

<b>OMB APPROVAL</b>	
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**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

<b>1. Name and Address of Reporting Person*</b> <u>NELSEN ROBERT</u>  (Last) (First) (Middle) 8725 W. HIGGINS SUITE 290  (Street) CHICAGO IL 60631  (City) (State) (Zip)	<b>2. Date of Event Requiring Statement (Month/Day/Year)</b> 03/10/2004	<b>3. Issuer Name and Ticker or Trading Symbol</b> <u>XCYTE THERAPIES INC [ XCYT ]</u>	
		<b>4. Relationship of Reporting Person(s) to Issuer (Check all applicable)</b> <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	<b>5. If Amendment, Date of Original Filed (Month/Day/Year)</b>  <b>6. Individual or Joint/Group Filing (Check Applicable Line)</b> <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Series A Convertible Preferred Stock	03/10/2004	(1)	Common Stock	143,539 <sup>(13)</sup>	(1)	I	Footnote <sup>(2)</sup>
Series B Convertible Preferred Stock	03/10/2004	(1)	Common Stock	371,900 <sup>(13)</sup>	(1)	I	Footnote <sup>(3)</sup>
Series C Convertible Preferred Stock	03/10/2004	(1)	Common Stock	203,502 <sup>(13)</sup>	(1)	I	Footnote <sup>(4)</sup>
Series D Convertible Preferred Stock	03/10/2004	(1)	Common Stock	240,352 <sup>(13)</sup>	(1)	I	Footnote <sup>(5)</sup>
Series E Convertible Preferred Stock	03/10/2004	(1)	Common Stock	170,045 <sup>(13)</sup>	(1)	I	Footnote <sup>(6)</sup>
Series F Convertible Preferred Stock	03/10/2004	(1)	Common Stock	163,473 <sup>(13)</sup>	(1)	I	Footnote <sup>(14)</sup>
Warrants to purchase Series A Convertible Preferred Stock	03/16/2004	08/31/2007 <sup>(7)</sup>	Series A Convertible Preferred Stock/Common Stock	50,237 <sup>(13)</sup>	5.225 <sup>(7)</sup>	I	Footnote <sup>(7)</sup>
Warrants to purchase Common Stock	03/16/2004	08/08/2005 <sup>(8)</sup>	Common Stock	26,918 <sup>(13)</sup>	1.65 <sup>(8)</sup>	I	Footnote <sup>(8)</sup>
Warrants to purchase Common Stock	03/16/2004	11/12/2006 <sup>(9)</sup>	Common Stock	92,580 <sup>(13)</sup>	0.055 <sup>(9)</sup>	I	Footnote <sup>(9)</sup>
Warrants to purchase Common Stock	03/16/2004	02/04/2007 <sup>(11)</sup>	Common Stock	89,002 <sup>(13)</sup>	0.055 <sup>(11)</sup>	I	Footnote <sup>(11)</sup>
6% Convertible Promissory Notes	03/10/2004	04/30/2004 <sup>(12)</sup>	Common Stock	61,333 <sup>(13)</sup>	9.625 <sup>(12)</sup>	I	Footnote <sup>(12)</sup>
6% Convertible Promissory Notes	03/10/2004	04/30/2004 <sup>(10)</sup>	Common Stock	293,333 <sup>(13)</sup>	9.625 <sup>(10)</sup>	I	Footnote <sup>(10)</sup>

**Explanation of Responses:**

- These securities are preferred stock of Xcyte Therapies, Inc. and do not have an expiration date. Each share of its preferred stock will convert automatically into one share of common stock upon closing of the initial public offering.
- Represents securities held by ARCH Venture Fund II, L.P., which holds 114,832 shares of common stock upon conversion of preferred stock, and ARCH Venture Fund III, L.P., which holds 28,707 shares of common stock upon conversion of preferred stock. The reporting person is the managing director of general partner of the general partner of the general partner of ARCH Venture Fund II, L.P., and is the managing director of the general partner of ARCH Venture Fund III, L.P., and disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares of common stock.
- ARCH Venture Fund II, L.P. holds 66,115 shares of common stock upon conversion of preferred stock while ARCH Venture Fund III, L.P. holds 305,785 shares of common stock upon conversion of preferred stock. The reporting person is the managing director of general partner of the general partner of ARCH Venture Fund II, L.P., and is the managing director of the general partner of ARCH Venture Fund III, L.P., and disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares of common stock.
- Represents 203,502 shares of common stock upon conversion of preferred stock held by ARCH Venture Fund III, L.P. The reporting person is the managing director of the general partner of ARCH Venture Fund III, L.P., and disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares of common stock.

