



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

Geologist, Petroleum Management Team

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