



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 17, 1999

NM Oil & Gas Conservation Division
Attn: Ernie Busch
1000 Rio Bravos Rd.
Aztec, NM 87410

Recommended Allocation Method based on
Historical Production Values SJ 29-5 #65M
Unit E, 1579' FNL & 856' FWL
API # - 30-039-25492

E. 28-29A-5W

Dear Mr. Busch:

Phillips plans on using the ratio method from October 1999 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 23% to be allocated to the Dakota, with 77% allocated to the Mesaverde.

If you have any questions, please call me at 505-599-3455.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Mark Stodola

Mark Stodola
Reservoir Engineer

cc: Pat Konkel
Jim Lovato (BLM- Farmington)

NOV 18 1999
OIL & GAS DIVISION
FARMINGTON, NM

**San Juan 29-5 Mesaverde #65M
Monthly Production**

Month	Total Well Prod.	Allocation Order*	Dakota Allocated	Days Prod.	Days in month	Should Allocate	MV Allocation	MV Should be	MV Daily	Dakota Daily	MV %
Jan-98	8,070		1,924	31	31	1,924	6,146	6,146	198	62	76%
Feb-98	7,334		1,674	28	28	1,674	5,660	5,660	194	59	77%
Mar-98	7,485		1,942	31	31	1,942	5,543	5,543	178	59	76%
Apr-98	6,078		1,123	30	30	1,123	4,955	4,955	160	57	77%
May-98	5,526		1,401	26	31	1,401	4,125	4,125	158	54	74%
Jun-98	7,577		1,680	27	30	1,680	5,897	5,897	200	60	78%
Jul-98	8,765		1,845	31	31	1,845	6,920	6,920	224	60	79%
Aug-98	7,831	1,854	1,854	31	31	1,854	6,213	6,213	200	58	78%
Sep-98	3,479	1,782	799	15	30	789	2,889	2,889	113	53	78%
Oct-98	1,535	1,829	768	9	31	768	767	767	85	85	50%
Nov-98	15,112	1,758	1,850	30	30	1,850	13,262	13,262	442	62	88%
Dec-98	9,722	1,805	1,899	31	31	1,899	7,823	7,823	252	61	80%
Jan-99	9,031	1,793	1,888	31	31	1,888	7,143	7,143	230	61	79%
Feb-99	5,453	1,609	1,695	28	28	1,695	3,758	3,758	134	61	69%
Mar-99	3,718	1,770	1,865	31	31	1,865	1,853	1,853	60	60	50%
Apr-99	8,610	1,702	1,794	30	30	1,794	6,816	6,816	227	60	79%
May-99	6,168	1,747	1,843	31	31	1,843	4,325	4,325	140	59	70%
Jun-99	5,878	1,680	1,773	30	30	1,773	4,105	4,105	137	59	70%
Jul-99	8,305	1,724	1,819	31	31	1,819	6,486	6,486	209	59	78%
Aug-99	4,814	1,713	1,809	31	31	1,809	3,005	3,005	97	58	62%
Sep-99	6,860	1,647	1,740	30	30	1,740	5,120	5,120	171	58	75%

