



**PHILLIPS PETROLEUM COMPANY**

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

January 26, 2001

*JH*  
NM Oil & Gas Conservation Division  
Attn: Frank Chavez  
1000 Rio Bravos Rd.  
Aztec, NM 87410

Recommended Allocation Method  
Ratio Method – San Juan 29-5 Unit #32  
Unit N, 990' FSL & 1500' FWL, Sec 29 T29N, R5W  
API – 30-039-07524

Dear Mr. Chavez:

Phillips plans on using the ratio method from January 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 83% to be allocated to the Mesaverde and 17% allocated to the Dakota.

If you have any questions, please call me at 505-599-3423.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Clint Hutchinson  
Reservoir Engineer

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

**San Juan 29-5 Mesaverde #32  
Monthly Production**

| Month  | Total Well<br>Production | Dakota<br>Production | Days<br>Produced | Dakota<br>Daily | Mesaverde<br>Production | Days<br>Produced | Mesaverde<br>Daily | MV<br>% |
|--------|--------------------------|----------------------|------------------|-----------------|-------------------------|------------------|--------------------|---------|
| Dec-99 | 16,029                   | 2,439                | 31               | 79              | 13,590                  | 31               | 438                | 84.8%   |
| Jan-00 | 17,796                   | 2,692                | 31               | 87              | 15,104                  | 31               | 487                | 84.9%   |
| Feb-00 | 16,603                   | 2,597                | 29               | 90              | 14,006                  | 29               | 483                | 84.4%   |
| Mar-00 | 17,813                   | 2,676                | 31               | 86              | 15,137                  | 31               | 488                | 85.0%   |
| Apr-00 | 17,178                   | 2,582                | 30               | 86              | 14,596                  | 30               | 487                | 85.0%   |
| May-00 | 16,888                   | 2,661                | 31               | 86              | 14,227                  | 31               | 459                | 84.2%   |
| Jun-00 | 16,556                   | 2,653                | 30               | 88              | 13,903                  | 30               | 463                | 84.0%   |
| Jul-00 | 16,497                   | 2,559                | 31               | 83              | 13,938                  | 31               | 450                | 84.5%   |
| Aug-00 | 15,375                   | 2,703                | 31               | 87              | 12,672                  | 31               | 409                | 82.4%   |
| Sep-00 | 13,551                   | 2,608                | 30               | 87              | 10,943                  | 30               | 365                | 80.8%   |
| Oct-00 | 11,208                   | 2,687                | 31               | 87              | 8,521                   | 31               | 275                | 76.0%   |
| Nov-00 | 13,502                   | 2,678                | 30               | 89              | 10,824                  | 30               | 361                | 80.2%   |

\* These volumes are not converted to 14.65 pressure base; all other volumes are

Twelves months prior to workover average Mesaverde allocation =

**83%**

**San Juan 29-5 #32 Mesaverde Production**

