



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
3162.7 (07100)

March 13, 2002

Mr. Charlie Donahue
Phillips Petroleum Company
Farmington, NM 87401



RE: Accept downhole commingle applications and allocation factors

Dear Mr. Donahue:

The following well was reviewed for downhole commingling. After reviewing the production history for this well, we concur with the allocation factors established in your application. The effective date is the date that downhole commingling actually occurs. The well and the approved allocation factors are listed below.

DFC 172AZ

Well Name	Lease/CA#	Location	API#	Formation Allocation	Formation Allocation
San Juan 29-6 #87	NM 03471A MV(NMNM078416A) DK(NMNM078416B)	Sec 33, T29N, R6W	3003907492	MV gas 75% Oil 100%	DK gas 25% Oil 0%

If you have any questions, please contact Adrienne Garcia at (505) 599-6358 or the undersigned with this office at (505) 599-6367.

Sincerely,

/s/ Jim Lovato

Jim Lovato
Team Lead, Petroleum Management Team

cc: NMOCD, Santa Fe, NM
NMOCD, Aztec, NM

bcc: San Juan 29-6 Unit File, MV(NMNM078416A), DK(NMNM078416B)
Well file
DOMR
07100:AGarcia:3/12/02:x6358:Phillips



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

200 FEB 17 AM 9:45

COPIES DESTROYED

NM 03471 A

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:

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

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

<u>Month</u>	<u>Total Well</u> <u>Production</u>	<u>Dakota</u> <u>Production</u>	<u>Days</u> <u>Produced</u>	<u>Dakota</u> <u>Daily</u>	<u>Mesaverde</u> <u>Production</u>	<u>Days</u> <u>Produced</u>	<u>Mesaverde</u> <u>Daily</u>	<u>MV</u> <u>%</u>
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

