Terrace Energy reach target depth at STS well in Texas

Terrace Energy {TSX.V: TZR} CEO Mr Dave Gibbs has reported that their STS 2_6H well has reached target depth, and casing has been set to the target depth of 14,474 feet.

Gibbs also updated the market on the other projects in the portfolio, in what has been a busy period for the company.

Terrace Energy drills STS 2-6H well to 14,474-foot TD, plus operations update

2014-10-07 08:14 Mr. Dave Gibbs reports that Terrace Energy Corp. {TSX.V: TZR} has made the following progress on each of its material projects.

STS Olmos development project, McMullen and LaSalle counties, Texas

The STS 2-6H has been drilled to a total depth of 14,474 feet, including approximately 4,900 feet of lateral length within the objective zone. Mud log data during drilling operations confirm the presence of the Olmos sandstone as anticipated, with excellent sand quality and hydrocarbon shows throughout the lateral section, and 5.5-inch casing has been set to total depth.

NW AWP Olmos development project, McMullen county, Texas

Multistage fracture stimulation operations commenced over the weekend on the Quintanilla No. 1-H. As of this date, four of 12 stages have been successfully pumped.

Maverick county project, Maverick and Zavalla counties, Texas

Drilling equipment has been mobilized on the Chittim Heirs No.

4 well and it is 80 per cent rigged up as of this date. The company expects to spud the well later this week. Workover operations were commenced over the weekend to prepare the Chittim Heirs No. 3-H for lateral drilling operations in the Buda limestone. The operator drilled out the float collar and cement shoe and successfully tested the casing integrity in preparation for the coiled tubing drilling equipment currently scheduled for later this month.

Big Wells Buda development project, Dimmit county, Texas

Equipment and materials have been moved to the Price No. 1-H location to commence completion operations this week.

George Morris, the company's chief operating officer, commented: "We are in a period of very high activity on all of our major projects. We continue to successfully execute several of our key objectives."

The company will be attending the coming Canaccord Genuity 8th Annual Global Resources Conference in New York on Oct. 15, 2014. Dave Gibbs, the company's president and chief executive officer, will be participating on the conference's Eagle Ford shale discussion panel.

Comment

Terrace are certainly busy at the moment, and in a more normal market the share price would be appreciating, but these are not normal times, and the price of oil is still falling as US production results in a glut on world markets.

Terrace look well placed for success at this point, although pitfalls ahead remain, the price of oil being the current principal concern to investors.