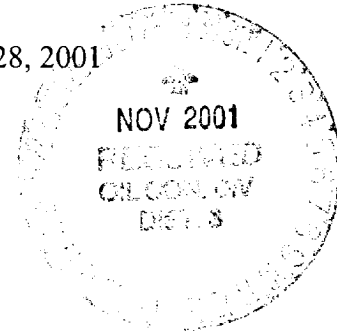




PHILLIPS PETROLEUM COMPANY

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 30-5 #48M
Unit I, 1780' FSL & 1185' FEL, Sec. 20, T30N, R5W
API#-30-039-26367; Rio Arriba County, NM

Dear Mr. Hayden:

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 52% to be allocated to the Mesaverde and 48% to be allocated to the Dakota.

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

Sincerely,

PHILLIPS PETROLEUM COMPANY

Charlie Donahue

DHC188AZ

cc: Runell Seale – PPCo
Jim Lovato – BLM
David Valdez – BRI

San Juan 30-5 Unit #48M

Monthly Production

API #3003926367

Month	Total Well Production	Dakota Production	Days Produced	Dakota Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Dec-00	14,328	3,875	31	125	10,453	31	337	73.0%
Jan-01	7,015	6,600	31	213	415	31	13	5.9%
Feb-01	7,787	5,897	28	211	1,890	28	68	24.3%
Mar-01	8,137	6,461	31	208	1,676	31	54	20.6%
Apr-01	24,151	6,185	30	206	17,966	30	599	74.4%
May-01	8,264	6,322	31	204	1,942	31	63	23.5%
Jun-01	20,384	6,052	30	202	14,332	30	478	70.3%
Jul-01	13,587	6,187	31	200	7,400	31	239	54.5%
Aug-01	12,468	6,119	31	197	6,349	31	205	50.9%
Sep-01	8,461	5,858	30	195	2,603	30	87	30.8%
	124,582	59,556			65,026			

Total Mesaverde Production = 65,026 MCF

Total Dakota Production = 59,556 MCF

Total Production both zones = 124,582 MCF

Average Mesaverde Allocation since December 2001 = **52%**

Average Dakota Allocation since December 2001 = **48%**

San Juan 30-5 Unit #48M Production

