



United States Department of the Interior

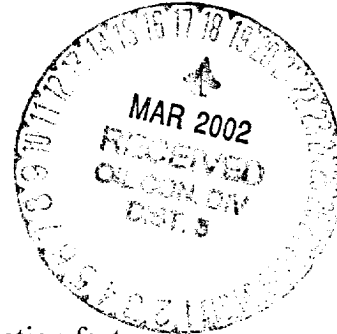
BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO
3162.7 (07100)

March 15, 2002

Mr. Josh Cooper
Phillips Petroleum Company
Farmington, NM 87401



RE: Accept downhole commingle applications and allocation factors

Dear Mr. Cooper:

The following well was reviewed for downhole commingling. After reviewing the production history for this well, we concur with the allocation factors established in your application. The effective date is the date that downhole commingling actually occurs. The well and the approved allocation factors are listed below.

Well Name	Lease/CA#	Location	API#	Formation Allocation	Formation Allocation
San Juan 29-6 Unit #116P	NM 03040A	sec 27, T29N, R6W	3003926681	PC gas 50% Oil 0%	FC gas 50% Oil 0%

If you have any questions, please contact Adrienne Garcia at (505) 599-6358 or the undersigned with this office at (505) 599-6367.

Sincerely,

/s/ Jim Lovato

Jim Lovato
Team Lead, Petroleum Management Team

cc: NMOCD, Santa Fe, NM
~~NMOCD, Aztec, NM~~

bcc: San Juan 29-6 Unit File
Well file
DOMR
07100:AGarcia:3/15/02:x6358:Phillips



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

March 6, 2002

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

NM 03040A

Recommended Allocation Method
Ratio Method – San Juan 29-6 Unit #116P
Unit K, 1697' FSL & 1791' FWL
Section 27, T29N, R6W; Rio Arriba Co.
API – 30-039-26681; NM-03040A

Dear Mr. Hayden:

The SJ 29-6 #116P has recently been tested in both the Pictured Cliffs and Fruitland Coal formations. The Pictured Cliffs was completed and produced for approximately 6 months at a stabilized flow rate of 90 – 100 mcf/d. The Fruitland Coal was then completed and has been producing for approximately 3 months at a stabilized flow rate of 100 mcf/d.

Phillips Petroleum plans to commingle the Pictured Cliffs and Fruitland Coal production in May 2002. Because of the similar production on test, the vertical proximity of the two zones and because the Working and Revenue Interest owners in both zones are identical, I recommend using the Ratio Method to allocate production between the two zones: 50% Pictured Cliffs and 50% Fruitland Coal.

If you have any questions, please call me at 505-599-3438.

