

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF078998
2. Name of Operator CONOCOPHILLIPS COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address P O BOX 2197 WL 6106 HOUSTON, TX 77252		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 832.486.2463		8. Well Name and No. SJ 32-7 68
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 34 T32N R7W SESE 0920FSL 1080FEL 36.93282 N Lat, 107.54839 W Lon		9. API Well No. 10P-64524776-00-C1 3004524776
		10. Field and Pool, or Exploratory BASIN DAKOTA BLANCO MESAVERDE
		11. County or Parish, and State SAN JUAN COUNTY, NM

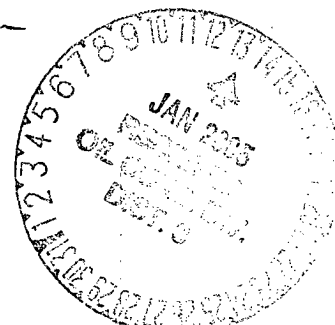
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingl
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	ng

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

ConocoPhillips requests allocation on this well as per attached. This is in reference to DHC#1601AZ.

*Inadequate for allocation purposes -
see rule 303.*



14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #52413 verified by the BLM Well Information System For CONOCOPHILLIPS COMPANY, sent to the Farmington Committed to AFMSS for processing by MATTHEW HALBERT on 01/05/2005 (05MXH0283SE)	
Name (Printed/Typed) CHRIS GUSTARTIS	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 12/30/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

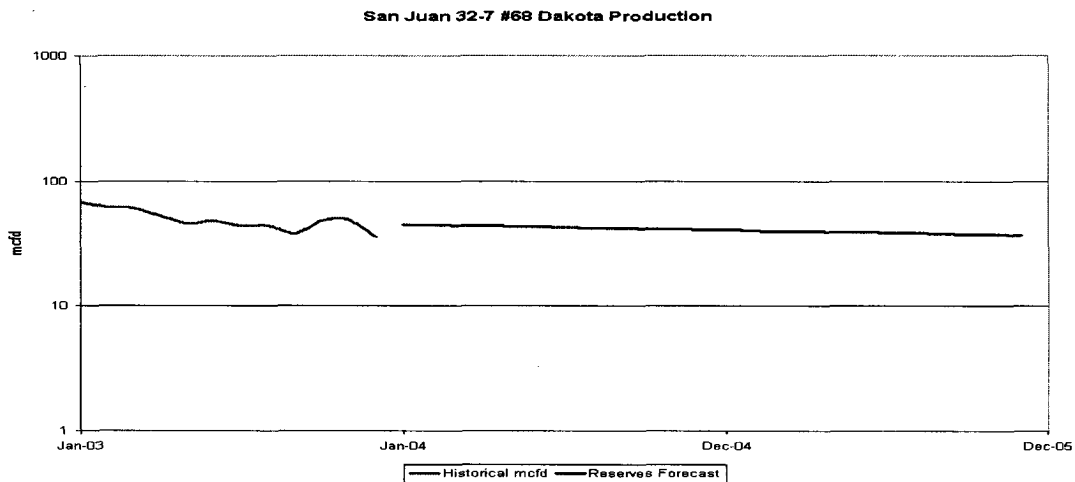
Approved By <i>[Signature]</i>	Title <i>Petr. Eng.</i>	Date <i>1/11/05</i>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

San Juan 32-7 #68 Dakota Subtraction Allocation

Based on a recent period of stabilized DK production and expected reserves, it is recommended to assign the following average daily volumes to the DK formation for the 24 months of production following the recompletion. All other production above this volume should be given to the **Mesaverde**. After the allocation runs out, please convert to a ratio allocation method.

(All condensate production should be allocated 100% to the Mesaverde formation)



Month	MCFD
1	45
2	45
3	44
4	44
5	44
6	43
7	43
8	42
9	42
10	42
11	41
12	41
13	41
14	40
15	40
16	40
17	39
18	39
19	39
20	38
21	38
22	38
23	37
24	37