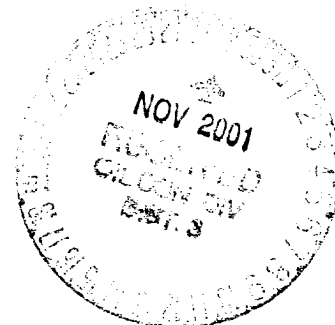




PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 28, 2001



NM Oil & Gas Conservation Division
Attn: Steve Hayden
1000 Rio Bravos Rd
Aztec, NM 87410

Recommended Final Allocation Method
Ratio Method – San Juan 29-5 #52M
Unit I, 1450' FSL & 1080' FEL, Sec. 29, 29N, 5W
API # 30-039-26310; Rio Arriba County, NM

Dear Mr. Hayden:

A
Phillips plans on using the ratio method from December 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 64% to be allocated to the Mesaverde and 36% to be allocated to the Dakota.

If you have any questions, please call me at 505-599-3459.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Charlie Donahue

DHC-160A2
cc: Runell Seale – PPCo
Jim Lovato – BLM
David Valdez – BRI

San Juan 29-5 Unit #52M

Monthly Production

<u>Month</u>	<u>Total Well</u> <u>Production</u>	<u>Dakota</u> <u>Production</u>	<u>Days</u> <u>Produced</u>	<u>Dakota</u> <u>Daily</u>	<u>Mesaverde</u> <u>Production</u>	<u>Days</u> <u>Produced</u>	<u>Mesaverde</u> <u>Daily</u>	<u>MV</u> <u>%</u>
Dec-00	25,468	6,013	31	194	19,455	31	628	76.4%
Jan-01	21,379	5,917	31	191	15,462	31	499	72.3%
Feb-01	15,370	5,262	28	188	10,108	28	361	65.8%
Mar-01	15,383	5,739	31	185	9,644	31	311	62.7%
Apr-01	14,092	5,468	30	182	8,624	30	287	61.2%
May-01	9,873	5,563	31	179	4,310	31	139	43.7%
Jun-01	14,022	5,301	30	177	8,721	30	291	62.2%
Jul-01	10,417	5,304	31	171	5,113	31	165	49.1%
Aug-01	12,933	5,311	31	171	7,622	31	246	58.9%
Sep-01	12,992	5,062	30	169	7,930	30	264	61.0%
	151,929	54,940			96,989			

Total Mesaverde Production = 96,989 MCF
 Total Dakota Production = 54,940 MCF
 Total Production both zones = 151,929 MCF

Average Mesaverde Allocation since December 2001 = **64%**
 Average Dakota Allocation since December 2001 = **36%**

San Juan 29-5 Unit #52M Production

