



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
6625 HWY. 64 NBU 3004

NOV 15 1999

RESERVATION DIVISION

November 12, 1999

New Mexico Oil & Gas Conservation Div.
2040 South Pacheco
Santa Fe, New Mexico 87505-6429

Downhole Commingling Allocation Method
On the San Juan 29-5 #32M, 57M, and 67M

Dear Sirs:

Phillips Petroleum wishes to change the allocation method we proposed with our commingling application on the subject wells. We originally planned on completing the Mesaverde right after completing the Dakota interval, but this didn't happen. We have produced the Dakota zone on each of these wells between 6 and 8 months and will now be adding the Mesaverde pay. We feel the most accurate method of allocating production from these particular wells would be to use the subtraction method between 6 and 12 months and then utilize the ratio method. This will give the Mesaverde time to stabilize.

New Dakota forecasts for each of these wells are attached as well as a production plot on each. If you have questions or concerns about our plans please call me at 505-599-3455, I will be glad to discuss them with you.

Sincerely,

Phillips Petroleum Company

Mark Stodola

Mark Stodola
Reservoir Engineer

MS/pc

cc: OCD - Aztec
BLM - Farmington
NM Commissioner of Public Lands - Santa Fe

57M - DHC 2129
67M DHC 2131
32M DHC 2132

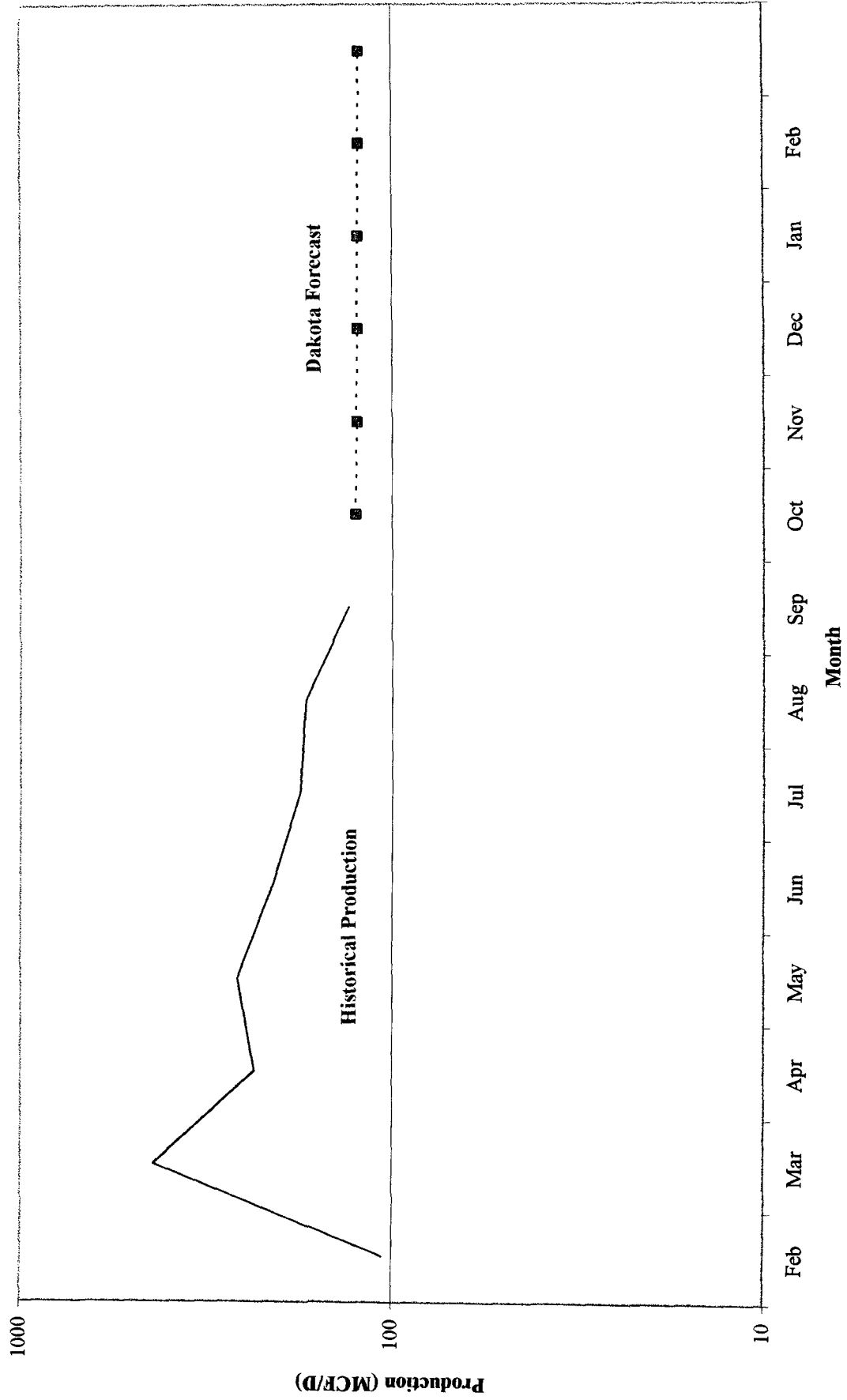
29-5 Unit #67M Dakota Forecast

<i>Initial Production Rate</i>	=	125 MCFD
<i>Hyperbolic Exponent</i>	=	0.33
<i>Decline Rate</i>	=	5 %

