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

IN THE MATTER OF THE APPLICATION OF	)	Cause No.
CARRIZO OIL AND GAS, INC., FOR AN	)	
ORDER ALLOWING UP TO SIX	)	Docket No.
HORIZONTAL WELLS IN FOUR PENDING	)	
640-ACRE DRILLING AND SPACING UNITS	)	
LOCATED IN VARIOUS SECTIONS	)	
LOCATED IN TOWNSHIPS 8 AND 10	)	
NORTH, RANGES 59 AND 60 WEST, 6TH	)	
P.M., IN AN UNNAMED FIELD, 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 six horizontal wells in each of the following-described, pending 640-acre drilling and spacing units:

Township 8 North, Range 60 West, 6<sup>th</sup> P.M. Section 27: All ("DSU #1");

Township 10 North, Range 59 West, 6th P.M.

Section 28: All ("DSU #2"); Section 31: All ("DSU #3");

Section 33: All ("DSU #4")

Weld County, Colorado (together, the "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. The Application Lands are currently subject to Commission Rule 318.a. which provides that a well to be drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing.
- 4. The Application Lands comprise four distinct and proposed 640-acre drilling and spacing units for the development of the Niobrara Formation. The application requesting approval

of these four proposed 640-acre drilling and spacing units is scheduled to be heard at the February 11, 2013 Commission Hearing. Approval of the current application is contingent upon Commission approval of this companion application.

- 5. Applicant requests that a total of up to six 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 a total of up to six horizontal wells in each drilling and spacing unit comprising the Application Lands, DSU#1 through DSU# 4, 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.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in February 2013, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this 13 day of December, 2012.

Respectfully submitted:

CARRIZO OIL AND GAS, INC.

Ву:

Kenneth A. Wonstolen Elizabeth Y. Gallaway Kenneth E. Warner Beatty & Wozniak, P.C. Attorneys for Applicant 216 16th Street, Suite 1100 Denver, Colorado 80202 (303) 407-4499

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

#### **VERIFICATION**

STATE OF TEXAS	)
COUNTY OF Harris	) 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 /2// day of December, 2012.

Witness my hand and official seal.

My commission expires: June 26, 20/3

Notary Public

#### Exhibit A

#### Interested Parties

United States of America 1849 C Street NW Room 5665 Washington, D.C. 20240

McArthur Minerals, LLC 2313 17th St. Greeley, CO 806234

The Estate of John Weiss, deceased Address Unknown

The Estate of Jeanne H. Allen, a/k/a Jeannie H. Allen, deceased

OIL India (USA) Inc. c/o IOCL (USA) Inc. 333 Clay St. Ste. 3300 Houston, TX 77002

Van K. Bullock P.O. Box 484 Morrison, CO 80465

Whiting Oil and Gas Corporation 1700 Broadway Suite 2300 Denver, CO 80290-1703

EOG Resources, Inc. 600 17th Street, Suite 1100 Denver, CO 80202

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

Irene A. Emery, f/k/a, Irene A. Doty C/O The Williams Home 1201 Langhome Rd Lynchburg, VA 24503

LHB Ventures, LLC P.O. Box 46063 Denver, CO 80201-6063

The Estate of Ralph P. Hickman, deceased Address Unknown

Martha H. Ferguson Address and Status Unknown

IOCL (USA) Inc. 333 Clay St. Ste. 3300 Houston, TX 77002

Greg Carnes P.O. Box 1990 Lees Summit, MO 64063

Diversified Operating Corporation 15000 W. 6th Ave, Suite 102 Golden, CO 80401

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

David Bauer Weld County 1111 H Street Greeley, CO 80632

# Weld County, Colorado

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# **Legend**

6 Wells 600' Spacing

## 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 SIX HORIZONTAL WELLS IN FOUR PENDING 640-ACRE DRILLING AND SPACING UNITS LOCATED IN VARIOUS SECTIONS LOCATED IN TOWNSHIPS 8 AND 10 NORTH, RANGES 59 AND 60 WEST, 6TH P.M., IN AN UNNAMED FIELD, WELD COUNTY, COLORADO	) ) Cause No. ) Docket No. ) )
AFFIDAVIT OF	MAILING
STATE OF COLORADO )	
)ss. CITY AND COUNTY OF DENVER )	
Elizabeth Y. Gallaway, of lawful age, an states and declares:	nd being first duly sworn upon her oath,
That she is the attorney for Carrizo Oil ar 20, 2012, she caused a copy of the attached A States Mail, postage prepaid, addressed to Application.	Application to be deposited in the United
7	Elizabeth Y. Gallaway
Subscribed and sworn to before me Dece	ember <u>13</u> , 2012.
Witness my hand and official seal.	
My commission expires: 10-04-13	
PUBLIC S	January & Page
N. Control of the Con	Notary Public