




PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

September 24, 2002

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

Ratio Method – San Juan 29-6 #25
Unit B, 1050' FNL & 1850' FEL, Sec. 32 29N, 6W
API # 30-039-07500 Rio Arriba County, NM


Dear Mr. Hayden:

Phillips plans on using the ratio method from September 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 87% to be allocated to the Mesaverde and 13% to be allocated to the Pictured Cliffs for gas production. The oil production will be allocated at 100% Mesaverde and 0% Pictured Cliffs. *DA138A2*

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 #25 Monthly Production

Month	Total Well Production	PC Production	Days Produced	PC Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Aug-01	6,564	1,011	31	33	5,553	31	179	84.6%
Sep-01	3,423	1,000	30	33	2,423	30	81	70.8%
Oct-01	3,518	998	31	32	2,520	31	81	71.6%
Nov-01	8,913	988	30	33	7,925	30	264	88.9%
Dec-01	7,086	986	31	32	6,100	31	197	86.1%
Jan-02	10,880	979	31	32	9,901	31	319	91.0%
Feb-02	8,678	960	28	34	7,718	28	276	88.9%
Mar-02	8,941	966	31	31	7,975	31	257	89.2%
Apr-02	8,181	957	30	32	7,224	30	241	88.3%
May-02	8,104	955	31	31	7,149	31	231	88.2%
Jun-02	7,931	945	30	32	6,986	30	233	88.1%
Jul-02	8,055	970	31	31	7,085	31	229	88.0%
	90,274	11,715			78,559			

Total Mesaverde Production = 78,559 MCF
 Total Pictured Cliffs Production = 11,715 MCF
 Total Production both zones = 90,274 MCF

Average Mesaverde Allocation since August 2001 = **87%**
 Average Pictured Cliffs Allocation since August 2001 = **13%**

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

