



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

September 25, 2002

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

Ratio Method – San Juan 29-6 #95
L, 1650' FSL & 1075' FWL, Sec. 34, 29N, 6W
API # 30-039-20027, Rio Arriba County, NM

Dear Mr. Hayden:

Phillips plans on using the ratio method from September 2002 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 57% to be allocated to the Mesaverde and 43% to be allocated to the Dakota for gas production. The oil production will be allocated at 100% Mesaverde and 0% 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 #95 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>
Mar-02	7,067	3,001	31	97	4,066	31	131	57.5%
Apr-02	5,823	2,948	30	98	2,875	30	96	49.4%
May-02	8,845	3,254	31	105	5,591	31	180	63.2%
Jun-02	6,045	2,921	30	97	3,124	30	104	51.7%
Jul-02	7,087	2,946	31	95	4,141	31	134	58.4%
	34,867	15,070			19,797			

Total Mesaverde Production = 19,797 MCF
 Total Dakota Production = 15,070 MCF
 Total Production both zones = 34,867 MCF

Average Mesaverde Allocation since February 2002 = **57%**
 Average Dakota Allocation since February 2002 = **43%**

San Juan 29-6 Unit #95 Production

