



**PHILLIPS PETROLEUM COMPANY**

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

February 18, 2002



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

Ratio Method – San Juan 29-6 #87  
Unit H, 1500' FNL & 880' FEL, Sec. 33, 29N 6W  
API # 30-039-07492, Rio Arriba County, NM

Dear Mr. Hayden:

*H*  
Phillips plans on using the ratio method from January 2002 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 75% to be allocated to the Mesaverde and 25% to be allocated to the Dakota for gas production. The oil production will be allocated at 100% Mesaverde and 0% Dakota.

If you have any questions, please call me at 505-599-3459.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Charlie Donahue

cc: Runell Seale – PPCo  
Jim Lovato – BLM  
David Valdez – BRI

*DHCL172AZ*

## San Juan 29-6 Unit #87 Monthly Production

Month	Total Well Production	Dakota Production	Days Produced	Dakota Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Jan-01	15,908	2,228	31	72	13,680	31	441	86.0%
Feb-01	16,110	3,243	28	116	12,867	28	460	79.9%
Mar-01	6,566	3,140	31	101	3,426	31	111	52.2%
Apr-01	15,372	3,206	30	107	12,166	30	406	79.1%
May-01	12,747	3,091	31	100	9,656	31	311	75.8%
Jun-01	11,126	3,138	30	105	7,988	30	266	71.8%
Jul-01	12,400	3,140	31	101	9,260	31	299	74.7%
Aug-01	11,656	2,833	31	91	8,823	31	285	75.7%
Sep-01	10,837	3,086	30	103	7,751	30	258	71.5%
Oct-01	10,294	2,977	31	96	7,317	31	236	71.1%
Nov-01	10,017	3,040	30	101	6,977	30	233	69.7%
Dec-01	9,959	2,933	31	95	7,026	31	227	70.5%
	142,992	36,055			106,937			

Total Mesaverde Production = 106,937 MCF  
 Total Dakota Production = 36,055 MCF  
 Total Production both zones = 142,992 MCF

Average Mesaverde Allocation since January 2001 = 75%  
 Average Dakota Allocation since January 2001 = 25%

**Note: 100% of the condensate production should be allocated to the Mesaverde**

