

**RB**

**READING & BATES PETROLEUM CO.**

3200 Mid-Continent Tower  
Tulsa, Oklahoma 74103  
918 583-8180

September 17, 1987

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
PO BOX 1397  
ROSWELL NM 88201-1397

Attn: Les Babyak

NEW MEXICO OIL CONSERVATION COMMISSION  
PO BOX 2088  
SANTA FE NM 87504-2088

Re: 14-08-0001-16067  
Expansion of Atoka Participating Area  
and Designation of Initial Bone Springs  
Participating Area, South Culebra Bluff Unit  
Eddy County, New Mexico

Gentlemen:

Reference is made to the Unit Agreement for the South Culebra Bluff Unit Area which has been approved by the New Mexico Oil Conservation Commission and the United States Geological Survey.

Reading & Bates Petroleum Co. (successor in interest to Delta Drilling Company), as Operator, proposes the expansion of the Atoka Participating Area to include the E/2 Section 14-23S-28E (320 acres) and the W/2 Section 24-23S-28E (320 acres). Further Reading & Bates requests that a Bone Springs Participating Area be designated to coincide with the Unit boundaries as seen on Exhibit "A", W/2 Section 13-23S-28E (320 acres), E/2 Section 14-23S-28E (320 acres), E/2 Section 23-23S-28E (320 acres), and the W/2 Section 24-23S-28E (320 acres), Eddy County, New Mexico.

The subject Unit Agreement provides, in Paragraph 11 thereof, that upon completion of a well or wells capable of producing unitized substances in paying quantities the Unit Operator shall submit for approval a schedule of all land reasonably proved to be productive, such land to constitute a Participating Area under the terms of such Unit Agreement. Reading & Bates submits that the lands as described in paragraph two has been reasonably proved to be productive of oil and gas in paying quantities and respectfully requests that the New Mexico Oil Conservation Commission and the Bureau of Land Management approve such designation effective as of January 1, 1983.

Attached hereto are the following exhibits:

- a) Exhibit "A" - Plat showing the outline of the 1280 acres included in the South Culebra Bluff Unit and the acreage which Reading & Bates submits

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OK letter

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Unit letter  
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Bureau of Land Management  
New Mexico Oil Conservation Commission  
September 17, 1987  
Page Two

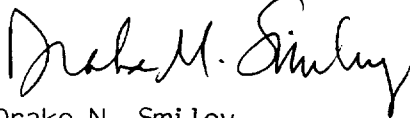
should be designated as the expanded Atoka Participating Area and acreage to be included within the newly designated Bone Springs Participating Area.

- b) Exhibit "B-1" - Schedule describing the acreage proposed to be included in each Participating Area and a description of the leases covering such acreage.
- c) Exhibit "B-2" - Schedule setting forth the allocation of unitized production within each Participating Area together with the working ownership thereof.
- d) Exhibit "C" through Exhibit "O" - Geological maps and cross sections supporting the designation of the Atoka and Bone Springs Participating Areas.
- e) Exhibit "P" - Geological discussion of the Atoka and Bone Springs formation.

Your consideration in designating the proposed Atoka Participating Area and Bone Springs Participating Area as described above will be greatly appreciated.

Very truly yours,

READING & BATES PETROLEUM CO.



