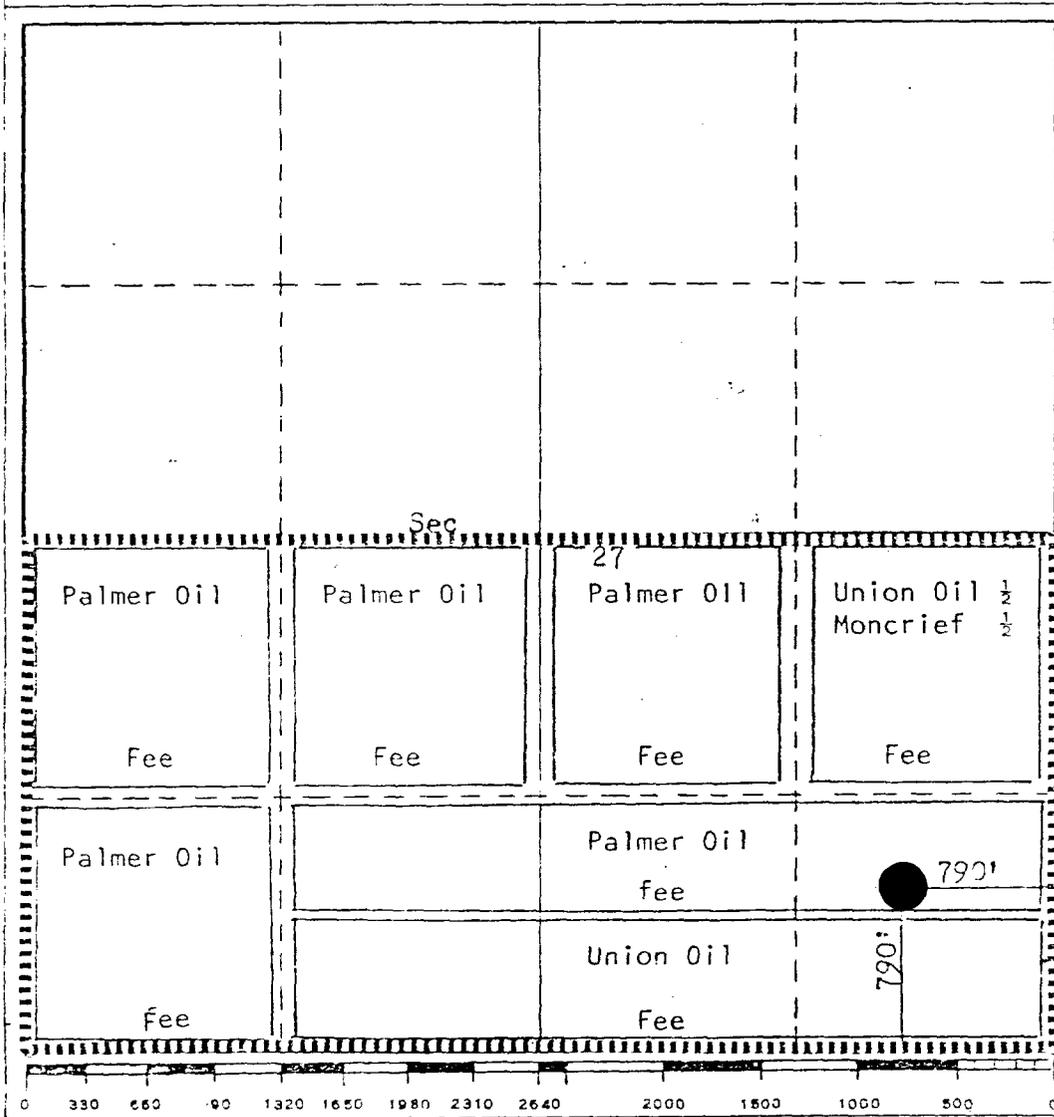
Operator <b>PALMER OIL &amp; GAS COMPANY</b>			Lease <b>F. Montoya</b>		Well No. <b>1</b>
Unit Letter <b>P</b>	Section <b>27</b>	Township <b>32N</b>	Range <b>13W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>790</b> feet from the <b>South</b> line and <b>790</b> feet from the <b>East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

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 17, 1978**

Registered Professional Engineer and/or Land Surveyor  
*[Signature]*  
**REC'D**  
Certification No. **3955**

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

Oil Commingled at Surface

