

SEP 29 1995

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

LAW DEPARTMENT
Oil Conservation Region

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11316
ORDER NO. R-10471

APPLICATION OF MARATHON OIL COMPANY FOR DIRECTIONAL
DRILLING AND AN UNORTHODOX BOTTOMHOLE OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 13 and September 7, 1995,
at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 27th day of September, 1995 the Division Director, having
considered the testimony, the record and the recommendations of the Examiner, and
being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has
jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Marathon Oil Company ("Marathon"), seeks approval to
directionally drill its Royal Well No. 1 from an unorthodox surface oil well location 2210
feet from the South line and 1310 feet from the East line (Unit I) of Section 33,
Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, to a bottomhole
location that is within a 50-foot radius of a point that is also considered to be unorthodox
2310 feet from the South line and 1310 feet from the East line of said Section 33.

(3) The NE/4 SE/4 of said Section 33 is to be dedicated to said well to form
a standard 40-acre oil spacing and proration unit for both the Blinberry formation and
Undesignated East Vacuum-Drinkard Pool.

XC: WJ Ducease
JJ Chapman
KA Miller

PJ Lupardus
RE Pollard

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