Drake N. Smiley  
Land Manager

DNS/ksl

Enclosures

# EXHIBIT "B-2"

## ALLOCATION SCHEDULE SOUTH CULEBRA BLUFF UNIT

TRACT NO	DESCRIPTION	PARTICIPATING ACRES	% OF PARTICIPATING AREA	WORKING INTEREST OWNER
<u>ATOKA</u>				
1 (Pt)	T23S-R28E Section 14, N/2 NE/4	80	.0833	R&B 100% BPO Amoco 50% APO 50% APO
10	T23S-28E Section 14, S/2 NE/4, N/2 SE/4	160	.1667	R&B 50% Amoco 50%
9	T23S-28E Section 14, S/2 SE/4	80	.0833	R&B 50% Amoco 50%
8	T23S-28E Section 23, NW/4 NE/4	40	.0417	R&B 50% Amoco 50%
6	T23S-28E Section 23, SW/4 NE/4	40	.0417	R&B 50% Amoco 50%
7	T23S-28E Section 23, E/2 NE/4	80	.0833	R&B 50% Amoco 50%
4	T23S-28E Section 23, N/2 SE/4	80	.0833	R&B 50% Amoco 50%
5	T23S-28E Section 23, S/2 SE/4	80	.0833	R&B 50% Amoco 50%
3 (Pt)	T23S-28E Section 24, NW/4	160	.1667	R&B 100% BPO Amoco 50% APO 50% APO
4 (Pt)	T23S-28E Section 24, SW/4	160	.1667	R&B 50% Amoco 50%
		<u>960 Acres</u>	<u>1.0000</u>	

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Exhibit "B-2"  
Allocation Schedule  
Page Two

TRACT NO	DESCRIPTION	PARTICIPATING ACRES	% OF PARTICIPATING AREA	WORKING INTEREST OWNERS
<u>BONE SPRINGS</u>				
1 (Pt)	T23S-28E Section 14, N/2 NE/4	80	.0625	R&B 100% BPO Amoco 50% APO 50% APO
10	T23S-28E Section 14, S/2 NE/4, N/2 SE/4	160	.125	R&B 50% Amoco 50%
9	T23S-28E Section 14, S/2 SE/4	80	.0625	R&B 50% Amoco 50%
1 (Pt)	T23S-28E Section 13, NW/4, NW/4 SW/4	200	.15625	R&B 50% Amoco 50%
2	T23S-28E Section 13, NE/4 SW/4	40	.01325	R&B 50% Amoco 37.5% Teledyne 12.5%
3	T23S-28E Section 13, SW/4 SW/4	110	.03125	R&B 50% Amoco 50%
1 (Pt)	T23S-28E Section 13, SE/4 SW/4	40	.03125	R&B 50% Amoco 50%
8	T23S-28E Section 23, NW/4 NE/4	40	.03125	R&B 50% Amoco 50%
6	T23S-28E Section 23, SW/4 NE/4	40	.03125	R&B 50% Amoco 50%
7	T23S-28E Section 23, E/2 NE/4	80	.0625	R&B 50% Amoco 50%

Exhibit "B-2"  
Allocation Schedule  
Page Three

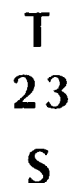
TRACT NO.	DESCRIPTION	PARTICIPATING ACRES	% OF PARTICIPATING AREA	WORKING INTEREST OWNERS
4 (Pt)	T23S-28E Section 23, N/2 SE/4	80	.0625	R&B Amoco 50%
5	T23S-28E Section 23, S/2 SE/4	80	.0625	R&B Amoco 50%
3 (Pt)	T23S-28E Section 24, NW/4	160	.125	R&B 100% BPO Amoco 50% APO 50% APO
4 (Pt)	T23S-28E Section 24, SW/4	160	.125	R&B 50% Amoco 50%
		<u>1280 Acres</u>	<u>1.0000</u>	

