



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

May 19, 2000



New Mexico Oil & Gas Conservation Div.
2040 South Pacheco
Santa Fe, New Mexico 87505-6429

Downhole Commingling Allocation Method
On the San Juan 29-6 Unit #84M

Dear Sirs:

D - 14 - 29N CW

Phillips Petroleum is proposing to utilize the subtraction method on the subject well for approximately twelve months after actual commingling occurs. After the 12th month period we will convert to the ratio method as indicated in our commingling application. We believe this will be a more accurate method of allocating production considering the Dakota interval has been producing for years and that the production will not be stabilized on the Mesaverde for several months.

Dakota Production Forecast

June 2000	5,715	July 2000	5,866
August 2000	5,827	September 2000	5,602
October 2000	5,751	November 2000	5,529
December 2000	5,676	January 2001	5,638
February 2001	5,061	March 2001	5,568
April 2001	5,353	May 2001	5,496

For example, if the total volume for December June 1999 were 20,715 mcf, then the Dakota would be allocated 5,715 mcf and the Mesaverde 15,000 mcf. And subsequently, the Dakota would be allocated $(5,715/20,715)$ or 27.59% and the Mesaverde would be allocated $(15,000/20,715)$ or 72.41%.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Mark Stodola

Mark Stodola
Reservoir Engineer

MS/pc

cc: OCD - Aztec
BLM - Farmington
NM Commissioner of Public Lands - Santa Fe

JA

District I
P.O. Box 1000, Hobbs, NM 88241-1000
District II
811 South First, Artesia, NM 88210
District III
1000 N. Main Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco BLM
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

99 MAY 20 PM 3:41

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number 30-039-26183	' Pool Code 71599	' Pool Name Basin Dakota
' Property Code 009257	' Property Name SAN JUAN 29-6	' Well Number 84M
' OGRID No. 017654	' Operator Name PHILLIPS PETROLEUM COMPANY	' Elevation 6775'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
D	14	29N	6W		1305'	NORTH	925'	WEST	RIO ARriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
D									

' Dedicated Acres 320 N/2	' Joint or Infill I	' Consolidation Code U	' Order No. Unorthodox location & DHC applications have been submitted
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 S 89-47 E 1305' 925' 5280.00' SF-078278 2540.77 acres Section 14 N 00-03 E S 89-53 E 5281.32'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Patsy Clugston Printed Name Regulatory Assistant Title May 17, 1999 Date	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 03/24/99 Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
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District I
 P.O. Box 1900, Hobbs, NM 88240-1900
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. AIT Number		2. Pool Code 72319		3. Pool Name Blanco Mesaverde	
4. Property Code 009257		5. Property Name SAN JUAN 29-6			6. Well Number 84M
7. OGRID No. 017654		8. Operator Name PHILLIPS PETROLEUM COMPANY			9. Elevation 6775'

10. Surface Location

UL or lot no. D	Section 14	Township 29N	Range 6W	Lot Idn	Feet from the 1305'	North/South line NORTH	Feet from the 925'	East/West line WEST	County RIO ARriba
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11. Bottom Hole Location If Different From Surface

UL or lot no. D	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12. Dedicated Acres 320 W/2	13. Joint or Infill I	14. Consolidation Code U	15. Order No. DHC application has been submitted
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

		17. OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Patsy Clugston</i> Signature Patsy Clugston Printed Name Regulatory Assistant Title May 17, 1999 Date
Section 14		18. SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 03/24/99 Date of Survey Signature and Seal of Professional Surveyor:

