



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

August 22, 2000



New Mexico Oil & Gas Conservation Div.
1000 Rio Brazos Road
Aztec, NM 87410

A-22-29N-5W

Change Previously Submitted DHC Allocation
Method on the San Juan 29-5 Unit #45

Dear Sirs:

JA
The previously submitted allocation forecast for the Mesaverde interval was incorrect. Therefore, I have attached the correct allocation forecast. We will still be utilizing the subtraction method on the subject well for approximately 12 months after actual commingling occurs. After the first 12 months, we will convert to the ratio method as indicated in our commingling application and our original allocation forecast. Our production accounting department will be making the changes necessary to get the production reported correctly for months we reported production using the wrong allocation forecast.

We are sorry for the any inconvenience this may have caused. If you have any questions or concerns about this please call me at 599-3455.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Mark Stodola

Mark Stodola
Reservoir Engineer

MS/pc

cc: BLM - Farmington

29-5 Unit #45 Mesaverde Forecast

<i>Initial Production Rate</i>	=	180 MCFD
<i>Hyperbolic Exponent</i>	=	0.5
<i>Decline Rate</i>	=	20 %

	Month	Monthly MCF
2000	Feb	5,179
	Mar	5,446
	Apr	5,185
	May	5,271
	Jun	5,019
	Jul	5,104
	Aug	5,022
	Sep	4,784
	Oct	4,866
	Nov	4,637
	Dec	4,718
2001	Jan	4,645
	Feb	4,134
	Mar	4,511
	Apr	4,301
	May	4,379
	Jun	4,175
	Jul	4,252

Use subtraction method for +/- 12 months based on this Dakota forecast.