

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

June 11, 1976

DOCKET NO. 7B-66,119

APPLICATION OF SUBSURFACE ENERGY CORPORATION FOR TEMPORARY RULES IN THE ZULA (JENNINGS) FIELD, COLEMAN COUNTY, TEXAS

HEARD BY: Billy D. Thomas on June 3, 1976

FOR APPLICANT: Mr. Clyde Keithly

FOR PROTESTANT: None

EXAMINER'S REPORT AND RECOMMENDED ORDER

STATEMENT OF THE CASE

Subsurface Energy Corporation is requesting adoption of the following temporary rules for the subject field:

1. 467' - 1,200' well spacing.
2. 40 acre units plus 20 acre tolerance for the last well on a lease with a diagonal not to exceed 2,100'.
3. 100% acreage allocation.
4. Surface casing set in accordance with letters of recommendation from TWDB.

The applicant asks that the Discovery Allowable be terminated immediately and the allowable be set at the yardstick rate of 78 barrels oil per well.

There was no protest to the application.

APPLICANT'S EVIDENCE

Mr. Clyde Keithly, Consulting Petroleum Engineer, furnished exhibits and testified to show that the Zula (Jennings) Field was discovered March 9, 1976 upon completion of the Subsurface Energy Corporation No. 1 Zula Abbey well through perforations 2,927' to 2,935'. The well flowed 188 barrels oil per day, no salt water, and 109 MCF gas for a gas-oil ratio of 580:1. A location has been selected for a second well.



Exhibit 1 shows the well to be located near the crest of a structural dome with gas wells completed downdip in another sand stringer. The Jennings Sand has an average porosity of 22%, an unknown permeability, a water saturation of 30%, an unknown oil-water contact, a net pay thickness of 15', and an initial reservoir pressure of 1033 psi taken after 3,509 barrels oil had been produced. The field produces by a solution gas drive mechanism.

Mr. Keithly said adoption of the temporary rules would permit orderly development of this new field.

#### FINDINGS OF FACT

Based on the evidence and all facts of record, the examiner makes the following findings of fact:

1. That the discovery well tested at the rate of 188 barrels oil per day.
2. That additional drilling is planned.

#### CONCLUSIONS OF LAW

Based on the above findings and the statutory powers and duties of the Commission, the examiner makes the following conclusion of law:

1. That the requested adoption of temporary field rules is a conservation measure properly within Commission jurisdiction.

#### RECOMMENDATION

Based on the foregoing findings and conclusions, the examiner recommends the attached order adopting temporary rules for 18 months in the Zula (Jennings) Field.

Respectfully submitted,



Billy D. Thomas  
Senior Staff Geologist

BDT/gsh

RECOMMENDATION APPROVED:



CHIEF ENGINEER

RECOMMENDATION DENIED:

DATE OF COMMISSION ACTION:

6-21-76