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

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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 a total of up to six horizontal wells in each of the following-described 640-acre drilling and spacing units:

Township 9 North, Range 59 West, 6th P.M. Section 6: All ("DSU #1");

Township 10 North, Range 57 West, 6th P.M. Section 5: All ("DSU #2");

Township 10 North, Range 59 West, 6th P.M. Section 19: All ("DSU #3");

Township 11 North, Range 62 West, 6th P.M. Section 25: 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. On September 19, 2011, the Commission entered Order No. 535-75, which among other things, established four (4) approximate 640-acre drilling and spacing units for certain lands, and authorized up to four horizontal wells within each unit, with the treated interval of the wellbore for the permitted well to be no closer than 600 feet from unit boundaries, for development and

production of oil, gas and related hydrocarbons from the Niobrara Formation. Order No. 535-75 applies to DSU # 1.

- 4. On July 9, 2012, the Commission entered Order No 535-179, which among other things, established six approximate 960-acre drilling and spacing units for certain lands, and authorized up to four horizontal wells within the units, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Order No. 595-179 applies to DSU #2.
- 5. On October 31, 2011, the Commission entered Order No. 535-90, which among other things, established two (2) approximate 640-acre drilling and spacing units for certain lands, and authorized up to two horizontal wells within each unit, with the treated interval of the wellbore for the permitted well to be no closer than 600 feet from the unit boundaries and no closer than 1200 feet from the treated interval of any other wellbore completed in the Niobrara, for development and production of oil, gas and related hydrocarbons from the Niobrara Formation. Order No. 535-90 applies to DSU #3.
- 6. On October 21, 2010, the Commission entered Order No. 421-3, which among other things, established 83 approximate 640-acre drilling and spacing units for certain lands, and authorized one (1) horizontal well to be located within each unit, with the treated interval of the wellbore for the permitted well to be no closer than 600 feet from the unit boundaries, for development and production of oil, gas and related hydrocarbons from the Niobrara Formation. Order No. 421-3 applies to DSU #4.
- 7. DSU#2 is currently spaced as a 960-acre drilling and spacing unit for the development of the Niobrara Formation. On December 13, 2012, Applicant filed an application ("Companion Application") requesting 1) that the existing 960-acre spacing unit comprised of Section 5 and the N½ of Section 8, Township 10 North, Range 57 West be vacated and 2) that Section 5, Township 10 North, Range 57 West (DSU #2) be established as a 640 acre drilling and spacing unit. The Companion Application is scheduled to be heard at the February 11, 2013 Commission Hearing. Approval of the relief requested in this Application as to DSU#2 is contingent upon Commission approval of this Companion Application.
- 8. 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.
- 9. 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.
- 10. 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.
- 11. 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

By:

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.
COUNTY OF 1 19 11 12)

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 12+4 day of December, 2012.

Witness my hand and official seal.

My commission expires: June 26, 2013



Notary Public

Exhibit A

Interested Parties

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

Edith Cyrus Address Unknown Laramie County, WY

Millamae E. Beck Address Unknown Laramie County, WY

Fowler B. Hamilton Address Unknown Elmo, MO

Frances L. Spangler Address Unknown Elmo, MO 64445

John E. Scott and Georgia B. Scott Address Unknown Weld County, CO

Lola Bailey Address Unknown

Mabel Bailey Address Unknown

Flora M. Schmoker, f/k/a Floria M. Bailey Address Unknown

Lydetta H. Oswald, f/k/a Lydetta H. Bailey 1906 Cheyenne Place Cheyenne, WY 82001

Ellis L. Bailey Address Unknown

James G. Bailey Address Unknown

Delmore W. Bailey Address Unknown

Michael Robert Bailey Address Unknown

Craig Russell Bailey Address Unknown

Russell L. Bailey Address Unknown Marathon Oil Company 5555 San Felipe Houston, TX 77056

Marubeni Denver Julesburg LLC 2800 Post Oak Blvd., Ste. 6000 Houston, TX 77056

IOCL (USA) Inc. Address Unknown

EOG Resources, Inc. 600 17th St. Suite 1000N Denver, CO 80202

Carl Herrin P.O. Box 329 Jackson, MS 39205

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

Virginia R. Sheets Address Unknown

Everett C. Brush Address Unknown Carbon County, WY

William E. Burkholder Address Unknown Logan County, CO

Eva Bea Hamilton Address Unknown Elmo, MO

Helen R. Phillips 790 Park Lane Lakewood, CO

Larkin A. Bailey Address Unknown Weld County, CO

Edd. H. Bailey 1105 Rosebud Cheyenne, WY 82001

Pauline M. Bailey Address Unknown William L. Sinclair Address Unknown

Weldon C. Bailey Address Unknown

James Robert Bailey Address Unknown

Don Bailey Address Unknown

Elvin A. Bailey Address Unknown

Christopher Parker Bailey Address Unknown

Douglas Andrew Bailey Address Unknown

Helen I. Hollis, f/k/a Helen I. Bailey Address Unknown

Whiting Oil and Gas Corporation 1700 Broadway Ste. 2300 Denver, CO 80290

Oil India (USA) Inc. Address Unknown

Noble Energy, Inc. 1625 Broadway Suite 2200 Denver, CO 80202

Kudzu Oil Properties, LLC. 300 Concourse Blvd. Suite 101 Ridgeland, MS 39157

George S. Dennis P.O. Box 1823 Jackson, MS 39215-1823

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

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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 ESTABLISHED 640-ACRE DRILLING AND SPACING UNITS LOCATED IN VARIOUS SECTIONS LOCATED IN TOWNSHIPS 9, 10 AND 11 NORTH, RANGES 57, 59, AND 62 WEST, 6TH P.M., IN AN UNNAMED FIELD WELD COUNTY, COLORADO	N) K) Cause No. R) D) Docket No. N) N) N) N) N) N) N) N) N)								
AFFIDAVIT OF	MAILING								
STATE OF COLORADO)									
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 a 10, 2012, she caused a copy of the attached States Mail, postage prepaid, addressed to Application.									
	Élizabeth Y Gállaway								
Subscribed and sworn to before me Dec									
Witness my hand and official seal.									
My commission expires: 10-04-1	Notary Public								