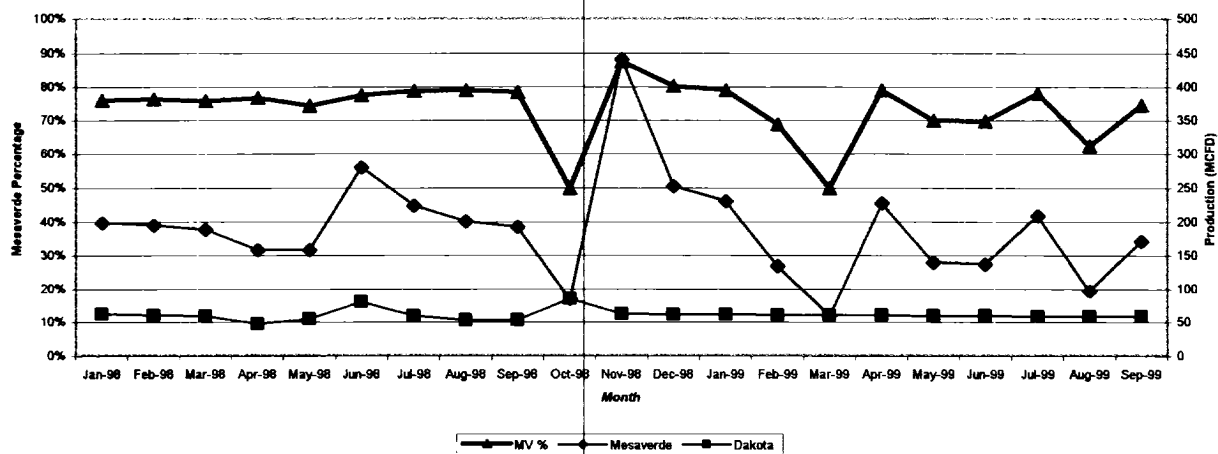
* These volumes are not converted to 14.65 pressure base; all other volumes are

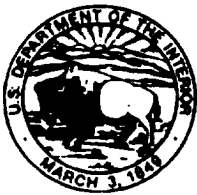
Last 6 months average Mesaverde allocation =
Prior to commingling, the Mesaverde averaged =
Based on Btu (before and after commingling) =

72%
77%
63%

The Mesaverde will be allocated this %

San Juan 29-5 #65M Mesaverde Production





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:
NMSF-078282 et al
3162.7 (07100)

Clint Hutchinson
Phillips Petroleum Company
5525 Hwy. 64 NBU 3004
Farmington, NM 87401



June 1, 2001

Dear Mr. Hutchinson:

Reference is made to your application for down hole commingling of gas from the Mesaverde and Dakota formations. We have received your fixed allocation factors for the wells listed below and after review, we hereby accept your submitted allocation factors with their indicated starting dates.

Well Name Lease number	Location	API#	Allocation	Allocation	Starting Date
San Juan 29-5 #32 SF-078282	N sec 29, T29N, R5W	30039-07524	Mesaverde 83% gas 0% oil	Dakota 17% gas 0% oil	1-2001
San Juan 29-5 #32M SF-078282	D sec 29, T29N, R5W	30039-25817	Mesaverde 84% gas 0% oil	Dakota 16% gas 0% oil	1-2001
San Juan 29-5 #45 SF-080069	A sec 22, T29N, R5W	30039-07596	Mesaverde 44% gas 0% oil	Dakota 56% gas 0% oil	3-2001
San Juan 29-5 #53M Fee	O sec 32, T29N, R5W	30039-25481	Mesaverde 45% gas 0% oil	Dakota 55% gas 0% oil	10-1999
San Juan 29-5 #55 SF-078277	M sec 18, T29N, R5W	30039-20458	Mesaverde 80% gas 0% oil	Dakota 20% gas 0% oil	3-1999
San Juan 29-5 #57M NM-03188	P sec 29, T29N, R5W <i>20</i>	30039-25817 <i>25833</i>	Mesaverde 48% gas 0% oil	Dakota 52% gas 0% oil	1-2001
San Juan 29-5 #64M NM-03188	E sec 21, T29N, R5W	30039-25834	Mesaverde 60% gas 0% oil	Dakota 40% gas 0% oil	4-11-1999
San Juan 29-5 #65M NM-03188	E sec 28, T29N, R5W	30039-25492	Mesaverde 77% gas 0% oil	Dakota 23% gas 0% oil	10-1999
San Juan 29-5 #67M SF-078281	D sec 20, T29N, R5W	30039-25821	Mesaverde 75% gas 0% oil	Dakota 25% gas 0% oil	1-2001

If you have any questions, please contact Joe Hewitt at (505) 599-6365.

Sincerely,

Joe Hewitt

Joe Hewitt
Geologist, Petroleum Management Team

cc: NMOCD, Santa Fe, NM
NMOCD, Aztec, NM