

IMPERIAL-AMERICAN RESOURCES FUND, INC. - DEBTOR

215 MID-AMERICA BUILDING

MIDLAND, TEXAS 79701

January 14, 1977

TELEPHONE 684-8241
AREA CODE 915

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87501

Attention: Mr. Joe Ramey

Re: Request for Exception to Rule 303-A
Royalty Holding Lease, Well No. 3
Unit H, Section 25, T-21-S, R-37-E
Lea County, New Mexico
Drinkard and Wantz Abo Pools

Gentlemen:

Imperial-American requests administrative approval for downhole commingling of the subject well in the Drinkard and Wantz Abo Pools. Imperial-American further requests that production from this well be prorated only in the Drinkard Pool. The request for downhole commingling has a precedent on the subject lease inasmuch as the Royalty Holding No. 1 and Royalty Holding No. 2 have commingling permit. Our request for total allocation to the Drinkard Pool is caused by the following facts: The well was originally completed from the Abo and Drinkard. The Abo completion was apparently of minimal economic significance, and no production was ever filed for the Abo zone. The Drinkard was completed and was tested on August 5, 1969 for 31 barrels of oil per day, together with 64 barrels of water and 27 MCF of gas. The well was temporarily abandoned on August 22, 1969 and remained in shut-in status until August of 1976. In August of 1976 the tubing was pulled, and each zone was tested under a packer. The Abo zone from 7187-7466' swabbed at the rate of 8 barrels of fluid per hour, cut 5% crude oil. Upon continuation of swabbing, the oil cut decreased to a very minor amount. Following the test of the Abo, the Abo and Drinkard were tested together--the Drinkard zone from 6643-7073'. Both zones together tested 10 barrels of fluid per hour, cut 90% oil. It was apparent that the crude was being produced from the Drinkard.

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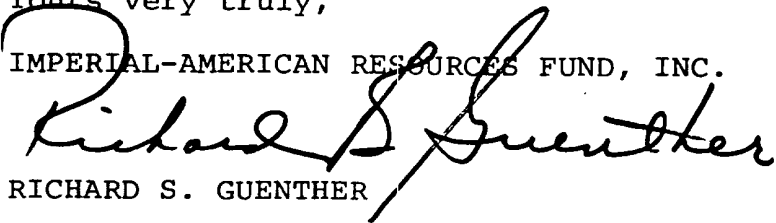
Following this swab test the well was placed on pump and returned to production. Since that time Imperial-American has reported this well in the Drinkard zone. We believe that 98%, or better, of the crude produced by this well is being produced from the Drinkard, although a small amount may be originating in the Abo.

We attach copies of Form C-103 and C-104 covering this well, together with a copy of C-116 indicating the results of swab test. We also attach copies of Form C-116 indicating the most recent test available on this well. At the present time the well produces approximately 5 barrels per day total.

We appreciate your consideration of this matter and hereby request administrative approval.

Yours very truly,

IMPERIAL-AMERICAN RESOURCES FUND, INC.


RICHARD S. GUENTHER

RSG:fab

Attachments

cc w/atchs: Mr. Sexton - NMOCC - Hobbs, NM
Mr. Ben Smith - IARF - Houston, TX

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NEW MEXICO OIL CONSERVATION COMMISSION
GAS - OIL RATIO TESTS

C-116
Revised 1-1-65

Operator IMPERIAL-AMERICAN RESOURCES FUND, INC.		Pool See below		County Lea County										
Address 215 Mid America Building, Midland, TX 79701		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Scheduled <input type="checkbox"/> Special <input checked="" type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT./BBL
		U	S	T						R	WATER BBLs.	GRAV. OIL	OIL BBLs.	
Swab Test <u>ROYALTY HOLDING</u>	3	H	25	21	37									
<u>WANTZ ABO</u>						8-5-76	S	0	10	80	35	4	-	-
<u>DRINKARD</u>						8-6-76		0	6	63	35	56	-	-

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

[Signature]
RICHARD S. GUENTHER
Agent
1-17-77
(Date)

No well will be assigned an allowable greater than the amount of oil produced on the official test.
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

