

# RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

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Chief Engineer

ERNEST O. THOMPSON BUILDING

CAPITOL STATION - P. O. DRAWER 12967

AUSTIN, TEXAS 78711

November 9, 1976

OIL AND GAS DOCKET NO. 7B-66,544

APPLICATION OF SUBSURFACE ENERGY CORPORATION FOR A NET GAS-OIL RATIO RULE,  
ZULA (JENNINGS) FIELD, COLEMAN COUNTY, TEXAS

HEARD BY GEORGE F. SINGLETARY, JR. ON OCTOBER 26, 1976

FOR APPLICANT: Mr. Clyde Keithly

FOR PROTESTANT: None

## EXAMINER'S REPORT AND RECOMMENDED ORDER

### STATEMENT OF THE CASE

Subsurface Energy Corporation is seeking the approval of the Commission for the adoption of a net gas-oil ratio rule for the Zula (Jennings) Field in Coleman County, Texas. Further the applicant is requesting that the production of gas be limited to 350,000 cubic feet per day, per well.

### APPLICANT'S EVIDENCE

The Zula (Jennings) Field was discovered upon completion of the Zula Abbey Well No. 1. This well was completed on March 9, 1976 and on original potential produced 188 barrels of oil per day of 43° gravity crude with no water. This production was obtained through a 15/64" choke and the gas-oil ratio was 580 to 1. On October 1, 1976, this well produced 65 barrels of oil per day with a gas-oil ratio of 4,285 to 1.

Well No. 2 on the Abbey Lease was completed on June 10, 1976 and produced 150 barrels of oil per day, 7 barrels of water per day through a 13/64" choke with a ratio of 660 to 1. On October 1, 1976, Well No. 2 produced only 20 barrels of oil per day with a ratio of 34,000 to 1.

This field is developed with only those two wells and no additional development is anticipated. Production is from the Jennings at approximately 2900'. Well No. 1 has a gross thickness in the Jennings of 12' which is interbedded with shale streaks. Well No. 2 has a gross thickness of 32' but is very shaley to the extent that only 10' might be considered net pay.



PROTESTANT'S EVIDENCE

None

FINDINGS OF FACT

Based on the evidence submitted, the following facts are found:

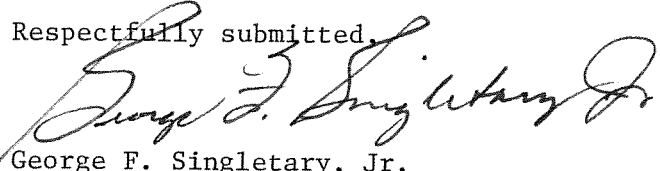
1. Production is from the Jennings Sand at approximately 2900'.
2. On original completion the only two wells were low ratio.
3. These wells now have declined in production and have increased in gas-oil ratio.
4. The Jennings Sand is very shaley.
5. There are no plans for future development.

CONCLUSIONS OF LAW

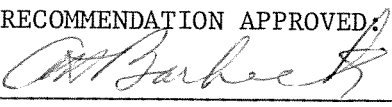
Based on the evidence and the statutory duties and powers of the Commission, it is concluded that this requested net gas-oil is a conservation measure properly within the Commission's jurisdiction.

RECOMMENDATION

Based on the above findings and conclusions, it is recommended to the Commission that a net gas-oil ratio rule be granted for the Zula (Jennings) Field as reflected by the attached order.

Respectfully submitted,  
  
 George F. Singletary, Jr.  
 Senior Engineer

GFS:lc

RECOMMENDATION APPROVED:  


RECOMMENDATION DENIED:  
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Chief Engineer

Date of Commission Action

11-15-76