## 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 THIRTEEN	)	Cause No.
HORIZONTAL WELLS IN AN ESTABLISHED	)	
640-ACRE DRILLING UNIT LOCATED IN	)	Docket No.
SECTION 5, TOWNSHIP 10 NORTH, RANGE	)	
57 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 thirteen horizontal wells in the established 640-acre drilling and spacing unit located upon the following-described lands:

Township 10 North, Range 57 West, 6<sup>th</sup> P.M. Section 5: All

Weld County, Colorado (the "Application Lands").

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. A well location map of the Application Lands is attached as Exhibit A.
- 3. On July 9, 2012, the Commission entered Order No. 535-179, which, among other things, established six approximate 960-acre drilling and spacing units and authorized up to four horizontal wells within each unit, for certain lands, including the Application Lands, for the production of oil, gas, and other hydrocarbons from the Niobrara Formation. Section 5, Township 10 North, Range 57 West, 6<sup>th</sup> P.M. is subject to this Order.
- 4. On March 25, 2013, the Commission entered Order No. 535-284, which, among other things, vacated Order No. 535-179 and established an exploratory 640-acre drilling and spacing unit with one horizontal well approved within the unit, for the production of oil, gas, and other hydrocarbons from the Niobrara Formation. Section 5, Township 10 North, Range 57 West, 6<sup>th</sup> P.M. is subject to this Order.

- 5. On March 25, 2013, the Commission entered Order No. 535-280, which, among other things, authorized up to six horizontal wells within certain lands, including the Application Lands, for the production of oil, gas, and other hydrocarbons from the Niobrara Formation. Section 5, Township 10 North, Range 57 West, 6<sup>th</sup> P.M. is subject to this Order.
- 6. On March 25, 2013, the Commission entered Order No. 535-289, which, among other things, pooled all interests in the established 640-acre drilling and spacing unit located upon the Application Lands, for the development and operation of the Niobrara Formation. Section 5, Township 10 North, Range 57 West, 6<sup>th</sup> P.M. is subject to this Order.
- 7. Applicant requests approval to drill, at its option, up to thirteen horizontal wells in the established unit, with internal wellbores offset by 300 feet. Applicant requests 100 foot "heel-and-toe" completed interval setbacks from the unit boundaries perpendicular to the well laterals while maintaining a 600-foot setback from the unit boundaries parallel to the well laterals in the Niobrara Formation in the established 640-acre drilling unit.
- 8. Applicant asserts that the requested 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.
- 9. That in order to promote efficient drainage of the Niobrara Formation underlying the application lands, to prevent waste, and to protect correlative rights, the Commission should allow the drilling of up to thirteen horizontal wells in the 640-acre drilling and spacing unit located on the Application Lands. The specified size and configuration of the requested drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the requested well(s).
- 10. The undersigned certifies that copies of this Application shall be served on each interested party which include, as appropriate, offset operators, lessees, or mineral owners, as required by Rule 503.e.
  - 11. Applicant agrees to be bound by the oral order of the Commission.

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. Providing that the treated interval of the horizontal wellbores are offset by 300 feet.
- B. Providing for 100 foot "heel-and-toe" completed interval setbacks from the unit boundaries perpendicular to the well laterals.

- C. Authorizing up to thirteen horizontal wells in an established 640-acre drilling and spacing unit for production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
- D. For such other findings and orders as the Commission may deem proper or advisable in the matter.

Dated: April 18 2013.

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
500 Dallas Street, 2300
Houston, TX 77002

#### **VERIFICATION**

STATE OF TEXAS	)	
	)	SS.
COUNTY OF HARRIS	<u> </u>	

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 17th day of April, 2013.

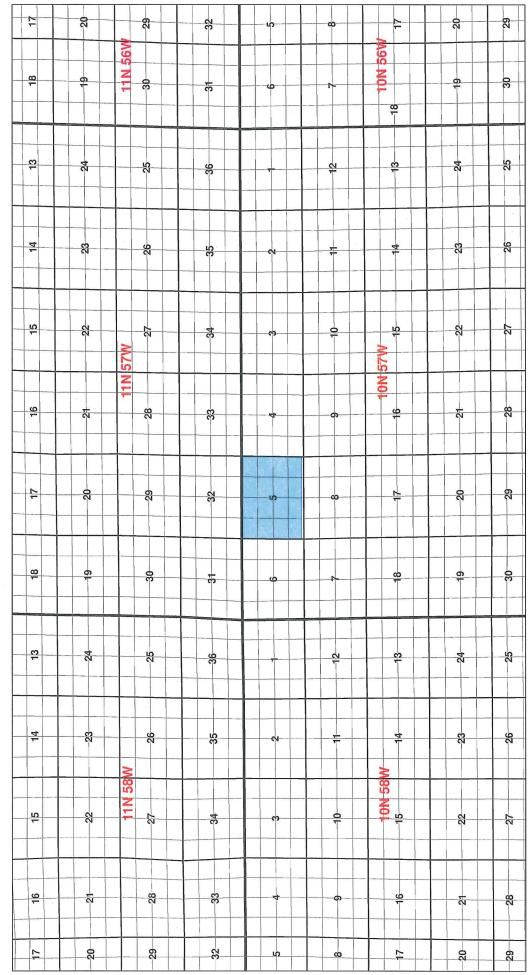
Witness my hand and official seal.

My commission expires: MARCH 5, 70 (6



Notary Public

Weld County, Colorado T10N-R57W Sec: 5



# 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 THIRTEEN HORIZONTAL WELLS IN AN ESTABLISHED 640-ACRE DRILLING UNIT LOCATED IN SECTION 5, TOWNSHIP 10 NORTH, RANGE 57 WEST IN WELD COUNTY, COLORADO	) ) Cause No. ) Docket No. ) Intake No. 69		
AFFIDAVIT OF MAILING			
STATE OF COLORADO )			
)ss. CITY AND COUNTY OF DENVER )			
Elizabeth Y. Gallaway, of lawful age, and be states and declares:	eing first duly sworn upon her oath,		
That she is an attorney for Carrizo Oil and Gas, Inc., that on or before April 29, 2013, she caused a copy of the above-captioned Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on the attached list.			
Subscribed and sworn to before me April 29, 2013.			
Witness my hand and official seal.			
My commission expires:  PETERS  PUBLIC B  Nota	ery Public		

#### Interested Parties

Marathon Oil Company 5555 San Felipe Houston, TX 77056 Whiting Oil and Gas Corporation 1700 Broadway Ste. 2300 Denver, CO 80290

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

Oil India (USA) Inc. Address Unknown

IOCL (USA) Inc. Address Unknown Haimo Oil & Gas, LLC Address Unknown

Virginia R. O'Hare 60480 WCR 135 New Raymer, CO 80742 BLM Colorado State Office 2850 Youngfield Street Lakewood, CO 80215-7093

James C. Sheets 7201 CR 301 Parachute, CO 81635 Kenneth E. Sheets 700 Fairway Rifle, CO 81650

Michael Warren, Energy Liaison Colorado Parks and Wildlife Northwest Regional Office 711 Independent Avenue Grand Junction, CO 81505 David Sheets 533 Hacienda Drive Unit A Grand Junction, CO 81507

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Denver, CO 80246-1530

David Bauer Weld County 1111 H Street Greeley, CO 80632