

5525 HWY. 64 NBU 3004

NM Oil & Gas Conservation Division Attn: Steve Hayden

1000 Rio Bravos Rd. Aztec, NM 87410

August 23, 2001

Recommended Final Allocation Method Ratio Method – San Juan 29-6 Unit #97 Unit M, 990' FSL & 1090' FWL, Sec. 35, 29N 6W API 30-039-20241; Rio Arriba County, NM

Dear Mr. Hayden:

Phillips plans on using the ratio method from July 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 80% to be allocated to the Mesaverde, with 20% allocated to the Dakota

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

Sincerely,

PHILLIPS PETROLEUM COMPANY

Tim Tomberlin Reservoir Engineer

cc:

Trish Stuart

Jim Lovato - BLM

JHC78AZ

David Valdez - Burlington

San Juan 29-6 Mesaverde #97 Monthly Production

	Total Well	Dakota	Days	Dakota	Mesaverde	Days	Mesaverde	MV
Month	Production	Production	Produced	Daily	Production	Produced	Daily	%
Oct-00	18,340	3,034	31	98	15,306	31	494	83.5%
Nov-00	16,726	2,917	30	97	13,809	30	460	82.6%
Dec-00	15,112	2,994	31	97	12,118	31	391	80.2%
Jan-01	14,201	2,975	31	96	, 11,226	31	362	79.1%
Feb-01	14,185	2,671	28	95	11,514	28	411	81.2%
Mar-01	12,542	2,939	31	95	9,603	31	310	76.6%
Apr-01	12,498	2,826	30	94	9,672	30	322	77.4%
May-01	12,414	2,902	31	94	9,512	31	307	76.6%
Jun-01	12,404	2,790	30	93	9,614	30	320	77.5%

Total Mesaverde Production = 102374
Total Dakota Production = 26048
Total Production both zones = 128422

Average Mesaverde Allocation since October 2000 = 80%

Average Dakota Allocation since October 2000 = 20%

San Juan 29-6 #84m Mesaverde Production

