

November 23, 1998

NM Oil & Gas Conservation Division Attn: Lori Wrotenbery 2040 South Pacheco Street Santa Fe, NM 87505

Recommended Allocation Method based on Historical Production Values -30-5 #52M

MUV 30 . .

Dear Ms. Wrotenbery:

Phillips plans on using the ratio method from October 1998 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 70% to be allocated to the Dakota, with 30% allocated to the Mesaverde.

If you have any questions, please call me at 505-599-3455.

Sincerely,

Mach W. Stodda

Mark W. Stodola Reservoir Engineer

cc:

BLM – Farmington, NM OCD – Aztec, NM Pat Konkel

San Juan 30-5 Mesaverde #52M Monthly Production

	Total Well	Allocation	Dakota	Days	Should be	Mesaverde	Mesaverde	Mesaverde	Dakota	MV
Month	Production	Order*	Allocated	Produced	Allocated	Allocation	Should be	Daily	Daily	%
Sept			3,078	30					103	
Oct			5,239	11					476	
Nov			15,356	30					512	
Dec			10,534	31					340	
Jan			8,832	31					285	
Feb			7,043	28					252	
Mar			1,236	5					247	
Apr	2,583	8,766	2,316	8	2,000	267	583	73	250	22.6%
May	13,421	8,979	9,011	31	7,600	4,410	5,821	188	245	43.4%
Jun	9,707	8,613	8,565	18	4,300	1,142	5,407	300	239	55.7%
Jul	10,303	8,823	8,858	31	7,300	1,445	3,003	97	235	29.1%
Aug	8,061	8,746	6,932	24	5,500	1,129	2,561	107	229	31.8%
Sep	8,222	8,390	8,042	29	6,500	180		-	224	0.0%

<sup>\*</sup> These volumes are not converted to 14.65 pressure base; all other volumes are

Last six months average Mesaverde allocation =

30%

San Juan 30-5 #52M Mesaverde Production