\* \* \* \* \*

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**NOTE:**

Total Federal Acreage	370
Total Fee Acreage	960
Total Acreage Unit	1,280

# EXHIBIT A

Geol P F Hock

DATE 01.1 1987

# EXHIBIT B-1

## PROPOSED PARTICIPATION AREA EDDY COUNTY, NEW MEXICO

TRACT NO.	ACREAGE DESCRIPTION	LEASE DESCRIPTION	PARTICIPATING ACRES
1 Pt.	T23S-R28E Section 13: NW/4, NW/4 SW/4, SE/4 SW/4 Section 14: N/2 NE/4	Oil and Gas Lease dated 5-1-64 from The United States of America to H. P. McLish, recorded in Volume 143, Page 323, Miscellaneous Records, Eddy County, New Mexico.	320
2	T23S-R28E Section 13: NE/4 SW/4	Oil and Gas Lease dated 3-14-87 from Teledyne Potash, Inc. to Amoco Production Company recorded in Volume 114, Page 909, Miscellaneous Records, Eddy County, New Mexico.	40
3 Pt.	T23S-R28E Section 13: SW/4 SW/4	Oil and Gas Lease dated 1-18-78 from Candelario A. Carrasco, et ux, to Amoco Production Company, recorded in Volume 153, Page 450, Miscellaneous Records, Eddy County, New Mexico.	40
3 Pt.	T23S-R28E Section 24: NW/4	Oil and Gas Lease dated 1-18-78 from Candelario A. Carrasco, Jr., et ux, to Amoco Production Company, recorded in Volume 153, Page 454, Miscellaneous Records, Eddy County, New Mexico.	160
3 Pt.	T 23S-R28E Section 13: SW/4 SW/4 Section 24: NW/4	Oil and Gas Lease dated 11-1-77 from Aguila Cattle Co., Inc. to Clifton Wilderspin, recorded in Volume 152, Page 388, Miscellaneous Records, Eddy County, New Mexico.	200
3 Pt.	T23S-R28E Section 13: SW/4 SW/4 Section 24: NW/4	Oil and Gas Lease dated 10-24-77 from Saul Baker, et ux., to Amoco Production Company, recorded in Book 151, Page 789, Miscellaneous Records, Eddy County, New Mexico.	200
3 Pt.	T23S-R28E Section 13: SW/4 SW/4 Section 24: NW/4	Oil and Gas Lease dated 10-24-77 from Crocker National Bank, Trustee Under the Will of Albert Berger, Deceased, and Ella Cohn (former wife of Albert Berger), dealing in her sole and separate property to Amoco Production Company, recorded in Book 151, Page 831, Miscellaneous Records, Eddy County, New Mexico.	200

TRACT NO.	ACREAGE DESCRIPTION	LEASE DESCRIPTION	PARTICIPATING ACRES
4 Pt.	T23S-R28E Section 23: N/2 SE/4	Oil and Gas Lease dated 3-31-78 from Merland Incorporated to Amoco Production Company, recorded in Book 156, Page 418, Miscellaneous Records, Eddy County, New Mexico.	80
4 Pt.	T23S-R28E Section 23: N/2 SE/4, Section 24: E/2 SW/4, SW/4 SW/4, S/2 NW/4 SW/4, NE/4 NW/4 SW/4, NW/4 NW/4 SW/4	Oil And Gas Lease dated 3-30-73 from Draper Brantley, Jr. (a/k/a John Draper Brantley, Jr.), et ux., to Clifton Wilderspin, recorded in Volume 99, Page 149, Miscellaneous Records, Eddy County, New Mexico.	240
4 Pt.	T23S-R28E Section 23: N/2 SE/4, Section 24: E/2 SW/4, SW/4 SW/4, S/2 NW/4 SW/4, NE/4 NW/4 SW/4, NW/4 NW/4 SW/4	Oil and Gas Lease dated 3-30-73 from Claiborne M. Power (formerly Claiborne M. Brantley) married woman dealing in separate property and estate, acting by and through her duly appointed AGENT AND ATTORNEY-IN-FACT, Mary Francis Merchant, to Clifton Wilderspin, recorded in Volume 100, Page 405, Miscellaneous Records, Eddy County, New Mexico.	240
5	T23S-R28E Section 23: S/2 SE/4	Oil and Gas Lease dated 4-3-73 from Roxie L. Williams, a single woman, to Clifton Wilderspin, recorded in Volume 99, Page 127, Miscellaneous Records, Eddy County, New Mexico.	80
5	T23S-R28E Section 23: S/2 SE/4	Oil and Gas Lease dated 3-3-73 from S. F. Williams, a/k/a Stephen Frank Williams, a single man, to Clifton Wilderspin, recorded in Volume 98, Page 62, Miscellaneous Records, Eddy County, New Mexico.	
6	T23S-R28E Section 23: SW/4 NE/4	Oil and Gas Lease dated 3-27-73 from Arthur R. Donaldson a/k/a Richard Donaldson, et ux., to Clifton Wilderspin, recorded in Volume 98, Page 52, Miscellaneous Records, Eddy County, New Mexico.	40
7	T23S-R28E Section 23: E/2 NE/4	Oil and Gas Lease dated 4-9-73 from Amelia Stennis, a widow, to Amoco Production Company, recorded in Volume 100, Page 441, Miscellaneous Records, Eddy County, New Mexico.	80
8	T23S-R28E Section 23: NW/4 NE/4	Oil and Gas Lease dated 3-22-73 from Johnny L. Reid, et ux., to Clifton Wilderspin, recorded in Volume 98, Page 34, Miscellaneous Records, Eddy County, New Mexico.	40



