



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

January 26, 2001



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 #57M
Unit P, 800' FSL & 920' FEL, Sec. 29, T29N, R6W
API – 30-039-25833

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 48% to be allocated to the Mesaverde and 52% allocated to the Dakota.

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

Sincerely,

PHILLIPS PETROLEUM COMPANY

Clint Hutchinson
Reservoir Engineer

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

San Juan 29-5 Mesaverde #57M
Monthly Production

Month	Total Well Production	Dakota Production	Days Produced	Dakota Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Nov-99	22,360	10,032	30	334	12,328	30	411	55.1%
Dec-99	22,895	10,078	31	325	12,817	31	413	56.0%
Jan-00	22,593	9,797	31	316	12,796	31	413	56.6%
Feb-00	19,284	8,621	29	297	10,663	29	368	55.3%
Mar-00	19,118	9,289	31	300	9,829	31	317	51.4%
Apr-00	16,833	8,749	30	292	8,084	30	269	48.0%
May-00	16,413	8,801	31	284	7,612	31	246	46.4%
Jun-00	14,439	8,294	30	276	6,145	30	205	42.6%
Jul-00	15,916	8,347	31	269	7,569	31	244	47.6%
Aug-00	12,681	8,037	31	259	4,644	31	150	36.6%
Sep-00	13,383	7,578	30	253	5,805	30	194	43.4%
Oct-00	12,550	7,630	31	246	4,920	31	159	39.2%
Nov-00	14,799	7,197	30	240	7,602	30	253	51.4%

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

Twelves months prior to workover average Mesaverde allocation =

48%

San Juan 29-5 #57M Mesaverde Production

