Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO.
30-025-29110

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.
024643

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
Townsend State Com

1. Type of Well:
OIL WELL [X] GAS WELL [ ] OTHER

2. Name of Operator
Five States Operating Company

8. Well No.
1

3. Address of Operator
4925 Greenville Ave., Ste. 1220, Dallas, TX 75206

9. Pool name or Wildcat
Edison Mississippian

4. Well Location
Unit Letter J : 3806 Feet From The North Line and 2193 Feet From The East Line

Section 3 Township 16S Range 35E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
4006' GR

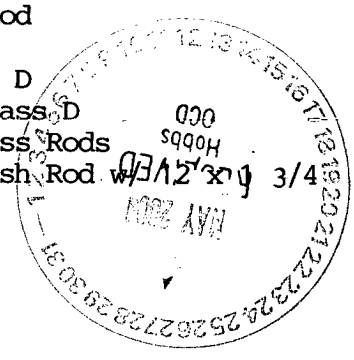
11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

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 [ ]		CASING TEST AND CEMENT JOB [ ]	
OTHER: Equip to Pump [X]		OTHER: Equip to Pump [X]	

12. 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.

1 - 2 7/8" x 10' M.A. (BTM 12228')
1 - 2 7/8" x 4' P SUB (12213')
1 - 2 7/8" S.N. (12207')
4 - 2 7/8" TGB.
1 - 2 7/8" x 5 1/2 TAC (12092')
413 - 2 7/8" N. 80 TBG.
3 - 2 7/8" SUBS (1-6-8-10)

1 - 2 1/2 x 1 1/4 x 28' RHBM Pump w/ Mechanical Hold Down
1 - 2' x 1" Pony Rod
1 - 1" Sheer Tool
40 - 1" Rods Class D
168 - 7/8" Rods Class D
184 - 1.2 Fiberglass Rods
1-1 1/2 x 22' Polish Rod w/ 1 3/4 LNR



I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Arthur N. Budge, Sr. TITLE Operations Manager DATE 5/12/04

TYPE OR PRINT NAME Arthur N. Budge, Sr. TELEPHONE NO.

(This space for State Use)

APPROVED BY Gary W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE JUN 02 2004

CONDITIONS OF APPROVAL, IF ANY: