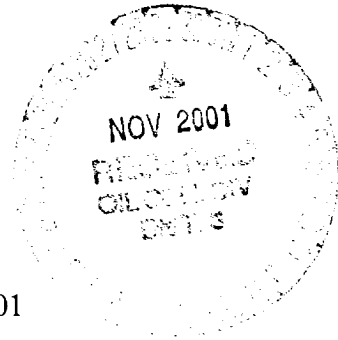




PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004



November 28, 2001

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

Recommended Final Allocation Method
Ratio Method – San Juan 29-6 #103
Unit G, 1755 FNL & 1550 FEL, Sec. 11, 29N, 6W
API#-30-039-20359; Rio Arriba County, NM

Dear Mr. Hayden:

Phillips plans on using the ratio method from December 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 63% to be allocated to the Mesaverde and 37% to be allocated to the 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 #103 **Monthly Production**

Month	Total Well Production	Dakota Production	Days Produced	Dakota Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Jan-01	5,410	2,330	31	75	3,080	31	99	56.9%
Feb-01	5,749	2,095	28	75	3,654	28	131	63.6%
Mar-01	6,708	2,313	31	75	4,395	31	142	65.5%
Apr-01	6,673	2,229	30	74	4,444	30	148	66.6%
May-01	3,227	2,293	31	74	934	31	30	28.9%
Jun-01	5,605	2,210	30	74	3,395	30	113	60.6%
Jul-01	6,916	2,275	31	73	4,641	31	150	67.1%
Aug-01	7,318	2,266	31	73	5,052	31	163	69.0%
Sep-01	6,285	2,184	30	73	4,101	30	137	65.3%
	53,891	20,195			33,696			

Total Mesaverde Production = 33,696 MCF
 Total Dakota Production = 20,195 MCF
 Total Production both zones = 53,891 MCF

Average Mesaverde Allocation since December 2001 = **63%**
 Average Dakota Allocation since December 2001 = **37%**

San Juan 29-6 Unit #103 Production