San Juan 29-6 Unit #84M
Downhole Commingling Data Sheet

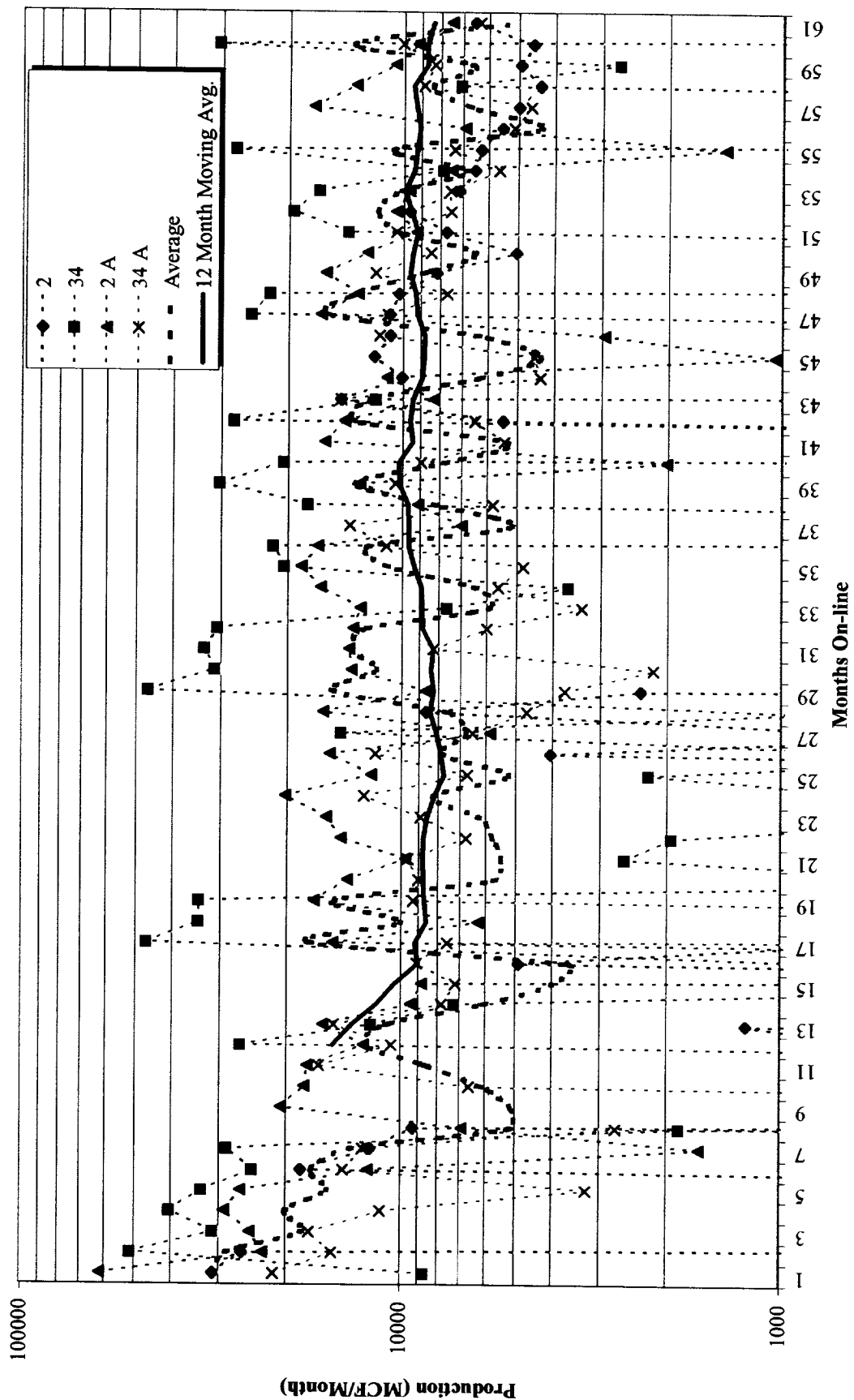
Reference Case: **R-11187**

	Upper Zone		Lower Zone
Pool name:	Blanco Mesaverde		Basin Dakota
Perforations:	4,450'- 6,000'		8,028'- 8,135'
Pore Pressure:	750 psi.		2347 psi.

