

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

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ERNEST O. THOMPSON BUILDING

CAPITOL STATION - P. O. DRAWER 12967

AUSTIN, TEXAS 78711

December 2, 1977

OIL AND GAS DOCKET NO. 7B-68,056

COMMISSION CALLED HEARING TO REVIEW THE TEMPORARY RULES FOR THE ZULA (JENNINGS) FIELD IN COLEMAN COUNTY, TEXAS.

HEARD BY: George F. Singletary, Jr. ON November 23, 1977

APPEARANCES FOR THE APPLICANT: Mr. Clyde Keithly representing Subsurface Energy Corporation.

EXAMINER'S REPORT AND RECOMMENDED ORDER

STATEMENT OF THE CASE

By Special Order No. 7B-66,119 effective June 1, 1976 the Commission adopted temporary rules to govern the drilling and production in the Zula (Jennings) Field in Coleman County, Texas.

These rules are briefly summarized as follows:

1. Spacing of 467' from lease lines and 1200' between wells completed in the same reservoir on the same lease.
2. Proration units of 40 acres with a maximum diagonal of 2100'.
3. Allocation based on 100% acreage.

By Special Order No. 7B-66,544 the Commission adopted a net gas-oil ratio rule to govern the production in the Zula (Jennings) Field in Coleman County, Texas which became effective on November 15, 1976.

It is these two rules which this operator is seeking to be made permanent.

APPLICANT'S EVIDENCE

The Zula (Jennings) Field was discovered in March of 1976. At the time of the adoption of the temporary rules there was only one well completed in this field.

Production is from a Jennings sand found at approximately 2930'. The field at this time has three producing wells, two of which are flowing.

Accumulative oil production to October 1, 1977 has been 33,549 barrels of oil. This is not a true representation of the ability of the wells to produce since it is necessary to compress the gas which is being produced along with the oil in order to get it into the gathering system.

The original bottom hole pressure was estimated to be 1100 psi. The bottom hole pressure in October of 77 was only 442 psi.

Production from three wells during the month of September averages approximately 10 barrels of oil per day with a gas-oil ratio of 3275 cubic feet per barrel.

The applicant stated that this is a long north south porosity band and a stratigraphic trap. It is anticipated that on a one more well will be drilled.

PROTESTANT'S EVIDENCE

None

FINDINGS OF FACT

From the evidence submitted the following facts are found:

1. Production is from the Jennings sand found at approximately 2930'.
2. Three wells have been completed in this reservoir and it is anticipated that one additional well will be drilled.
3. Production is averaging 10 barrels of oil per well per day with a gas-oil ratio of 3275 cubic feet per barrel.
4. The reservoir pressure in one years time has dropped from 1100 psi to 442 psi, while producing only 33,549 barrels of oil.
5. These rules have been operating satisfactorily for the drilling and development of this field.

CONCLUSIONS OF LAW

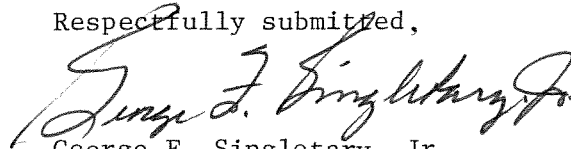
Based on the above findings and statutory duties and powers of the Commission it is concluded that the rules as adopted by Special Order No. 7B-66,119 and the net gas-oil ratio rule as adopted by Special Order No. 7B-66,544 are conservation measures properly within the Commission's jurisdiction.

RECOMMENDATION

Based on the above findings and conclusions it is recommended to the Commission that the field rules as adopted in Special Order No. 7B-66,119 and Special Order No. 7B-66,544 be made permanent and that the net gas-oil ratio rule as adopted Special Order No. 7B-66,544 to become Rule 4 of the special field rules and that Special Order No. 7B-66,544 be rescinded.

These recommendations are reflected in the attached order.

Respectfully submitted,



George F. Singletary, Jr.
Senior Staff Engineer

GFS:am

RECOMMENDATION APPROVED:

RECOMMENDATION DENIED:

Bold Harris Chief Engineer _____

Date of Commission action 12-19-77 _____