



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

February 18, 2002



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

Ratio Method – San Juan 29-6 #84
Unit G, 1635' FNL & 1745' FEL, Sec. 14, 29N, 6W
API # 30-039-07623, Rio Arriba County, NM

Dear Mr. Hayden:

sf
Phillips plans on using the ratio method from January 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 77% to be allocated to the Mesaverde and 23% 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.

Sincerely,

DHC 191 AZ

PHILLIPS PETROLEUM COMPANY

Charlie Donahue

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

San Juan 29-6 Unit #84 Monthly Production

<u>Month</u>	<u>Total Well Production</u>	<u>Dakota Production</u>	<u>Days Produced</u>	<u>Dakota Daily</u>	<u>Mesaverde Production</u>	<u>Days Produced</u>	<u>Mesaverde Daily</u>	<u>MV %</u>
Jan-01	4,292	1,334	31	43	2,958	31	95	68.9%
Feb-01	6,528	1,777	28	63	4,751	28	170	72.8%
Mar-01	7,577	1,623	31	52	5,954	31	192	78.6%
Apr-01	7,366	1,774	30	59	5,592	30	186	75.9%
May-01	8,395	1,718	31	55	6,677	31	215	79.5%
Jun-01	7,491	1,760	30	59	5,731	30	191	76.5%
Jul-01	8,042	1,704	31	55	6,338	31	204	78.8%
Aug-01	8,212	1,750	31	56	6,462	31	208	78.7%
Sep-01	7,705	1,739	30	58	5,966	30	199	77.4%
Oct-01	7,530	1,685	31	54	5,845	31	189	77.6%
Nov-01	7,199	1,726	30	58	5,473	30	182	76.0%
Dec-01	7,674	1,672	31	54	6,002	31	194	78.2%
	88,011	20,262			67,749			

Total Mesaverde Production = 67,749 MCF
 Total Dakota Production = 20,262 MCF
 Total Production both zones = 88,011 MCF

Average Mesaverde Allocation since January 2001 = 77%
 Average Dakota Allocation since January 2001 = 23%

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

