



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

January 26, 2001



SH
NM Oil & Gas Conservation Division
Attn: Frank Chavez
1000 Rio Bravos Rd.
Aztec, NM 87410

Recommended Allocation Method
Ratio Method – San Juan 29-5 Unit #67M
Unit D, 850' FNL & 790' FWL, Sec. 20, T29N, R6W
API – 30-039-25821 *5*

Dear Mr. Chavez:

Phillips plans on using the ratio method from January 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 75% to be allocated to the Mesaverde and 25% allocated to the Dakota.

If you have any questions, please call me at 505-599-3423.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Clint Hutchinson

Clint Hutchinson
Reservoir Engineer

cc: Trish Stuart
Jim Lovato – BLM
David Valdez – Burlington

**San Juan 29-5 Mesaverde #67M
Monthly Production**

Month	Total Well Production	Dakota Production	Days Produced	Dakota Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Oct-99	9,415	2,738	31	88	6,677	31	215	70.9%
Nov-99	18,225	3,778	30	126	14,447	30	482	79.3%
Dec-99	21,161	3,886	31	125	17,275	31	557	81.6%
Jan-00	17,164	3,873	31	125	13,291	31	429	77.4%
Feb-00	17,036	3,490	29	120	13,546	29	467	79.5%
Mar-00	17,302	3,844	31	124	13,458	31	434	77.8%
Apr-00	16,213	3,705	30	124	12,508	30	417	77.1%
May-00	15,114	3,813	31	123	11,301	31	365	74.8%
Jun-00	14,913	3,676	30	123	11,237	30	375	75.4%
Jul-00	14,908	3,782	31	122	11,126	31	359	74.6%
Aug-00	13,716	3,702	31	119	10,014	31	323	73.0%
Sep-00	11,675	3,570	30	119	8,105	30	270	69.4%
Oct-00	14,066	3,673	31	118	10,393	31	335	73.9%
Nov-00	12,007	3,540	30	118	8,467	30	282	70.5%

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

Twelves months prior to workover average Mesaverde allocation =

75%

San Juan 29-5 #67M Mesaverde Production

