



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

July 31, 2001

NM Oil & Gas Conservation Division
Attn: Steve Hayden
1000 Rio Bravos Rd.
Aztec, NM 87410

Recommended Final Allocation Method
Ratio Method – San Juan 29-6 Unit #51
Unit N, 920' FSL & 1500' FWL, Sec 31, 29N 6W
API 30-039-07470; Rio Arriba County, NM

Dear Mr. Hayden:

Phillips plans on using the ratio method from June 2001 production throughout the life of the well. Based on historical production values, we believe this will be the most accurate method of allocating production. Attached is the historical data that we used to determine the ratio of 39% to be allocated to the Pictured Cliffs, with 61% allocated to the Mesaverde

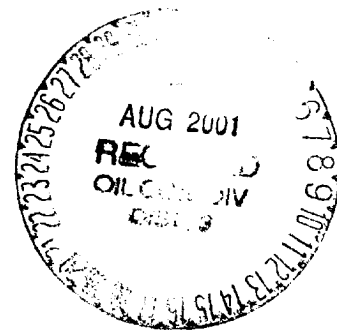
If you have any questions, please call me at 505-599-3474.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Tim Tomberlin
Tim Tomberlin
Reservoir Engineer

cc: Trish Stuart
Jim Lovato – BLM
David Valdez - Burlington



San Juan 29-6 Mesaverde #51

Monthly Production

Month	Total Well Production	Pictured Cliffs Production	Days Produced	PC Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Apr-00	25,011	6785	30	226	18226	30	608	72.9%
May-00	22,075	6858	31	221	15217	31	491	68.9%
Jun-00	19,905	6582	30	219	13323	30	444	66.9%
Jul-00	18,520	6563	31	212	11957	31	386	64.6%
Aug-00	16,912	6421	31	207	10491	31	338	62.0%
Sep-00	14,770	6166	30	206	8604	30	287	58.3%
Oct-00	15,431	6151	31	198	9280	31	299	60.1%
Nov-00	14,618	5908	30	197	8710	30	290	59.6%
Dec-00	14,820	5896	31	190	8924	31	288	60.2%
Jan-01	13,485	5773	31	186	7712	31	249	57.2%
Feb-01	6,081	5111	28	183	970	28	35	16.0%
Mar-01	13,754	5547	31	179	8207	31	265	59.7%
Apr-01	12,603	5332	30	178	7271	30	242	57.7%
May-01	11,208	5324	30	177	5884	30	196	52.5%

Total Mesaverde Production = 134776

Total Picture Cliffs Production = 84417

Total Production both zones = 219193

Average Mesaverde Allocation since August 2000 = **61%**
Average Picture Cliffs Allocation since August 2000 = **39%**

San Juan 29-6 #51 Mesaverde Production