TRACT NO.	ACREAGE DESCRIPTION	LEASE DESCRIPTION	PARTICIPATING ACRES
9	T23S-R28E Section 14: S/2 SE/4	Oil and Gas Lease dated 4-13-73 from Jared Howard, a single man dealing in his sole and separate property, to Amoco Production Company, recorded in Volume 100, Page 415, Miscellaneous Records, Eddy County, New Mexico.	80
9	T23S-R28E Section 14: S/2 SE/4	Oil and Gas Lease dated 4-13-73 from Frieda Howard, widow of Jared C. Howard, deceased., to Amoco Production Company, recorded in Volume 100, Page 417, Miscellaneous Records, Eddy County, New Mexico.	80
9	T23S-R28E Section 14: S/2 SE/4	Oil and Gas Lease dated 3-6-78 from Seaborn W. Price, a single man to Amoco Production Company, recorded in Volume 155, Page 553, Miscellaneous Records, Eddy County, New Mexico.	80
9	T23S-R28E Section 14: S/2 SE/4	Oil and Gas Lease dated 4-13-73 from Betty R. Howard, Individually, and as Independent Executrix of the Estate of Reginald George Howard, deceased., to Amoco Production Company, recorded in Volume 100, Page 421, Miscellaneous Records, Eddy County, New Mexico.	80
9	T23S-R28E Section 14: S/2 SE/4	Oil and Gas Lease dated 2-22-78 from Harvey R. Hicks, et ux., to Amoco Production Company, recorded in Volume 154, Page 734, Miscellaneous Records, Eddy County, New Mexico.	80
9	T23S-R28E Section 14: S/2 SE/4	Oil and Gas Lease dated 4-13-73 from David Howard, et ux., to Amoco Production Company, recorded in Volume 100, Page 425, Miscellaneous Records, Eddy County, New Mexico.	80
10	T23S-R28E Section 14: S/2 NE/4, N/2 SE/4	Oil and Gas Lease dated 7-19-73 from Candelario Carrasco, a widower, to Amoco Production Company, recorded in Volume 105, Page 512, Miscellaneous Records, Eddy County, New Mexico.	160
10	T23S-R28E Section 14: S/2 NE/4, N/2 SE/4	Oil and Gas Lease dated 11-1-77 from Aguila Cattle Co, Inc. an Arizona Corporation, to Clifton Wilderspin, recorded in Volume 152, Page 388, Miscellaneous Records, Eddy County, New Mexico.	160

TRACT NO.	ACREAGE DESCRIPTION	LEASE DESCRIPTION	PARTICIPATING ACRES
10	T23S-R28E Section 14: S/2 NE/4, N/2 SE/4	Oil and Gas Lease dated 10-24-77 from Saul Baker, et ux., to Amoco Production Company, recorded in Volume 151, Page 789, Miscellaneous Records, Eddy County, New Mexico.	160
10	T23S-R28E Section 14: S/2 NE/4, N/2 SE/4	Oil and Gas Lease dated 10-24-77 from Crocker National Bank, Trustee under the Will of Albert Berger, deceased; and Ella Cohn (former wife of Albert Berger) to Amoco Production Company, recorded in Volume 151, Page 831, Miscellaneous Records, Eddy County, New Mexico.	160

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