



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 #104
Unit N, 985' FSL & 1460' FWL, Sec. 14, 29N, 6W
API#-30-039-20490; 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 79% to be allocated to the Mesaverde and 21% to be allocated to the Dakota.

If you have any questions, please call me at 505-599-3459.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Charlie Donahue

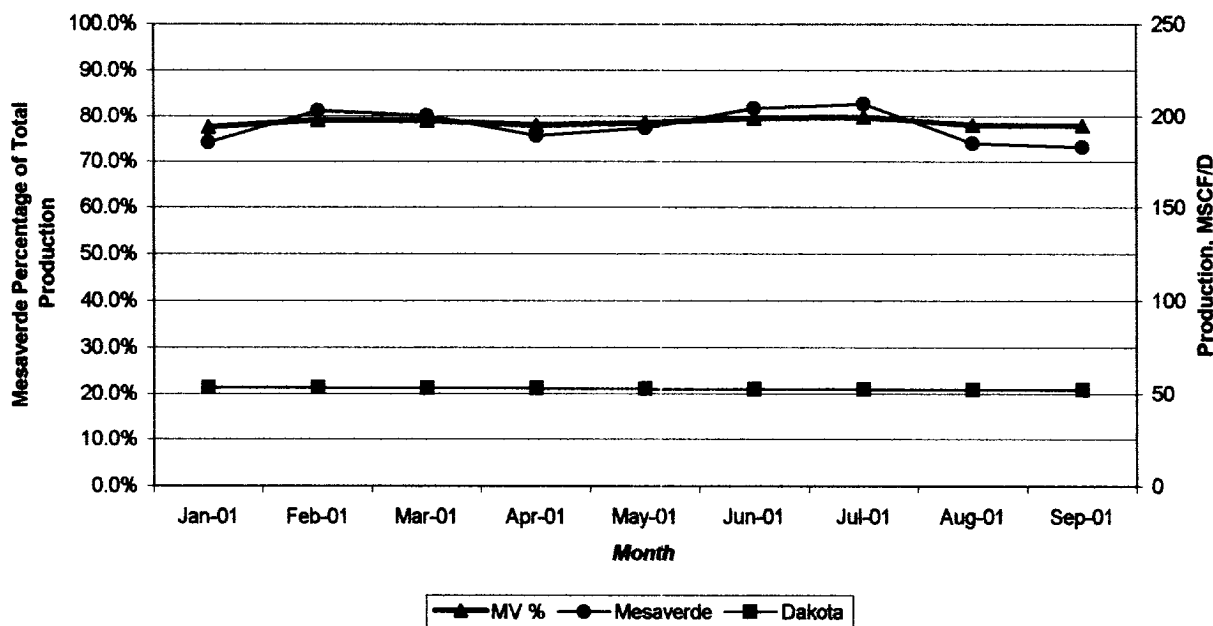
cc: Runell Seale – PPCo
Jim Lovato – BLM
David Valdez – BRI

	Total Well	Dakota	Days	Dakota	Mesaverde	Days	Mesaverde	MV
Month	Production	Production	Produced	Daily	Production	Produced	Daily	%
Jan-01	7,419	1,666	31	54	5,753	31	186	77.5%
Feb-01	7,184	1,499	28	54	5,685	28	203	79.1%
Mar-01	7,859	1,653	31	53	6,206	31	200	79.0%
Apr-01	7,272	1,594	30	53	5,678	30	189	78.1%
May-01	7,632	1,640	31	53	5,992	31	193	78.5%
Jun-01	7,710	1,581	30	53	6,129	30	204	79.5%
Jul-01	8,032	1,627	31	52	6,405	31	207	79.7%
Aug-01	7,362	1,621	31	52	5,741	31	185	78.0%
Sep-01	7,056	1,562	30	52	5,494	30	183	77.9%
	67,526	14,443			53,083			

Total Mesaverde Production = 53,083 MCF
 Total Dakota Production = 14,443 MCF
 Total Production both zones = 67,526 MCF

Average Mesaverde Allocation since December 2001 = **79%**
 Average Dakota Allocation since December 2001 = **21%**

San Juan 29-6 Unit #104 Production



11/20/2001