BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)	
CARRIZO OIL AND GAS, INC., FOR AN)	
ORDER ALLOWING UP TO FOUR) Ca	use No.
HORIZONTAL WELLS IN A 640-ACRE)	
DRILLING AND SPACING UNIT FOR THE) Do	cket No.
NIOBRARA FORMATION IN SECTION 3,)	
TOWNSHIP 7 NORTH, RANGE 60 WEST IN)	
WELD COUNTY, COLORADO)	

APPLICATION

Carrizo Oil and Gas, Inc. ("Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order authorizing up to four horizontal wells in the following-described 640-acre drilling and spacing unit:

Township 7 North, Range 60 West, 6th P.M. Section 3: All

Weld County, Colorado ("Application Lands").

and further providing that the treated interval of each horizontal wellbore may be separated by a minimum of 600 feet for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado and is an operator in good standing with the Commission.
 - 2. Applicant owns substantial leasehold interests in the Application Lands.
- 3. On June 27, 2011, the Commission issued Order No. 535-41 which, among other things, established nine approximate 640-acre drilling and spacing units, and allowed up to two horizontal wells on certain lands including the Application Lands for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- 4. On September 19, 2011, the Commission issued Order No. 535-79 which, among other things, pooled all interests in the approximate 640-acre drilling and spacing unit established for the Application Lands.

- 5. Applicant requests that up to four horizontal wells be authorized for production of oil, gas and associated hydrocarbons from the Niobrara Formation in the Application Lands.
- 6. In accordance with Rule 318, Applicant will locate and drill the wells so that the treated interval of the horizontal wells is no closer than 600 feet from the boundaries of the units. Applicant requests that the 1,200 foot internal wellbore setback of Rule 318 be relaxed so that the treated interval of the horizontal wells may be separated by a minimum of 600 feet.
- 7. Applicant asserts that additional wells are necessary to prevent waste, protect correlative rights, and to assure the maximum efficient recovery of oil, gas and associated hydrocarbons from the Niobrara Formation on the Application Lands.
- 8. The names and addresses of the interested parties to this Application are set forth in Exhibit A, and the undersigned certifies that copies of this Application shall be served on each interested party as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, notice be given as required by law and that upon such hearing this Commission enter its order:

- A. Authorizing up to four horizontal wells in the Application Lands for production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- B. Providing that said wells shall be located and drilled so that the treated interval of the wellbores are no closer than 600 feet from the boundaries of the unit and are separated by a minimum of 600 feet.

C. For such other findings and orders as the Commission may deem proper or advisable in the matter.

Dated: September 1, 2012

By:

Kenneth A. Wonstolen Elizabeth Y. Gallaway Beatty & Wozniak, P.C.

216 Sixteenth Street-Suite 1100

Denver, CO 80202-5115

Address of Applicant
Carrizo Oil & Gas, Inc.
ATTN: Craig Wiest
1000 Louisiana Street, Suite 1500
Houston, TX 77002

VERIFICATION

STATE OF TEXAS)	
COUNTY OF HYXYYS)	SS.

Craig Wiest, of lawful age, being first duly sworn upon oath, deposes and says that he is a Land Manager for Carrizo Oil & Gas, Inc. and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Craig Wiest

Subscribed and sworn to before me this 4th day of September, 2012.

Witness my hand and official seal.

My commission expires: 2/2/2010

KEILAH JOY WHITLEY
Notary Public, State of Texas
My Commission Expires
February 02, 2016

Kalah Jor Notary Public

Exhibit A

Interested Parties

New Frontier Energy, Inc. 1801 Broadway, Suite #920 Denver, CO 80202

Diamond Resources Co. P.O. Box 1938 Williston, ND 58802-1938

Continental Resources, Inc. P.O. Box 1032 Enid, OK 73702

Michael Warren, Energy Liaison Colorado Parks and Wildlife Northwest Regional Office 711 Independent Avenue Grand Junction, CO 81505

Kent Kuster
Oil & Gas Consultant Coordinator
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

David Bauer Weld County 1111 H Street Greeley, CO 80632

Township 7 North, Range 60 West Sec 3

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IN THE MATTER OF THE APPLIC)				
CARRIZO OIL AND GAS, INC.,)				
ORDER ALLOWING UP TO	FOUR)	Cause No.			
HORIZONTAL WELLS IN A	640-ACRE	j ,	•			
DRILLING AND SPACING UNIT	FOR THE)	Docket No.			
NIOBRARA FORMATION IN SE		í				
TOWNSHIP 7 NORTH, RANGE 60		ý				
WELD COUNTY, COLÓRADO		Ś				
		,				
<u>AFFIDAVIT OF MAILING</u>						
STATE OF COLORADO)					
)ss.					
CITY AND COUNTY OF DENVER)					
	•					

Elizabeth Y. Gallaway, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Carrizo Oil and Gas, Inc., that on or before September $\underline{\partial \mathcal{U}}$, 2012, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Elizabeth Y. Gallaway

Subscribed and sworn to before me September 17, 2012.

Witness my hand and official seal.

My commission

10-04-13

Notary Public