

**OIL AND GAS DOCKET NO. 10-0226473**

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**THE APPLICATION OF STRAT LAND EXPLORATION COMPANY FOR PERMANENT  
FIELD RULES IN THE COBURN (ATOKA) FIELD, LIPSCOMB COUNTY, TEXAS**

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**Heard by:** Margaret Allen, Technical Hearings Examiner

**Procedural history**

Application received: October 17, 2000

Hearing held: November 7, 2000

**Appearances**

Kerry Pollard	Representing Strat Land Exploration Company
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**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Strat Land Exploration is seeking the following permanent field rules:

1. Designated interval from 10,040 to 10,080 feet as shown on the log of the Strat Land Exploration Thomas Lease Well No. 1-184;
2. 1320-2640 foot well spacing; and
3. 640 acre gas proration units with 10% tolerance.

The examiner suggested that an allocation formula based on deliverability be adopted and that the rules be reviewed in 18 months. The applicant had no objection to these recommendations.

**DISCUSSION OF THE EVIDENCE**

The Coburn (Atoka) Field was discovered in 1958, at a depth of 10,000 feet. Only one well was ever completed in the field prior to 2000. The field had been inactive for some years until Strat Land recompleted its Thomas Well No. 1 into the correlative interval of the Coburn (Atoka) Field, in June of 2000. The shut-in bottom-hole pressure was measured at 1726 psi at a depth of 10,066, and the applicant believes that this is fairly close to virgin pressure for this area. The well is perforated from 10,060 to 10,072 feet in a limestone/dolomite section that extends from 10,040 to 10,080 feet.

The Thomas Well No. 1-184 tested at a maximum rate of 816 MCF/D but its production has already decreased to 100-200 MCF/D. The applicant believes that the well will be able to produce at this rate for many years. The net pay is about 5 feet, the porosity is 13% and the water saturation is 40%. The abandonment reservoir pressure is assumed to be 500 psi. Based on a volumetric calculation using these parameters, there are 783 MMCF of recoverable gas underneath 640 acres.

There are two other Atoka fields in Lipscomb County that have special field rules. Both of these fields have 640-acre density and most of the wells in them have produced between 1/2 and 1 BCF. The Thomas No. 1 was a workover from a deeper field and it will eventually be recompleted to still shallower fields. The applicant testified that other wells in the area may also be recompleted to the Coburn (Atoka) Field.

**FINDINGS OF FACT**

1. Notice of this hearing was given to all operators in the field on October 26, 2000.
2. The Coburn (Atoka) Field was discovered in 1958, and the only well in the field, prior to 2000, was abandoned several years ago.
3. The applicant reactivated the field by successfully completing its Thomas Well No. 1 in the Atoka in June of 2000.
4. This new well encountered essentially virgin pressure though it is only about a mile from the discovery well for the subject field.
5. The Thomas No. 1 was a workover from a deeper field and other wells may also be recompleted to this field.
6. Gas proration units of 640 acres are appropriate for temporary field rules.
  - a. The highest test producing rate of the Thomas No. 1 was 816 MCF, though it is now producing only 100 to 200 MCF/D.
  - b. The well's decline is expected to be hyperbolic and the well may continue to produce a few hundred MCF per day for a number of years.
  - c. Volumetric calculations indicate that 750 MMCF would drain 640 acres in this reservoir.
  - d. There are other Atoka oil fields in Lipscomb County that have 640-acre proration units.
7. Well spacing of 1320-2640 feet is common for 640-acre proration units.

8. The productive Atoka section extends from 10,040 feet to 10,080 feet as shown on the log of the Strat Land Thomas Well No. 1.
9. Allocation based on deliverability is the same as the current Statewide allocation formula that the well now produces under.

**CONCLUSIONS OF LAW**

1. Proper notice was given as required by statute.
2. All things have been done or occurred to give the Railroad Commission jurisdiction to resolve this matter.
3. The requested field rules will prevent waste, protect correlative rights within the field, and promote orderly development of the reservoir.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the requested field rules be adopted as temporary for the Coburn (Atoka) Field, to be reviewed in 18 months.

Respectfully submitted,

Margaret Allen  
Technical Hearings Examiner

Date of Commission Action: November 20, 2000

Exhibits

1. Map
2. Log
3. Form G-1
4. Pressure test
5. Volumetric calculations
6. Requested field rules
- 7 and 8. Other Atoka field rules