

DHC-1843



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 23, 1998

NOV 30

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

Recommended Allocation Method based on
Historical Production Values -30-5 #75M

Dear Ms. Wrottenbery:

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 61% to be allocated to the Dakota, with 39% allocated to the Mesaverde.

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

Sincerely,

PHILLIPS PETROLEUM COMPANY

Mark W. Stodola
Reservoir Engineer

cc: BLM - Farmington, NM
OCD - Aztec, NM
Pat Konkel

**San Juan 30-5 Mesaverde #75M
Monthly Production**

| Month | Total Well Production | Allocation Order* | Dakota Allocated | Days Produced | Should be Allocated | Mesaverde Allocation | Mesaverde Should be | Mesaverde Daily | Dakota Daily | MV % |
|-------|-----------------------|-------------------|------------------|---------------|---------------------|----------------------|---------------------|-----------------|--------------|-------|
| Sept | | | 4,837 | 30 | | | | | 161 | |
| Oct | | | 4,923 | 11 | | | | | 448 | |
| Nov | | | 3,855 | 30 | | | | | 129 | |
| Dec | | | 4,233 | 31 | | | | | 137 | |
| Jan | | | 5,122 | 31 | | | | | 165 | |
| Feb | | | 5,204 | 25 | | | | | 208 | |
| Mar | | | 1,850 | 6 | | | | | 308 | |
| Apr | 10,165 | 5,406 | 5,426 | 16 | 2,894 | 4,739 | 7,271 | 454 | 181 | 71.5% |
| May | 15,201 | 5,537 | 5,558 | 31 | 5,558 | 9,643 | 9,643 | 311 | 179 | 63.4% |
| Jun | 8,740 | 5,312 | 5,333 | 30 | 5,333 | 3,407 | 3,407 | 114 | 178 | 39.0% |
| Jul | 9,243 | 5,441 | 5,464 | 31 | 5,464 | 3,779 | 3,779 | 122 | 176 | 40.9% |
| Aug | 8,888 | 5,393 | 5,416 | 31 | 5,416 | 3,472 | 3,472 | 112 | 175 | 39.1% |
| Sep | 8,109 | 5,174 | 5,198 | 30 | 5,198 | 2,911 | 2,911 | 97 | 173 | 35.9% |

* These volumes are not converted to 14.65 pressure base; all other volumes are

Last four months average Mesaverde allocation = 39%

San Juan 30-5 #75M Mesaverde Production

