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 20, TOWNSHIP 8 NORTH, RANGE |) | |
| 61 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 8 North, Range 61 West, 6th P.M. Section 20: 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 February 22, 2011, the Commission issued Order No. 535-3, which among other things, established 160 approximate 640-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Niobrara Formation underlying certain lands, including the Application Lands, and allowed up to one horizontal well in each of the units. Section 20, Township 8 North, Range 61 West, 6th P.M. is subject to this Order.
- 4. On February 11, 2013, the Commission entered Order No. 535-265, 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 20, Township 8 North, Range 61 West, 6th P.M. is subject to this Order.

- 5. On March 25, 2013, the Commission entered Order No. 535-287, 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 20, Township 8 North, Range 61 West, 6th P.M. is subject to this Order.
- 6. 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.
- 7. 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.
- 8. 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).
- 9. 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.
 - 10. 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 4, 2013.

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
500 Dallas Street, 2300
Houston, TX 77002

VERIFICATION

| STATE OF TEXAS |) |
|--|--|
| COUNTY OF HARRIS |) SS. |
| that he is a Land Manager for Carrizo Oi | il & Gas, Inc. and that he has read the foregoing contained are true to the best of his knowledge, |
| Subscribed and sworn to before n | ne this <u> ¶ฬ</u> day of April, 2013. |
| Witness my hand and official seal | i. |
| My commission expires: MRU 5,70 (6 | <u> </u> |
| ROSS DANIEL WARDLAW Notary Public, State of Texas My Commission Expires March 05, 2016 | Notary Public |