



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

AUG 21 1998

August 18, 1998

NM Oil & Gas Conservation Division
Attn: Lori Wrotenbery
2040 South Pacheco Street
Santa Fe, NM 87505

Recommended Allocation Method based on
Historical Production Values -30-5 #110M

Dear Ms. Wrotenbery:

Phillips plans on using the ratio method from July 1998 production throughout the life of the well. Based on historical production values, we believe this will be the most accurate method of allocating production. Listed below are the historical data that we used to determine the ratio of 44% to be allocated to the Dakota, with 56% allocated to the Mesaverde.

<u>Date</u>	<u>Total Production</u>	<u>Dakota %</u>
Dec. 1997	27,005 mcf	25.45%
Jan. 1998	21,676 mcf	31.42%
Feb. 1998	16,042 mcf	37.99%
March 1998	14,364 mcf	46.55%
April 1998	14,549 mcf	44.03%
May 1998	11,744 mcf	55.88%
June 1998	14,287 mcf	44.04%

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

Sincerely,

PHILLIPS PETROLEUM COMPANY

Mark Stodola

Mark W. Stodola
Reservoir Engineer

cc: BLM - Farmington, NM
OCD - Aztec, NM
Pat Konkel