



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

August 23, 2001



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

Recommended Final Allocation Method
Ratio Method – San Juan 29-6 Unit #84M
Unit D, 1305' FNL & 926' FWL, Sec, 14, 29N 6W
API 30-039-26183; Rio Arriba County, NM

Dear Mr. Hayden:

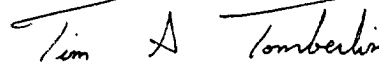
 Phillips plans on using the ratio method from July 2001 production throughout the life of the well. Based on historical production values, we believe this will be the most accurate method of allocating production. Attached is the historical data that we used to determine the ratio of 35% to be allocated to the Mesaverde, with 65% allocated to the Dakota

If you have any questions, please call me at 505-599-3474.

JHC14AZ

Sincerely,

PHILLIPS PETROLEUM COMPANY



Tim Tomberlin
Reservoir Engineer

cc: Trish Stuart
Jim Lovato – BLM
David Valdez - Burlington

San Juan 29-6 Mesaverde #84m

Monthly Production

Month	Total Well Production	Dakota Production	Days Produced	Dakota Daily	Mesaverde Production	Days Produced	Mesaverde Daily	MV %
Nov-00	6,625	5,330	31	172	1,295	31	42	19.5%
Dec-00	8,155	5,657	30	189	2,498	30	83	30.6%
Jan-01	8,791	5,620	31	181	3,171	31	102	36.1%
Feb-01	8,024	5,045	31	163	2,979	31	96	37.1%
Apr-01	8,651	5,337	31	172	3,314	31	107	38.3%
May-01	9,320	5,481	30	183	3,839	30	128	41.2%
Jun-01	8,928	5,270	31	170	3,658	31	118	41.0%

Total Mesaverde Production = 20754

Total Dakota Production = 37740

Total Production both zones = 58494

Average Mesaverde Allocation since November 2000 = **35%**

Average Dakota Allocation since November 2000 = **65%**

San Juan 29-6 #84m Mesaverde Production

