Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
March 4, 2004

WELL API NO. 30-045-32111	
5. Indicate Type of Lease STATE [X] FEE [ ]	
6. State Oil & Gas Lease No.	
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	7. Lease Name or Unit Agreement Name State M
1. Type of Well: Oil Well [ ] Gas Well [X] Other	8. Well Number 1M
2. Name of Operator ConocoPhillips Co.	9. OGRID Number 217817
3. Address of Operator P.O. Box 2197, WL3-6054 Houston Tx 77252	10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota
4. Well Location Unit Letter E : 1945 feet from the North line and 660 feet from the West line Section 16 Township 29N Range 8W NMPM County San Juan	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6485 GL

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL_____Sect_____Twp_____Rng_____Pit type_____Depth to Groundwater_____Distance from nearest fresh water well_____

Distance from nearest surface water_____ Below-grade Tank Location UL_____Sect_____Twp_____Rng_____;

_____feet from the _____line and _____feet from the _____line

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPLETION	[ ]	CASING TEST AND CEMENT JOB	[ ]		
OTHER:	[ ]			OTHER: Allocation			[X]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ConocoPhillips requests allocation on this well as per attached. This is in reference to DHC#1453AZ.

DHC 1453AZ

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [ ], a general permit [ ] or an (attached) alternative OCD-approved plan [ ].**

SIGNATURE Chris Gustartis TITLE As Agent for ConocoPhillips Co DATE 07/22/2004

Type or print name Christina Gustartis E-mail address: christina.gustartis@conocophillips.com Telephone No.(832)486-2463

(This space for State use)

APPPROVED BY _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JUL 28 2004

Conditions of approval, if any:

Allocation for the State M 1M (API 3004532111)

The State M 1M is an 80-acre Mesaverde/80-acre Dakota infill well located in the northwest quarter of Section 16-T29N-R8W, San Juan County, NM. The well was drilled to a total depth in May 2004, perforated & fracture stimulated in June 2004, and ready for first delivery in July 2004.

Initial flow tests as reported by the field operator indicated:

Mesaverde (2-3/8" tubing set at 4664', perforations from 4760 - 5468' OA, composite plug at 5570')
6/21/04 ½" choke N/A* PSIG tubing pressure 250 PSIG FCP 1650 MCFPD + 0.5 BOPD + 6-7 BWPD

Dakota (2-3/8" tubing set at 7283', perforations from 7384 - 7602' OA, PBTD 7652', multi-pass production log)
6/23/04 ½" choke 187 PSIG FTP 490 PSIG SICP 768** MCFPD + 0 BOPD + 107 BWPD

Based on these initial stabilized flow tests, calculated DHC allocation percentages are:

Fixed Allocation (Gas)	**Mesaverde**	**68%**
	Dakota	**32%**
Fixed Allocation (Oil)	**Mesaverde**	**100%**
	Dakota	**0%**

A very small amount of oil was produced during these tests. Based on historical production data from offset wells, the Dakota is very dry and is expected to produce no oil. Therefore, 100% of any oil production should be allocated to the Mesaverde.

Please allocate production based on the above estimated percentages and call with any questions.

Thanks
Dan Hensley
832-486-2385

* Annular test – string float in tubing
** Rate measured with a production log, making multiple passes at varying speeds. Casing was shut-in with all production directed up tubing. Tubing set ~100' above the top Dakota perforation makes it possible to gauge a Dakota rate isolated from any Mesaverde influence (log run below the point where the shallower Mesaverde has already turned the corner and is going up tubing).