



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 #97M
Unit O, 1190 S & 1850' E, Sec. 35, 29N, 6W
API # 30-039-26342 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 78% to be allocated to the Mesaverde and 22% 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.

DHC515A2

Sincerely,

PHILLIPS PETROLEUM COMPANY

Charlie Donahue

cc: Runell Seale – PPCo
David Valdez – BRI

San Juan 29-6 Unit #97M **Monthly Production**

Month	Total Well Production	Dakota Production	Days Produced	Dakota Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Oct-01	12,982	1,396	14	100	11,586	14	828	89.2%
Nov-01	19,442	3,148	30	225	16,294	30	543	70.7%
Dec-01	13,543	3,129	31	104	10,414	31	336	76.3%
Jan-02	14,358	3,105	31	100	11,253	31	363	78.4%
Feb-02	12,216	3,064	28	99	9,152	28	327	76.8%
Mar-02	13,125	3,057	31	109	10,068	31	325	74.8%
Apr-02	12,493	3,027	30	98	9,466	30	316	76.4%
May-02	10,539	3,011	31	100	7,528	31	243	70.8%
Jun-02	12,164	2,982	30	96	9,182	30	306	76.1%
Jul-02	11,742	2,964	31	99	8,778	31	283	74.1%
Aug-02	11,030	2,942	31	95	8,088	31	261	73.3%
	143,634	31,825			111,809			

Total Mesaverde Production = 111,809 MCF
Total Dakota Production = 31,825 MCF
Total Production both zones = 143,634 MCF

Average Mesaverde Allocation since October 2001 = **78%**
Average Dakota Allocation since October 2001 = **22%**

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