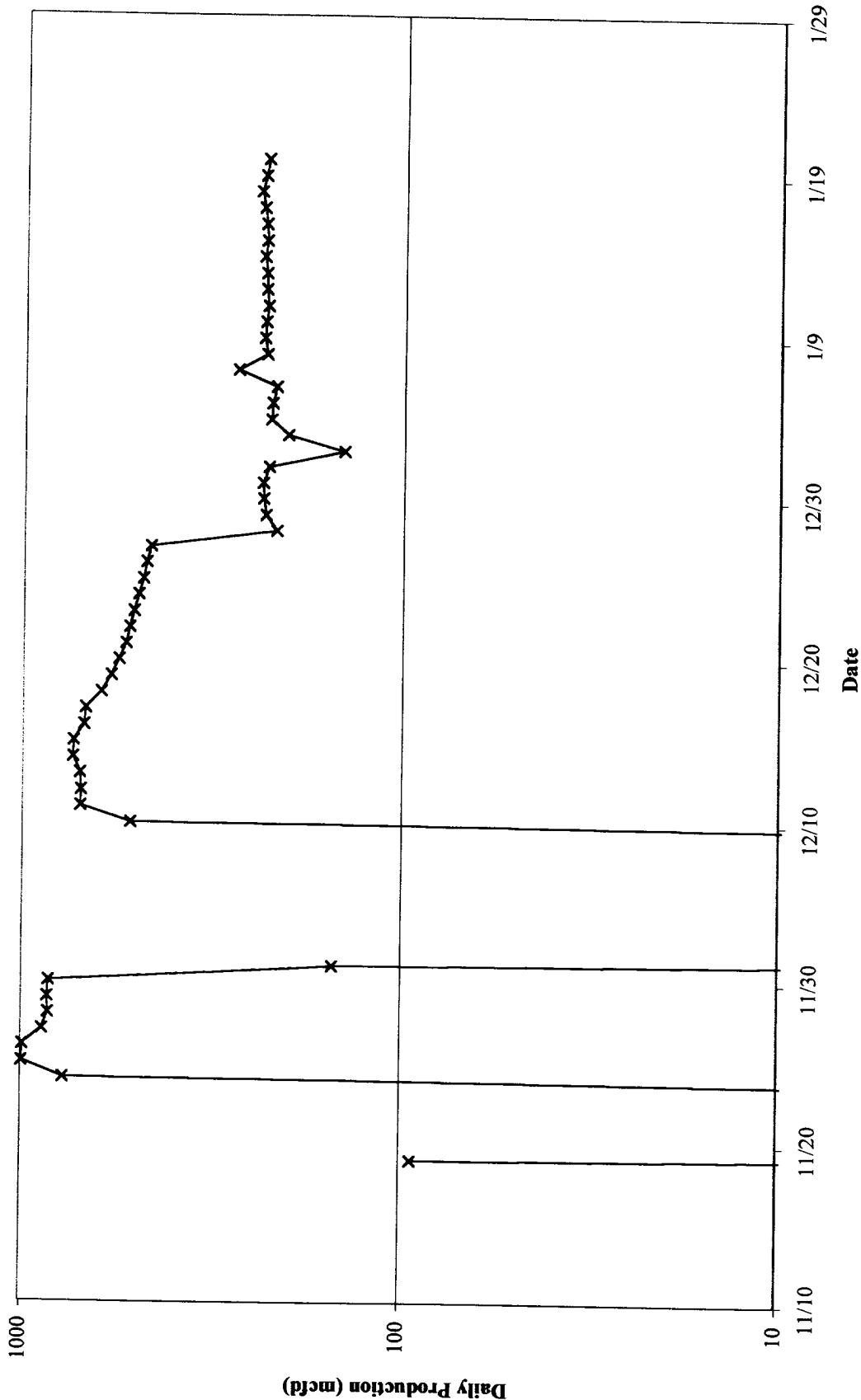
The value of production will not be decreased by
commingling.

The pore pressure of each zone is lower than 0.65
psi/ft for all zones. (Rule 303.C.1.c)