No oil production

PC = 0%
FC = 0%

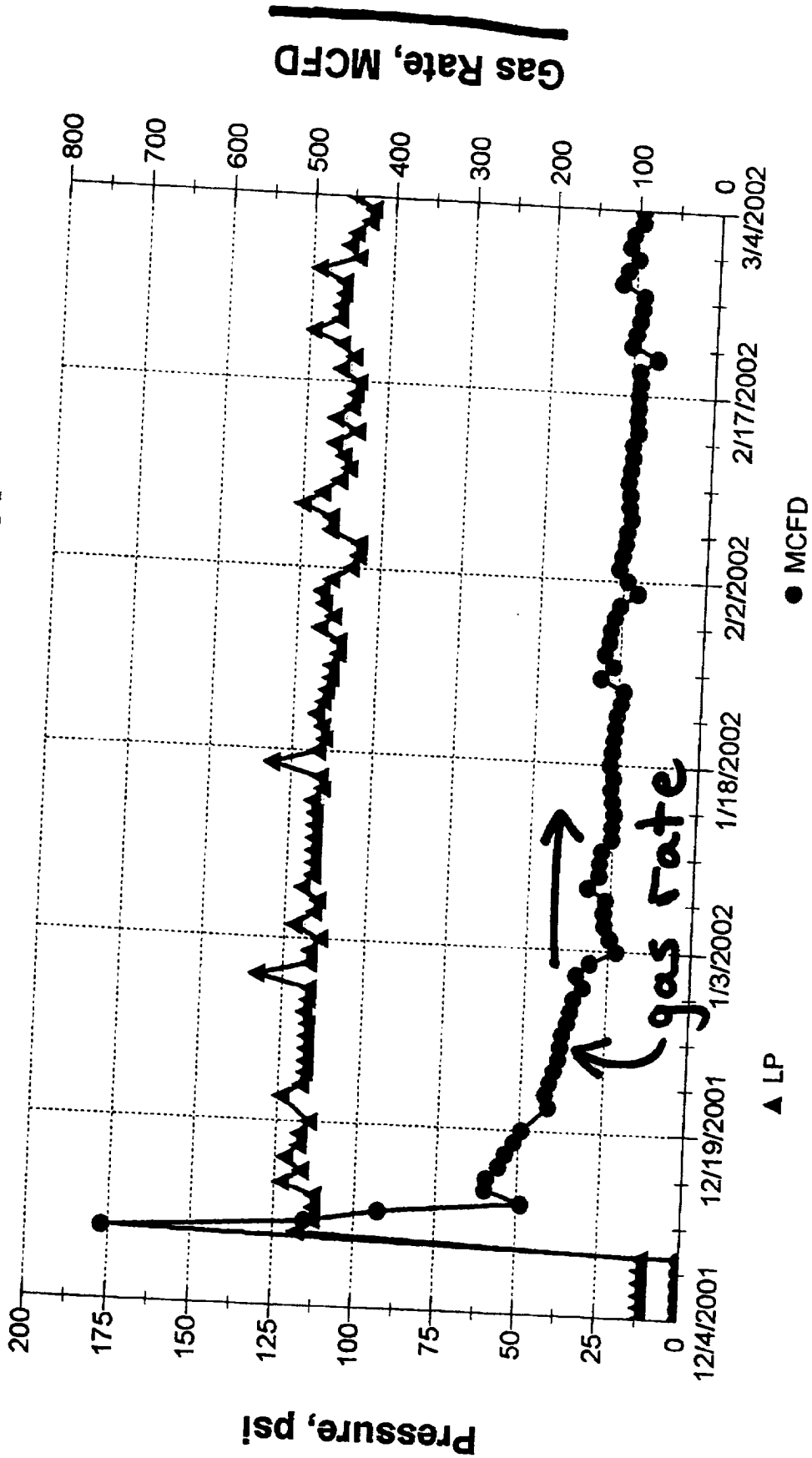
Sincerely,

PHILLIPS PETROLEUM COMPANY

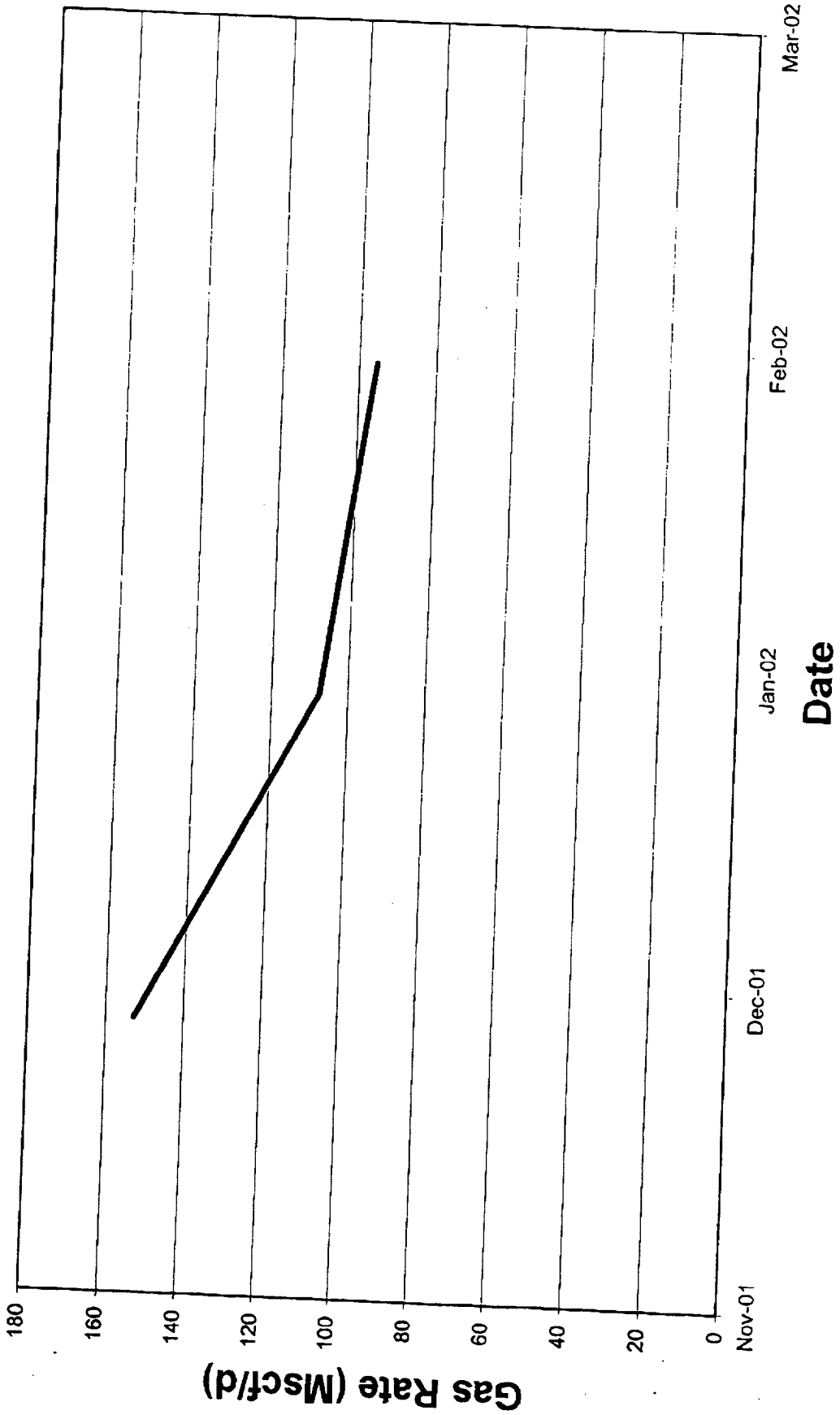

Josh Cooper
Reservoir Engineer

cc: Runell Seale
Jim Lovato – BLM ✓

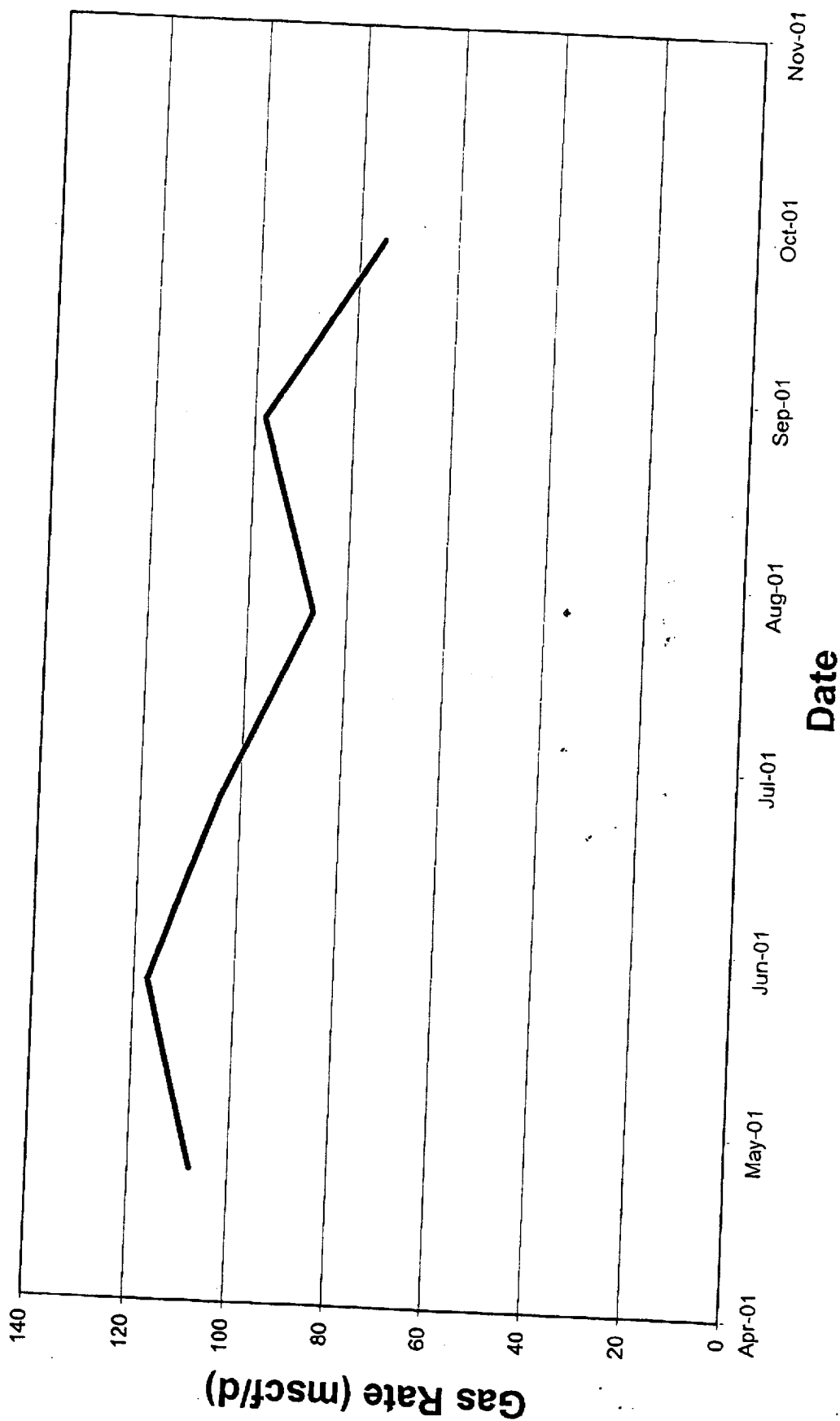
FC
San Juan 29-6 #116P



FC
SJ 29-6 #116P Production History



SJ 29-6 #116P PC Production





PHILLIPS PETROLEUM COMPANY

San Juan Area
5525 Hwy 64
Farmington, NM 87401
Fax No.: (505) 599-3442

Total Pages (Including Cover Sheet) 4

Date: 3/14/02

To: Adrienne G
Company: _____
Fax No.: _____

From: Josh C
Phone: _____

Message:

I daily FC rate plot; I monthly avg FC rate
plot; I monthly avg PC plot... I am
slightly suspicious of the last PC
data point... call w/any questions
5993438