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NEW MEXICO OIL CONSERVATION COMMISSION
GAS - OIL RATIO TESTS

C-116
Revised 1-1-65

Operator		Pool		County		Completion		Spectral						
IMPERIAL-AMERICAN RESOURCES FUND, INC.		Drinkard		Lea County										
Address		TYPE OF TEST - (X)		SCHEDULED		DAILY ALLOWABLE		LENGTH OF TEST HOURS						
215 Mid America Building, Midland, TX 79701														
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	OIL BBL.	GAS M.C.F.	GAS - OIL RATIO CU.FT./BBL.				
		U	S	T							R			
Royalty Holding	3	H	25	21	37	12-16-76	-	-	24	16	35	5	10200	2040

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Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

R. S. Guenther
RICHARD S. GUENTHER
Agent

1-17-77 (Date)

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OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT --" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <input type="checkbox"/>		7. Unit Agreement Name
2. Name of Operator IMPERIAL-AMERICAN RESOURCES FUND, INC.		8. Farm or Lease Name Royalty Holding
3. Address of Operator 215 Mid America Building, Midland, TX 79701		9. Well No.
4. Location of Well UNIT LETTER <u>H</u> <u>1980</u> FEET FROM THE <u>North</u> LINE AND <u>660</u> FEET FROM THE <u>East</u> LINE, SECTION <u>25</u> TOWNSHIP <u>21S</u> RANGE <u>37E</u> NMPM.		10. Field and Pool, or Wildcat Drinkard
15. Elevation (Show whether DF, RT, GR, etc.) 3406 GR		12. County Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING CPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
OTHER <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1. Pulled rods and tubing.
2. Swab tested Abo zone 7187'-7466', 8.0 BFPH, 5% oil. Oil cut decreased to nil.
3. Swab tested Abo and Drinkard 6643'-6818', 6926'-7073', 7187'-7466', 10 BFPH, 90% oil.
4. Placed on pump for production from Drinkard zone.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED RICHARD S. GUENTHER TITLE Agent DATE 1-17-77

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
Supersedes Old C-104 and C-110
Effective 1-1-65

I. Operator
IMPERIAL-AMERICAN MANAGEMENT COMPANY

Address
215 Mid America Building, Midland, TX 79701

Reason(s) for filing (Check proper box)

New Well	<input type="checkbox"/>	Change in Transporter of:		Other (Please explain)
Recompletion	<input type="checkbox"/>	Oil	<input type="checkbox"/>	Return of well to producing status.
Change in Ownership	<input type="checkbox"/>	Casinghead Gas	<input type="checkbox"/>	
		Dry Gas	<input type="checkbox"/>	
		Condensate	<input type="checkbox"/>	

If change of ownership give name
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name ROYALTY HOLDING	Well No. 3	Pool Name, including Formation Drinkard	Kind of Lease State, Federal or Fee Fee	Lease No.
Location Unit Letter H ; 1980 Feet From The North Line and 660 Feet From The East Line of Section 25 Township 21S Range 37E , NMPL, County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> The Permian Corporation	Address (Give address to which approved copy of this form is to be sent) Box 3119, Midland, TX 79701					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/> Skelly Oil Corporation	Address (Give address to which approved copy of this form is to be sent) Box 1650, Tulsa, OK 74102					
If well produces oil or liquids, give location of tanks.	Unit B/G	Sec. 25	Twp. 21	Rge. 37	Is gas actually connected? Yes	When EFFECTIVE JANUARY 31, 1977,

If this production is commingled with that from any other lease or pool, give commingling order number:

**SKELLY OIL COMPANY MERGED
INTO GETTY OIL COMPANY**

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
Date Spudded	Date Compl. Ready to Prod.		Total Depth		P.B.T.D.			
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay		Tubing Depth			
Perforations					Depth Casing Shoe			
TUBING, CASING, AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pitot, back pr.)	Tubing Pressure (shut-in)	Casing Pressure (shut-in)	Choke Size

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.



RICHARD S. GUENTHER

Agent

1-17-77

(Signature)

(Title)

(Date)

OIL CONSERVATION COMMISSION

APPROVED _____, 19 _____

BY _____

TITLE _____

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.

Separate Forms C-104 must be filed for each pool in multiply

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