

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office 1235 La Plata Highway, Suite A Farmington, New Mexico 87401

IN REPLY REFER TO: San Juan 29-5 #66M Unit E 3162.7 (07100)

December 5, 2001

Mr. Charlie Donahue Phillips Petroleum Company 5525 Hwy. 64 NBU 3004 Farmington, NM 87401

RE: San Juan 29-5 #66M Unit D - Accept downhole commingle applications & allocation factors

Dear Mr. Donahue:

The San Juan 29-5 #66M well was reviewed for downhole commingling of the Mesaverde/Dakota formations in the San Juan 29-5 Unit E. After reviewing the production history for this well, we concur with the allocation factors established for gas in your application. The effective date is the date that downhole commingling actually occurs. The well and the approved allocation factors are listed below.

Well Name	Lease	Agreement Numbers	Location	API#	Formation Allocation	Formation Allocation
San Juan 29-6 #60M	FEE	MV NMNM78415A DK NMNM78415B	sec 32, T29N, R5W	3003926300	MV gas 61% oil	DK gas 39% oil

If you have any questions, please contact Adrienne Garcia at (505) 599-6358 or the undersigned with this office at (505) 599-6367.

Sincerely,

Jim Lovato

Team Leader, Petroleum Management Team

Enclosures: 1 page

cc: NMOCD, Santa Fe, NM NMOCD, Aztec, NM

bcc: San Juan 29-5 Unit File, Mesaverde (NMNM78415A), Dakota (NMNM78415B)

Well File (T&R: 32-29N-5W)

DOMR

07100:AGarcia:12/5/01:x6358Phillips