

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 3, 1957

C  
O  
P  
Y

Mr. R. L. Elliot  
Ibex Oil Company  
Breckenridge, Texas

Dear Mr. Elliot:

It has come to the attention of the Oil Conservation Commission that Ibex Company's McElvain Well No. 2 in the NW/4 NE/4 of Section 30, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, is located only six inches from the quarter-quarter section line. This is, of course, an unorthodox location, and since it has not been approved by the Commission it will be necessary to keep the well shut-in until such time as a hearing can be advertised and held for that purpose.

Any such hearing will have to come upon the application of Ibex Company itself. The Commission will set the matter for hearing as quickly as possible after receipt of the application for the same.

Yours very truly,

A. L. Porter, Jr.  
Secretary - Director

WJC:bp

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 29, 1956

C  
O  
P  
Y

Mr. John Anderson  
U. S. Geological Survey  
Roswell, New Mexico

Dear Mr. Anderson:

It has definitely been established that The IbeX Company No. 2 Well in 30-18S-34E was drilled on an unorthodox location being 1978.3 feet from the East line and 0.5 feet from the North line of the section. The location as shown on the application which was approved by the U. S. Geological Survey representative was orthodox but the well was not drilled on the approved location.

The Commission feels that it will be necessary to have a show cause hearing as to why the well should not be shut-in at an early date.

The purpose of this letter is to advise your department of the action we contemplate.

Very truly yours,

A. L. Porter, Jr.  
Secretary-Director

ALP:jh  
cc: Mr. Randall Montgomery  
Oil Conservation Commission  
Hobbs, New Mexico

THE IBEX COMPANY  
MANUFACTURERS OF NATURAL GASOLINE AND L. P. G. PRODUCTS  
PRODUCERS OF OIL AND GAS  
IBEX BUILDING

BRECKENRIDGE, TEXAS

February 18, 1957

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

As you know, our McElvain #2 in the NW NE Section 30, Township 18 South, Range 34 East, Lea County, New Mexico, is an unorthodox location. In your letter of January 3, 1957, you advised that the well be shut down and remain so until a hearing could be held regarding an application for an unorthodox location. On December 11, 1956, we wrote a letter to our foreman at Artesia advising him to shut the well down. The well was shut down on December 15, 1956, and remained shut down until January 11, 1957. At that time the pumper, without authorization from any of our supervisory personnel, started up this well and we did not catch the fact that the well was producing until February 15. The well was again shut down on that date.

During the period between December 15 and January 11, a new tank battery was installed for the use of McElvain #3 so that we could continue to produce the oil from this well without co-mingling it with the oil that had been produced from the McElvain #2. When this tank battery was completed, the pumper started up the well and produced it without our knowledge until we were preparing our state reports. At that time the production clerk in charge of the reports brought this to our attention. Since the gauge tickets go directly to her, we did not catch the fact that the well was being produced. The well has again been shut down and will remain shut down until we have made application for a hearing and some decision reached by your Commission.

We are in the process of completing negotiations with the offset operator and believe that we will have the final plans completed and signed within the next two weeks. Upon the completion of this agreement, application will be made to the Commission for some ruling on this well.

We are very sorry that this has taken place and we have taken steps whereby such an incident will not occur again. Attached hereto is the report for the month of January, and as soon as gauge tickets have been received, we will furnish you a copy of the amount of oil produced and run during the month of February. Please advise us of your decision regarding this unauthorized producing of the well.

Very truly yours,

THE IBEX COMPANY



By O. H. Reaugh

OHR:elr

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 21, 1957

Mr. O. H. Reaugh  
The Ibex Company  
P.O. Box 752  
Breckenridge, Texas

Dear Sir:

This letter is in reply to your letter of February 18th in which you indicate that your McElvain No. 2 Well was produced during a portion of the months of January and February 1957. You advise that this was done by the pumper without authorization from any of your supervisory personnel.

In view of this fact and in view of the fact that through error we had not cancelled your January and February allowables, this production will not be declared illegal. The allowable for this well, however, is being discontinued as of February 28th and any production from it until the allowable is reinstated will be considered illegal. The well, therefore, must remain shut-in until otherwise ordered by this Commission.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

ALP:bp

CC-Mr. Randall Montgomery  
Oil Conservation Commission  
Box 2045  
Hobbs, New Mexico

C  
O  
P  
Y

T. J. SIVLEY  
301 BOOKER BUILDING  
ARTESIA, NEW MEXICO

December 11, 1956

P. O. BOX 488  
PHONES 886 AND 1124

Mr. R.F. Montgomery,  
Oil Conservation Commission  
Hobbs, New Mexico

Dear Sir:

The IbeX Company

Relative to our recent oil conservation, copies of location  
plats by two surveyors are enclosed showing the location of The  
IbeX Company's #3 well to be located 1930' west directly  
on the line of sections 19 and 30, T-18S, R-34E.

This error was discovered when my Federal #3 well in Section  
19, T-18S, R-34-E was being surveyed.

This matter is being discussed with IbeX, however, no solution has  
been reached. This information is for your records, and will advise  
your office when an agreement has been reached.

yours very truly

T.J. Sivley

TJS:sd  
cc; Mr. H.A. Dupont  
U.S. G.S

ILLEGIBLE

GOVERNOR JOHN F. SIMMS  
CHAIRMAN

New Mexico  
OIL CONSERVATION COMMISSION

STATE GEOLOGIST A. L. PORTER, JR.  
SECRETARY-DIRECTOR



P.O. Box 2045  
Hobbs, New Mexico

December 17, 1956

Mr. A. L. Porter, Jr., Director  
Oil Conservation Commission  
Box 871  
Santa Fe, New Mex.

Dear Mr. Porter:

Enclosed please find a copy of a letter from  
T. J. Sively in regard to the IbeX Co. McElvain Well  
No. 2. Also enclosed are plats from two surveyors  
which possibly shed a different light on the subject.

Yours very truly,

OIL CONSERVATION COMMISSION

A handwritten signature in cursive script that reads "R. F. Montgomery".

R. F. Montgomery  
Proration Manager

RFM/mc

LAND COMMISSIONER E. S. WALTER  
MEMBER

LAND OFFICE 000

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

May 14, 1957

Mr. John Anderson  
U.S. Geological Survey  
P.O. Box 6721  
Roswell, New Mexico

Dear Sir:

We enclose a copy of Order R-989 issued May 10, 1957, by the Oil Conservation Commission in Case 1231, which was heard on March 27th at Hobbs.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encl.

C  
O  
P  
Y