



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 27, 2000

NM Oil & Gas Conservation Division
Attn: Frank Chavez
1000 Rio Brazos Rd.
Aztec, NM 87410

Recommended Allocation Method based on
Historical Production Values –San Juan 29-6 Unit #16
Unit N, 900' FSL & 1650' FWL, Sec. 32, 29N 6W
API-30-039-07471

Dear Mr. Chavez:

Phillips plans on using the ratio method from November 2000 production through 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 47% to be allocated to Mesaverde, with 53% allocated to the Pictured Cliffs.

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

Sincerely,

PHILLIPS PETROLEUM COMPANY

Mark Stodola
Reservoir Engineer

cc: Trish Stuart
Wayne Townsend - BLM
David Valdez - Burlington

29-6 #16
Monthly Production

Month	Total Well Prod.	Allocation Order*	P.C. Allocated	Days Prod.	Days in month	Revised PC Allocation	MV Allocation	Revised MV Allocation	MV Daily	P.C. Daily	MV %
Dec-99	11,316		11,316	31	31	11,316	0	0	0	365	0%
Jan-00	9,786		9,786	31	31	9,786	0	0	0	316	0%
Feb-00	6,552	9,262	6,552	29	29	6,552	0	0	0	226	0%
Mar-00	5,742	10,035	5,742	29	31	5,742	0	0	0	198	0%
Apr-00	8,304	9,499	8,304	19	30	8,304	0	0	0	437	0%
May-00	15,308	9,601	9,542	31	31	6,138	5,766	9,170	296	198	60%
Jun-00	25,721	9,215	21,957	30	30	5,940	3,764	19,781	659	198	77%
Jul-00	12,445	9,189	9,138	31	31	6,138	3,307	6,307	203	198	51%
Aug-00	11,140	8,990	8,879	31	31	6,138	2,261	5,002	161	198	45%
Sep-00	10,629	8,632	8,526	30	30	5,940	2,103	4,689	156	198	44%

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

Last 3 months average Mesaverde allocation =

47%	Allocate this to the Mesaverde
53%	Allocate this to the Pictured Cliffs

