

Surface
 ORDERING C. PER FC- 563

Company Palmer Oil & Gas Co.
 Address P. O. Box 2564
 City, State, Zip Billings, Montana 59103

Attention: Mr. Robert D. Ballantyne

Lease Name: F. Montoya 27 Well No. 1
 Description: SE/4 SE/4 Section 27, T-32-N, R-13-W, AMPM, San Juan County

The above-named company is hereby authorized to commingle production from the following pools

Blanco Mesaverde and Basin Dakota

in a common tank battery, and to determine the production from each pool by

_____ separately metering the production from each pool prior to commingling

_____ separately metering the production from _____
 and determining the
 production by the subtraction method

_____ well tests (if this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe Office of the Division in the event any well producing into the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate)

Note: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: This authority applies to liquid production only. Allocation of liquids shall be 75% Mesaverde and 25% Dakota.

DONE at Santa Fe, New Mexico, on this 21st day of March, 1979

[Signature]
 J. D. RAMEY, Division Director

