



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

February 18, 2002



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

Ratio Method – San Juan 29-6 #82
Unit B, 1090' FNL & 1138' FEL, Sec. 25, 29N, 6W
API # 30-039-20357, Rio Arriba County, NM

Dear Mr. Hayden:

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Phillips plans on using the ratio method from January 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 49% to be allocated to the Mesaverde and 51% 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 #82 Monthly Production

Month	Total Well Production	Dakota Production	Days Produced	Dakota Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Jan-01	7,457	3,247	31	105	4,210	31	136	56.5%
Feb-01	7,132	3,936	28	141	3,196	28	114	44.8%
Mar-01	8,000	4,341	31	140	3,659	31	118	45.7%
Apr-01	4,199	2,099	30	70	2,100	30	70	50.0%
May-01	7,941	4,306	31	139	3,635	31	117	45.8%
Jun-01	7,568	4,151	30	138	3,417	30	114	45.2%
Jul-01	8,027	4,272	31	138	3,755	31	121	46.8%
Aug-01	8,122	4,255	31	137	3,867	31	125	47.6%
Sep-01	8,020	4,101	30	137	3,919	30	131	48.9%
Oct-01	8,193	4,221	31	136	3,972	31	128	48.5%
Nov-01	8,821	3,943	30	131	4,878	30	163	55.3%
Dec-01	8,457	4,109	31	133	4,348	31	140	51.4%
	91,937	46,981			44,956			

Total Mesaverde Production = 44,956 MCF
 Total Dakota Production = 46,981 MCF
 Total Production both zones = 91,937 MCF

Average Mesaverde Allocation since January 2001 = **49%**
 Average Dakota Allocation since January 2001 = **51%**

Note: 100% of the condensate production should be allocated to the Mesaverde

