

*Off-lease
storage
- no comingling*

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF C. H. SWEET, DOING)
BUSINESS AS C. H. SWEET OIL COMPANY)
FOR AN EXCEPTION TO RULE 309 (AS)
AMENDED BY ORDER R645, ORDER R1172)
AND ORDER R1959) TO ALLOW THE APPLI-)
CANT TO PRODUCE THE OIL ON APPLICANT'S)
McKINLEY "B" LEASE LOCATED IN THE)
SE 1/4 OF THE NE 1/4 of SECTION 20,)
T18S, R38E, N.M.P.M., LEA COUNTY,)
NEW MEXICO, INTO THE TANK BATTERY)
LOCATED ON THE C. H. SWEET - GRIMES)
LEASE LOCATED IN THE NE 1/4 OF THE)
SE 1/4 OF SECTION 20, T18S, R38E,)
N.M.P.M., LEA COUNTY, NEW MEXICO.)

CASE NO. 23.25

COMES NOW C. H. SWEET, doing business as C. H. SWEET OIL COMPANY, of 424 North Dal Paso Street, Hobbs, New Mexico, and files this, his application for an exception to Rule 309 (as amended by Order R645, Order R1172 and Order R1959) and for cause would show:

1.

Applicant is the owner of an oil well designated as C. H. Sweet Oil Company - McKinley "B" No. 2, located in the Southeast 1/4 of the Northeast 1/4 of Section 20, Township 18 South, Range 38 East, N.M.P.M., Lea County,

New Mexico, within the Hobbs Pool and is producing said well into tank batteries located on said lease in the Southwest 1/4 of the Northeast 1/4 of Section 20, Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and applicant is the owner of the well known as C. H. Sweet - Grimes, located in the Northeast 1/4 of the Southeast 1/4 of Section 20, Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico. Applicant desires to utilize the storage facilities now located on the C. H. Sweet - Grimes Lease for the production of oil from the C. H. Sweet Oil Company - McKinley "B" Lease and to establish new storage for the light production being obtained from the C. H. Sweet - Grimes Lease for the following reasons, to-wit:

- a. The tank battery located on the applicant's McKinley "B" lease is in bad condition and will require replacement unless this application is approved.
- b. The tank battery located on the applicant's Grimes Lease is in good condition and can

be utilized for the reception of the oil produced from the McKinley well.

- c. That the applicant's Grimes well is a very light producer, incapable of producing more than 30 or 40 barrels of oil per month and applicant will install storage to handle the production from the Grimes well, eliminating any chance of comingling the production from the two leases.
- d. That the cost of erecting new storage to satisfy the requirements of applicant's well on the McKinley "B" lease is uneconomical, and would constitute waste.

2.

Upon the granting of the application, applicant will designate the tank battery located on the C. H. Sweet - Grimes lease in the Northeast 1/4 of the Southeast 1/4 of Section 20, Township 18 South, Range 38 East, as the C. H. Sweet Oil Company - McKinley "B" Lease and will provide adequate and suitable storage facilities to handle the production of the C. H. Sweet - Grimes

for the C. H. Sweet Oil Company McKinley "B" well.

WHEREFORE, Applicant prays that upon the hearing of this application the Commission enter its Order granting to applicant an exception to Rule 309, as amended, authorizing applicant to produce applicant's C. H. Sweet Oil Company - McKinley "B" well located in the Southeast 1/4 of the Northeast 1/4 of Section 20, Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico, into the tank battery on the C. H. Sweet - Grimes Lease located in the Northeast 1/4 of the SE 1/4 of Section 20, Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and for such other and further Order as the Commission deems fit and proper.



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ATTORNEYS FOR APPLICANT