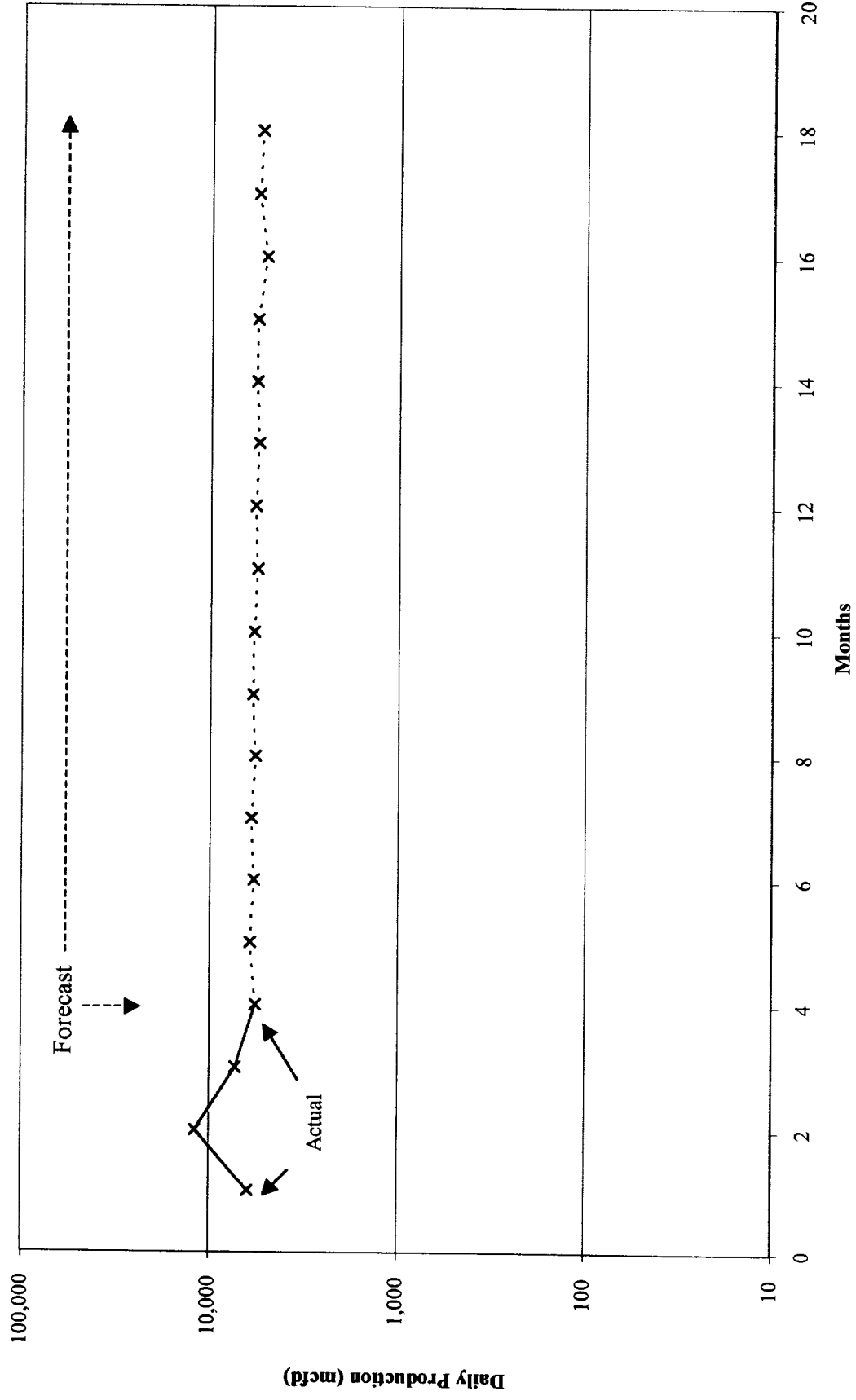
Figure 1 is a log-linear plot showing monthly production (MCF/month) versus months on-line for the 2000-2001 production season. The y-axis is logarithmic, ranging from 100 to 100,000 MCF/month. The x-axis shows months on-line from 1 to 61. The plot includes data for two different production levels (2 and 34) and their 12-month moving averages. The 2 production level is represented by a dashed line with diamond markers, and the 34 production level is represented by a dashed line with square markers. The 12-month moving averages are shown as solid lines. The plot shows that production for the 2 level is generally higher than for the 34 level, and both levels show a significant increase in production over the season.



San Juan 29-6 Unit #84M Dakota - Daily Rate vs. Days On-line



San Juan 29-6 Unit #84M Dakota - Monthly Production and Forecast



29-6 Unit #84M Dakota Forecast

<i>Initial Production Rate</i>	=	195 MCFD
<i>Hyperbolic Exponent</i>	=	0.33
<i>Decline Rate</i>	=	8 %

	Month	Monthly MCF	
1999	Nov	6,191	actual (8 days)
	Dec	11,775	actual
2000	Jan	7,178	actual
	Feb	5,670	actual
	Mar	6,025	
	Apr	5,791	
	May	5,945	
	Jun	5,715	
	Jul	5,866	
	Aug	5,827	
	Sep	5,602	
	Oct	5,751	
	Nov	5,529	
	Dec	5,676	
2001	Jan	5,638	
	Feb	5,061	
	Mar	5,568	
	Apr	5,353	
	May	5,496	

Use subtraction method for +/- 12 months based on this Dakota forecast.