



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 28, 2001



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

SF

Recommended Final Allocation Method
Ratio Method – San Juan 29-6 #83
Unit M, 890' FSL & 890' FWL, Sec. 13, 29N, 6W
API#-30-039-07604; Rio Arriba County, NM

Dear Mr. Hayden:

Phillips plans on using the ratio method from December 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 that we used to determine the ratio of 66% to be allocated to the Mesaverde and 34% to be allocated to the Dakota.

If you have any questions, please call me at 505-599-3459.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Charlie Donahue

cc: Runell Seale – PPCo
Jim Lovato – BLM
David Valdez – BRI

San Juan 29-6 Unit #83 Monthly Production

<u>Month</u>	<u>Total Well Production</u>	<u>Dakota Production</u>	<u>Days Produced</u>	<u>Dakota Daily</u>	<u>Mesaverde Production</u>	<u>Days Produced</u>	<u>Mesaverde Daily</u>	<u>MV %</u>
Dec-00	6,856	2,320	31	75	4,536	31	146	66.2%
Jan-01	8,683	2,314	31	75	6,369	31	205	73.4%
Feb-01	5,829	2,229	28	80	3,600	28	129	61.8%
Mar-01	261	130	31	4	131	31	4	50.2%
Apr-01	7,428	2,223	30	74	5,205	30	174	70.1%
May-01	7,155	2,290	31	74	4,865	31	157	68.0%
Jun-01	7,101	2,284	30	76	4,817	30	161	67.8%
Jul-01	6,722	2,285	31	74	4,437	31	143	66.0%
Aug-01	6,176	2,275	31	73	3,901	31	126	63.2%
Sep-01	3,429	2,197	30	73	1,232	30	41	35.9%
	59,640	20,547			39,093			

Total Mesaverde Production = 39,093 MCF

Total Dakota Production = 20,547 MCF

Total Production both zones = 59,640 MCF

Average Mesaverde Allocation since December 2001 = **66%**
Average Dakota Allocation since December 2001 = **34%**

San Juan 29-6 Unit #83 Production

