



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

October 10, 2002



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

Ratio Method – San Juan 29-6 #94M
Unit F, 2370' N & 1945' W, Sec. 16, 29N, 6W
API # 30-039-26339 Rio Arriba County, NM

Dear Mr. Hayden:

Phillips plans on using the ratio method from October 2002 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 66% to be allocated to the Mesaverde and 34% to be allocated to the Dakota for gas production. The oil production will be allocated at 100% Mesaverde and 0% Dakota.

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

NHC479AZ

Sincerely,

PHILLIPS PETROLEUM COMPANY

Charlie Donahue

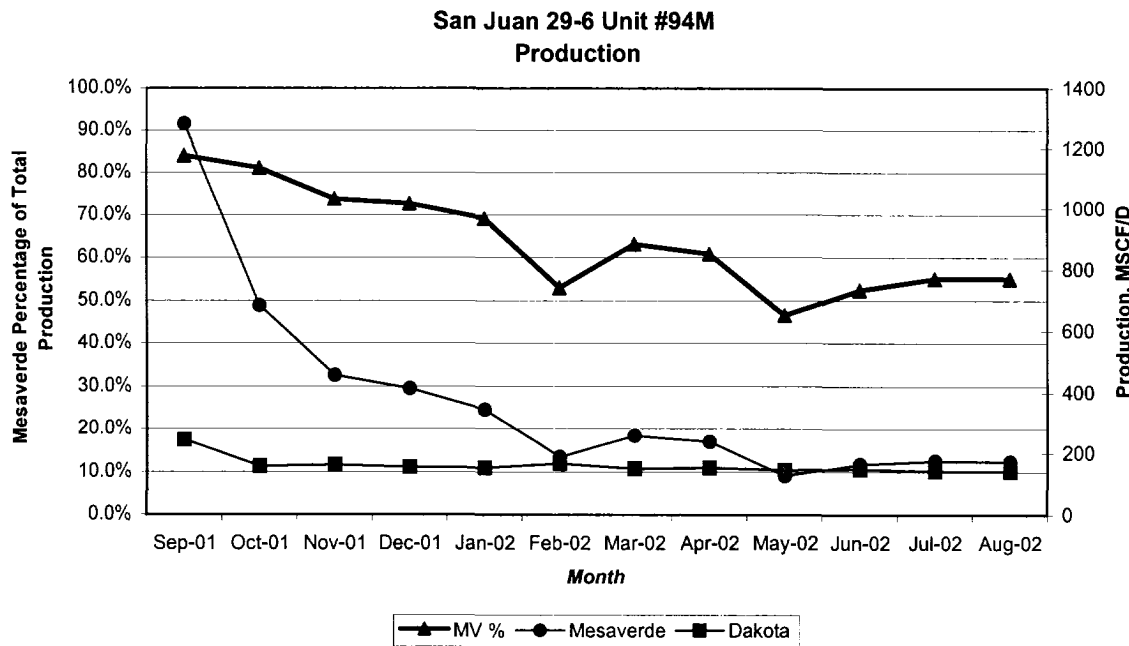
cc: Runell Seale – PPCo
David Valdez – BRI

Month	Total Well Production	Dakota Production	Days Produced	Dakota Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Sep-01	3,051	487	2	244	2,564	2	1282	84.0%
Oct-01	26,115	4,925	31	159	21,190	31	684	81.1%
Nov-01	18,541	4,862	30	162	13,679	30	456	73.8%
Dec-01	17,603	4,810	31	155	12,793	31	413	72.7%
Jan-02	15,404	4,752	31	153	10,652	31	344	69.2%
Feb-02	9,911	4,662	28	167	5,249	28	187	53.0%
Mar-02	12,591	4,642	31	150	7,949	31	256	63.1%
Apr-02	11,690	4,583	30	153	7,107	30	237	60.8%
May-02	8,482	4,535	31	146	3,947	31	127	46.5%
Jun-02	9,417	4,476	30	149	4,941	30	165	52.5%
Jul-02	9,856	4,432	31	143	5,424	31	175	55.0%
Aug-02	9,749	4,380	31	141	5,369	31	173	55.1%
	152,410	51,546			100,864			

Total Mesaverde Production = 100,864 MCF
 Total Dakota Production = 51,546 MCF
 Total Production both zones = 152,410 MCF

Average Mesaverde Allocation since Sept 2001 = 66%
 Average Dakota Allocation since Sept 2001 = 34%

Note: 100% of the condensate production should be allocated to the Mesaverde



10/7/2002