



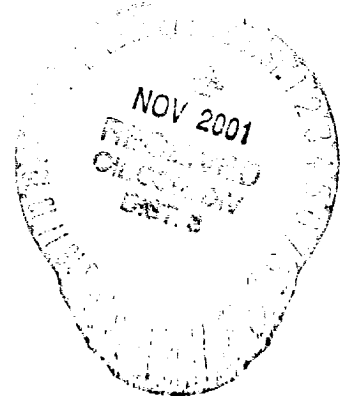
PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

November 28, 2001

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

Aztec, NM 87410



Recommended Final Allocation Method
Ratio Method – San Juan 29-5 #60M
Unit D, 880' FNL & 325' FWL, Sec. 32, 29N, 5W
API# 30-039-26300; Rio Arriba County, NM

Dear Mr. Hayden:

Phillips plans on using the ratio method from December 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 61% to be allocated to the Mesaverde and 39% to be allocated to the Dakota.

If you have any questions, please call me at 505-599-3459.

PH C-159 AZ

Sincerely,

PHILLIPS PETROLEUM COMPANY

Charlie Donahue

cc: Runell Seale – PPCo
Jim Lovato – BLM
David Valdez – BRI

San Juan 29-5 Unit #60M **Monthly Production**

<u>Month</u>	<u>Total Well</u> <u>Production</u>	<u>Dakota</u> <u>Production</u>	<u>Days</u> <u>Produced</u>	<u>Dakota</u> <u>Daily</u>	<u>Mesaverde</u> <u>Production</u>	<u>Days</u> <u>Produced</u>	<u>Mesaverde</u> <u>Daily</u>	<u>MV</u> <u>%</u>
Dec-00	20,549	4,916	31	159	15,633	31	504	76.1%
Jan-01	16,418	4,821	31	156	11,597	31	374	70.6%
Feb-01	10,187	4,274	28	153	5,913	28	211	58.0%
Mar-01	9,197	4,646	31	150	4,551	31	147	49.5%
Apr-01	11,233	4,412	30	147	6,821	30	227	60.7%
May-01	8,290	4,474	31	144	3,816	31	123	46.0%
Jun-01	9,556	4,250	30	142	5,306	30	177	55.5%
Jul-01	8,805	4,311	31	139	4,494	31	145	51.0%
Aug-01	8,338	4,232	31	137	4,106	31	132	49.2%
Sep-01	9,922	4,021	30	134	5,901	30	197	59.5%
	112,495	44,357			68,138			

Total Mesaverde Production = 68,138 MCF
Total Dakota Production = 44,357 MCF
Total Production both zones = 112,495 MCF

Average Mesaverde Allocation since December 2001 = **61%**
Average Dakota Allocation since December 2001 = **39%**

San Juan 29-5 Unit #60M Production

