



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
SF - 080146 et al. (wc)
3162.7 (07100)

October 24, 2002

Charlie Donahue
Phillips Petroleum Company
5525 HWY. 64 NBU 3004
Farmington, NM 87401

Re: Accept Commingle Applications and Allocation Method:

Dear Mr. Donahue:

We have received your allocation factors and your Application for Downhole Commingling of the wells you submitted. After review, we hereby accept your submitted allocation factors. The effective date of using the ratio method is listed below.

| Well Name | Location | API# | Lease Number | Formation Allocation | Formation Allocation | Effective Date |
|--------------------------|-------------------------------|---------------|--------------|------------------------|------------------------|----------------|
| San Juan 29-6 Unit # 95 | Unit L, Section 34, T29N, R6W | 30039 - 20027 | SF - 080146 | MV gas 57% Oil 100% | DK gas 43% Oil 00% | 9-1-2002 |
| San Juan 29-6 Unit # 102 | Unit G, Section 10, T29N, R6W | 30039 - 20365 | FEE | MV gas 86% Oil 100% | DK gas 14% Oil 00% | 7-1-2002 |
| San Juan 29-6 Unit # 25 | Unit B, Section 32, T29N, R6W | 30039 - 07500 | STATE LEASE | PC gas 13% Oil 00% | MV gas 87% Oil 100% | 9-1-2002 |
| San Juan 29-6 Unit # 25A | Unit O, Section 32, T29N, R6W | 30039- 21092 | STATE LEASE | PC gas 38% Oil 00% | MV gas 62% Oil 100% | 9-1-2002 |

If you have any questions, please contact Matt Halbert, at 505-599-6350 or the undersigned at (505) 599-6357.

Sincerely,

/s/ Jim Lovato

Jim Lovato
Team Leader, Petroleum Management Team

Enclosures:

cc:

NMOCD, Aztec, NM
NMOCD, Santa Fe, NM