



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

August 3, 1978

Mr. Robert D. Ballantyne
Palmer Oil & Gas Company
P. O. Box 2564
Billings, Montana 59103

Re: Palmer Oil & Gas Company
F. Montoya 27 #1
P-27-32N-13W ✓

Palmer Oil & Gas Company
B. Montoya 25 #1
H-25-32N-13W

Dear Mr. Ballantyne:

As per our telephone conversation, your applications for permit to drill the above wells cannot be approved until we have a notification of your well control (blowout prevention) program and notification of whether or not the gas from each well is dedicated to a pipeline. A memo on the gas dedication will be sufficient, but we will need a copy of your blowout preventer program for each copy of your application, a total of 10 (ten) copies for both wells.

Also, no form C-104 will be approved on either well until its assigned acreage has been consolidated or until a non-standard unit is approved for the well.

If there are any questions, please call this office.

Yours truly,

Frank T. Chavez
Deputy Inspector

FTC:no