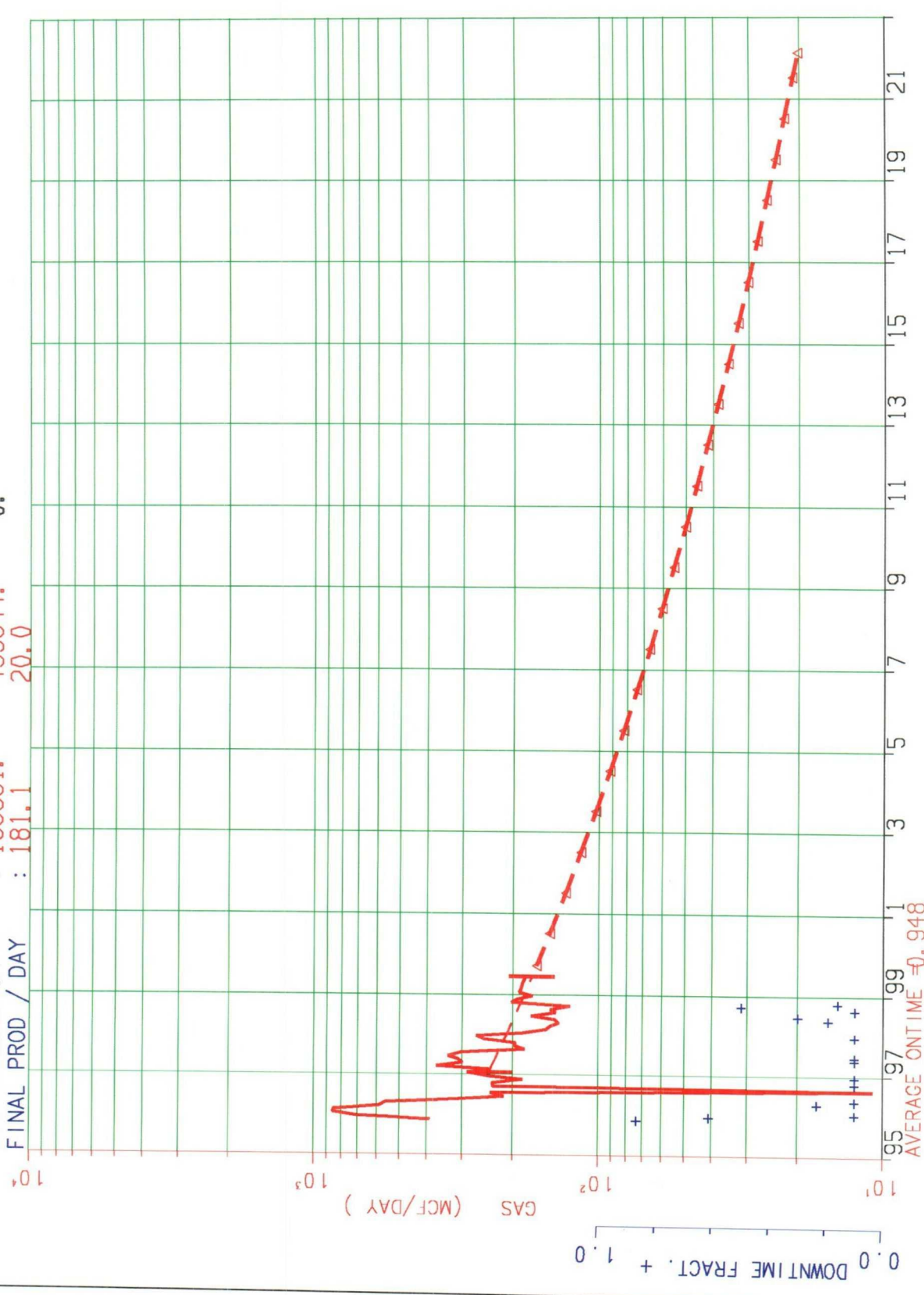
	Month	Monthly MCF
1999	Oct	3,867
	Nov	3,726
	Dec	3,835
2000	Jan	3,818
	Feb	3,435
	Mar	3,788
	Apr	3,651
	May	3,757
	Jun	3,621
	Jul	3,726
	Aug	3,710
	Sep	3,576
	Oct	3,680
	Nov	3,547
	Dec	3,650
2001	Jan	3,635
	Feb	3,270
	Mar	3,606

