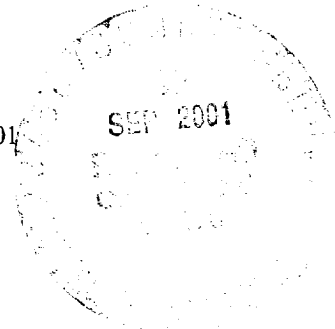




PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

September 7, 2001



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

Recommended Final Allocation Method
Ratio Method – San Juan 29-6 Unit #53
Unit B, 790' FNL & 1730' FEL, Sec. 31, 29N, 6W
API – 30-039-07509; Rio Arriba County, NM

Dear Mr. Hayden:

Phillips on using the ratio method from August 2001 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 we used to determine the ratio of 52% to be allocated to Mesaverde and 48% allocated to the Pictured Cliffs.

If you have questions, please call me at 505-599-3474.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Tim Tomberlin
Reservoir Engineer

cc: Runell Seale - PPCo
Jim Lovato – BLM
David Valdez - Burlington

San Juan 29-6 Mesaverde #53

Monthly Production

Month	Total Well Production	Pictured Cliffs Production	Days Produced	PC Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Aug-00	14,039	6,990	30	233	7,049	30	235	50.2%
Sep-00	18,139	6,713	31	217	11,426	30	381	63.8%
Oct-00	15,824	6,699	30	223	9,125	31	294	56.9%
Nov-00	14,994	6,434	31	208	8,560	30	285	57.9%
Dec-00	12,011	6,424	31	207	5,587	31	180	46.5%
Jan-01	12,924	6,291	30	210	6,633	31	214	50.5%
Feb-01	516	276	31	9	240	26	9	50.9%
Mar-01	10,683	6,226	30	208	4,457	31	144	40.9%
Apr-01	12,079	6,198	31	200	5,881	30	196	49.5%
May-01	9,478	6,175	31	199	3,303	31	107	34.8%
	120,687	58,426			62,261			

Total Mesaverde Production = 62,261

Total Picture Cliffs Production = 58,426

Total Production both zones = 120,687

Average Mesaverde Allocation since August 2000 = **52%**
Average Picture Cliffs Allocation since August 2000 = **48%**

San Juan 29-6 #53 Mesaverde Production

