

(b) minimize directional drilling costs by keeping the lateral distance from the surface location to the bottomhole location as short as possible;

(c) penetrate the Blinbry formation at the most optimal location possible; and,

(d) test the Drinkard formation with the same wellbore.

(11) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil underlying its lease, will prevent the economic loss caused by the drilling of unnecessary wells, is in the best interest of conservation and will otherwise prevent waste and protect correlative rights.

(12) The applicant should be required to determine the subsurface location of the kick-off point of the Royal Well No. 1 prior to directional drilling and should subsequently be required to conduct an accurate wellbore survey during or upon completion of drilling operations from the kick-off point to total depth to determine its true depth and course.

(13) No interested party objected to the subject application.

(14) The applicant should be required to notify the supervisor of the Hobbs District Office of the Division of the date and time said directional surveys are to be conducted so that they may be witnessed. The applicant should further be required to provide a copy of said directional surveys to the Santa Fe and Hobbs District Offices of the Division upon completion.

**IT IS THEREFORE ORDERED THAT:**

(1) The application of Marathon Oil Company ("Marathon") is hereby approved 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.