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

San Juan 29-5 #67M Dakota Production Forecast

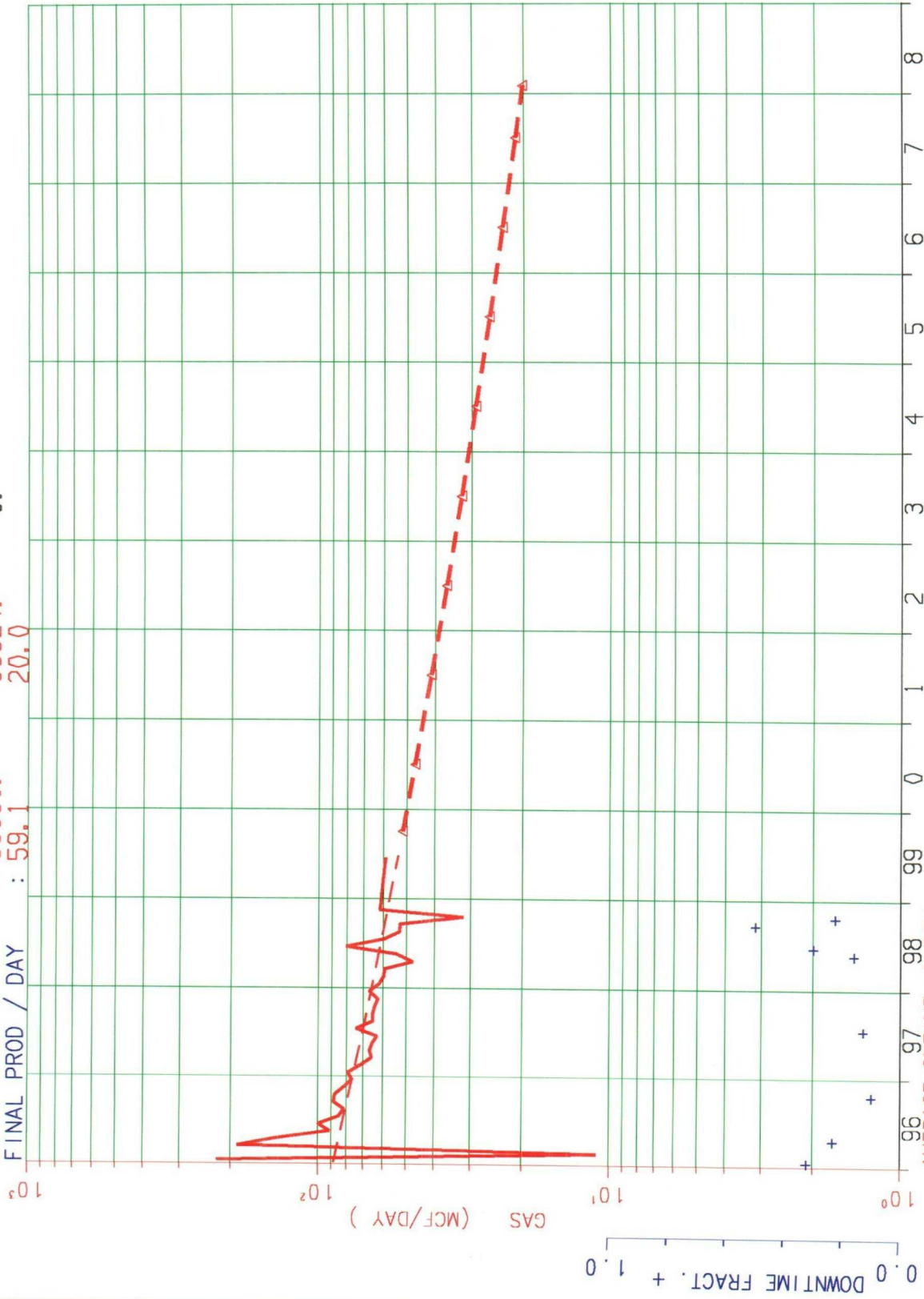


2/97-5/99 6/99-LIFE ASSOC. Current Cums
 : 241.2 171.9 0.0 323482. MCF GAS
 REMAINING LIFE : 2.33 22.81
 HYPR(0.33) DECL % : 16.19 14.48
 CUM PRODUCTION : 168961. 493644.
 FINAL PROD / DAY : 181.1 20.0



RESVR- 004 : BASIN (DAKOTA) SAN JUAN 29 5 UNIT
 WELL - 53M CUM MCF = 324341. 32 29N 5W
 DWIGHTS ACT
 251,039,0392548171599 API-300392548100
 PHILLIPS PETROLEUM CO THRU 6/99

1/96-6/99 7/99-LIFE ASSOC. Current Cums
 INITIAL PROD / DAY : 88.8 53.4 0.0 89051. MCF GAS
 REMAINING LIFE : 3.50 8.67
 HYPR(0.33) DECL % : 16.59 14.03
 CUM PRODUCTION : 89051. 99924.
 FINAL PROD / DAY : 59.1 20.0



AVERAGE ONTIME = 0.954

RESVR- 004 : BASIN (DAKOTA) SAN JUAN 29 5 UNIT
 WELL - 65M CUM MCF = 89064. 28E 29N 5W
 DWIGHTS ACT
 251,039,0392549271599 API-300392549200
 PHILLIPS PETROLEUM CO THRU 6/99