



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 17, 1999

NM Oil & Gas Conservation Division
Attn: Ernie Busch
1000 Rio Bravos Rd.
Aztec, NM 87410

Recommended Allocation Method based on
Historical Production Values SJ 29-5 #53M
Unit O, 978' FSL & 1611' FEL
API # - 30-039-25481

D-32-29N-5W

Dear Mr. Busch:

Phillips plans on using the ratio method from October 1999 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 55% to be allocated to the Dakota, with 45% allocated to the Mesaverde.

If you have any questions, please call me at 505-599-3455.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Mark Stodola

Mark Stodola
Reservoir Engineer

cc: Pat Konkel
Jim Lovato (BLM- Farmington)

NOV 18 1999

OIL & GAS
FARMINGTON, NM