



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

April 5, 2002



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

Ratio Method – San Juan 29-5 #64
Unit N, 1180' FSL & 1460' FWL, Sec. 21 29N, 5W
API # 30-039-20711 Rio Arriba County, NM

Dear Mr. Hayden:

Phillips plans on using the ratio method from March 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 61% to be allocated to the Mesaverde and 39% 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 29-5 Unit #64 Monthly Production

Month	Total Well Production	Dakota Production	Days Produced	Dakota Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Apr-01	17,609	4,260	30	142	13,349	30	445	75.8%
May-01	14,000	4,389	31	142	9,611	31	310	68.7%
Jun-01	12,775	4,237	30	141	8,538	30	285	66.8%
Jul-01	12,041	4,366	31	141	7,675	31	248	63.7%
Aug-01	9,782	4,355	31	140	5,427	31	175	55.5%
Sep-01	9,697	4,203	30	140	5,494	30	183	56.7%
Oct-01	8,290	4,332	31	140	3,958	31	128	47.7%
Nov-01	10,679	4,174	30	135	6,505	30	217	61.7%
Dec-01	9,388	4,309	31	144	5,079	31	164	53.3%
Jan-02	7,872	4,298	31	139	3,574	31	115	45.4%
Feb-02	9,312	3,872	28	125	5,440	28	175	58.4%
	121,445	46,795			74,650			

Total Mesaverde Production = 74,650 MCF
 Total Dakota Production = 46,795 MCF
 Total Production both zones = 121,445 MCF

Average Mesaverde Gas Allocation since April 2001 = **61%**
 Average Dakota Gas Allocation since April 2001 = **39%**

Note: 100% of the Oil/Condensate production should continue to be allocated to the Mesaverde.

San Juan 29-5 Unit #64 Production

