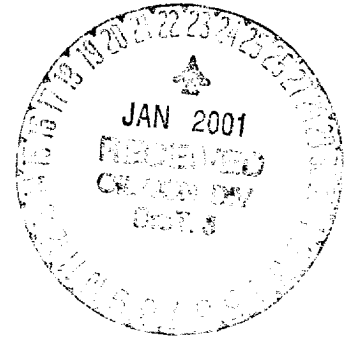




PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

January 22, 2001



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

SA

Extended Dakota Production Forecast
On the San Juan 29-6 unit #86
Unit N, 790' FSL & 1800' FWL, Sec. 27, 29N 6W
API # 30-039-07516

Dear Mr. Hayden:

About a year ago we submitted a Dakota Forecast on this well that would be good through November 2000. We didn't commingle the well until 8/25/00, therefore more forecast data is needed to have our paperwork coincide. Phillips still plans for using the subtraction method for this well for approximately twelve months starting with August 2000. After the 12th month we will convert to the ratio method as indicated in our commingling application.

Dakota?
Pictured Cliffs Production Forecast

August 2000 – 2,095	September 2000 – 2,019	October 2000 – 2,078
November 2000 – 2,002	December – 2000 – 2,033	January 2001 – 2,024
February 2001 – 2,016	March 2001 – 2,007	April 2001 – 1,999
May 2001 – 1,991	June 2001 – 1,983	July 2001 – 1,974

If you have any questions, please call me at 599-3429.

Sincerely,

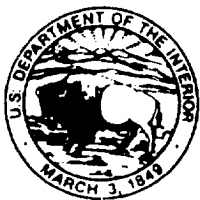
PHILLIPS PETROLEUM COMPANY

Kenny Schramko

Kenny Schramko
Sr. Reservoir Engineer

cc: Trish Stuart
Wayne Townsend (BLM Farmington)

KS/pc



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
NMNM-05220 et al
3162.7 (07100)

Clint Hutchinson and Kenny Schramko
Phillips Petroleum Company
5525 Hwy. 64 NBU 3004
Farmington, NM 87401



June 15, 2001

Dear Mr. Hutchinson and Mr. Schramko:

Reference is made to your application for two kinds of down hole commingling of gas. One from Mesaverde-Dakota formation producing wells and another from Pictured Cliffs-Mesaverde wells in the San Juan 29-6 Unit. We are accepting the 12 month Dakota production forecast for the Mesaverde-Dakota wells and the 12 month Pictured Cliffs production forecast from the Pictured Cliffs-Mesaverde wells you have submitted that are listed below. We also accept the subtraction method of production allocation and the updated forecast submitted on some of the wells marked with an asterisk. After the wells have stabilized please submit the fixed allocation factors that you plan on using for the life of the well along with a starting date.

Well Name	Location	API#	Formations	Lease number
San Juan 29-6 #77	H sec 22, T29N, R6W	30039-07581	MV/DK	NM-05220
San Juan 29-6 #78	L sec 22, T29N, R6W	30039-07578	MV/DK	SF-080377
San Juan 29-6 #79	M sec 24, T29N, R6W	30039-20225	MV/DK	SF-078284
San Juan 29-6 #82	B sec 25, T29N, R6W	30039-20357	MV/DK	NM-012671
San Juan 29-6 #83	M sec 13, T29N, R6W	30039-07604	MV/DK	SF-078278
San Juan 29-6 #84M	D sec 14, T29N, R6W	30039-26183	MV/DK	SF-078278
*San Juan 29-6 #86	N sec 27, T29N, R6W	30039-07516	MV/DK	NM-03040A
*San Juan 29-6 #88	L sec 33, T29N, R6W	30039-07491	MV/DK	SF-080596
San Juan 29-6 #92	M sec 12, T29N, R6W	30039-07646	MV/DK	NM-012698
San Juan 29-6 #51A	D sec 31, T29N, R6W	30039-21088	PC/MV	SF-078426
*San Juan 29-6 #53A	O sec 31, T29N, R6W	30039-21086	PC/MV	NM-03040A

If you have any questions, please contact Joe Hewitt at (505) 599-6365.

Sincerely,

Joe Hewitt

Joe Hewitt

Geologist, Petroleum Management Team

cc: NMOCD, Santa Fe, NM
NMOCD, Aztec, NM