5. Represents 240,352 shares of common stock upon conversion of preferred stock held by ARCH Venture Fund III, L.P. The reporting person is the managing director of the general partner of ARCH Venture Fund III, L.P., and disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares of common stock.
6. Represents 170,045 shares of common stock upon conversion of preferred stock held by ARCH Venture Fund III, L.P. The reporting person is the managing director of the general partner of ARCH Venture Fund III, L.P., and disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares of common stock.
7. Represents a warrant to purchase 50,237 for shares of preferred stock held by ARCH Venture Fund III, L.P., which will automatically convert to common stock upon the closing date of an initial public offering. Warrant is exercisable at the earlier of the closing of an initial public offering or its expiration date. The reporting person is the managing director of the general partner of ARCH Venture Fund III, L.P., and disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares of common stock.
8. Represents a warrant to purchase 26,918 for shares of common stock held by ARCH Venture Fund III, L.P. Warrant is exercisable at the earlier of the closing of an initial public offering or its expiration date. The reporting person is the managing director of the general partner of ARCH Venture Fund III, L.P., and disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares of common stock.
9. Represents a warrant to purchase 92,580 shares of common stock held by ARCH Venture Fund III, L.P. Warrant is exercisable at the earlier of the closing of an initial public offering or its expiration date. The reporting person is the managing director of the general partner of ARCH Venture Fund III, L.P., and disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares of common stock.
10. Represents promissory notes at 6% held by Healthcare Focus Fund, L.P.(HFF), ARCH Venture Fund V, L.P.(AVFV) and ARCH V Entrepreneurs Fund, L.P.(AVEF) Interest and principal convertible into shares of common stock at the closing of the initial public offering. HFF holds 80,000 shares of common stock upon conversion of promissory notes, AVFV holds 211,905 shares of common stock upon conversion of promissory notes and AVEF holds 1,428 shares of common stock upon conversion of promissory notes. AVFV, HFF, and AVEF each hold a warrant to purchase common stock; however, these warrants are null and void if the company completes its initial public offering, and as such are not reported. The reporting person is the managing director of the general partner of the general partner of AVFV, HFF, and AVEF and disclaims beneficial ownership in such common stock except to the extent of its pecuniary interest therein.
11. Represents warrants held by Healthcare Focus Fund, L.P. Warrant is exercisable at the earlier of the closing of an initial public offering or its expiration date. The reporting person is the managing director of the general partner of the general partner of Healthcare Focus Fund, L.P., and disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares of common stock.
12. Represents a promissory note at 6% held by ARCH Venture Fund III, L.P. Interest and principal convertible into shares of common stock at the closing of the initial public offering at \$9.625 per share. In addition, ARCH Venture Fund III, L.P. holds 9,402 shares of common stock upon conversion of warrant; however, these warrants are null and void if the company completes its initial public offering, and as such are not reported. The reporting person is the managing director of the general partner of ARCH Venture Fund III, L.P., and disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares of common stock.
13. Share amounts reflect a 5.5 to 1 reverse stock split effective immediately prior to the closing of the initial public offering.
14. Represents 163,473 shares of common stock upon conversion of preferred stock held by Healthcare Focus Fund, L.P. The reporting person is the managing director of the general partner of the general partner of Healthcare Focus Fund, L.P., and disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares of common stock.

Robert Nelsen, By: /s/ Robert Nelsen 03/10/2004

\*\* Signature of Reporting Person      Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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