January 22, 2001

NM Oil & Gas Conservation Division

Attn: Steve Hayden 1000 Rio Bravos Rd. Aztec, NM 87410

Dear Mr. Hayden:

Extended Pictured Cliffs Production Forecast On the San Juan 29-6 unit #53A Unit O, 880' FSL & 1570' FEL, Sec. 31, 29N 6W API # 30-039-21086

About a year ago we submitted a Pictured Cliffs Forecast on this well that would be good through November 2000. We didn't commingle the well until 4/11/00, therefore more forecast data is needed to have our paperwork coincide. Phillips still plans for using the subtraction method for this well for approximately twelve months starting with April 2000. After the 12th month we will convert to the ratio method as indicated in our commingling application.

Pictured Cliffs Production Forecast

April 2000 – 12,228 July 2000 – 11,839 October 2000 – 11,105 January 2001 – 10, 755 May 2000 – 12,364 August 2000 – 11,586 November 2000 – 10,669 February 2001 – 10,711 June 2000 – 11,870 September 2000 – 11,128 December – 2000 – 10,800 March 2001 – 10,666

If you have any questions, please call me at 599-3429.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Kenny Schramko Sr. Reservoir Engineer

cc:

Trish Stuart

Wayne Townsend (BLM Farmington)

KS/pc