## 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 ESTABLISHING A 640-ACRE	)	Cause No.
DRILLING AND SPACING UNIT FOR THE	)	
NIOBRARA FORMATION AND ALLOWING	)	Docket No.
UP TO THIRTEEN HORIZONTAL WELLS IN	)	
SECTION 21, TOWNSHIP 10 NORTH,	)	
RANGE 57 WEST IN WELD COUNTY,	)	
COLORADO	)	

#### <u>APPLICATION</u>

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 creating a 640-acre drilling and spacing unit and authorizing up to thirteen horizontal wells in the following-described lands:

Township 10 North, Range 57 West, 6<sup>th</sup> P.M. Section 21: 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. The Application Lands are 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. On March 11, 2013 Applicant protested a verified application (Docket No. 1303-SP-46) filed by Whiting Oil and Gas Corporation ("Whiting") for an order seeking, among other things, to establish an approximate 960-acre drilling and spacing unit covering the S½ of Section 9 and all of Section 16 in Township 10 North, Range 57 West, 6<sup>th</sup> P.M. On March 20, 2013, Applicant withdrew its protest, contingent upon Whiting

amending its application, and its companion application (Docket No. 1303-AW-17), for an order establishing a 640-acre unit covering Section 16 and that the authorized wells in such unit be drilled in a North-South orientation and completed and stimulated within, but no closer than, 100 feet from Sections 9 and 21, Township 7 North, Range 57 West, 6<sup>th</sup> P.M., so long as the Commission grants to Applicant the reciprocal right with respect to future wells to be drilled in Sections 9 and 21, Township 7 North, Range 57 West, 6<sup>th</sup> P.M. Pursuant to this settlement agreement, the Commission issued Order Nos. 535-298 and 535-296, both of which apply to Section 21, Township 10 North, Range 57 West, 6<sup>th</sup> P.M.

- 5. Applicant requests approval to drill, at its option, up to thirteen horizontal wells in the proposed 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 proposed 640-acre drilling unit.
- 6. 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.
- 7. 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 establish the drilling unit as requested herein and allow the drilling of up to thirteen horizontal wells in said unit. 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).
- 8. The names and addresses of the interested parties to this Application which include, as appropriate, offset operators, lessees, or mineral owners, are set forth in <a href="Exhibit B">Exhibit B</a>, and the undersigned certifies that copies of this Application shall be served on each interested party as required by Rule 503.e.
  - 9. 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 1,200 foot internal-wellbore setbacks under Rule 318.a. be relaxed so that said wells shall be located and drilled so that the treated interval of the wellbores are offset by 300 feet.
- B. Providing that the 600 foot unit-boundary setbacks under Rule 318.a. be relaxed in order to allow 100 foot "heel-and-toe" completed interval setbacks from the unit boundaries perpendicular to the well laterals.

- C. Establishing the requested drilling and spacing unit and authorizing up to thirteen horizontal wells in the 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 <u>18</u>, 2013

Kenneth A. Wonstolen

Elizabeth Y. Gallaway Beatty & Wozniak, P.C.

216 Sixteenth Street-Suite 1100

Denver, CO 80202-5115

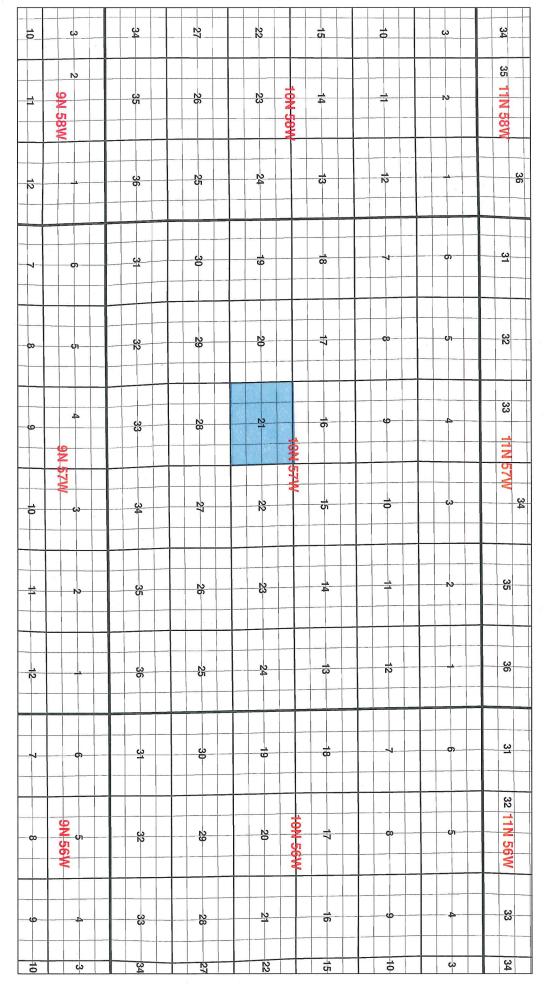
Address of Applicant
Carrizo Oil & Gas, Inc.
Attn: Craig Wiest
500 Dallas Street, 2300
Houston, TX 77002

#### **VERIFICATION**

STATE OF TEXAS	)
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.  Craig Wiest
Subscribed and sworn to before n	ne this <u> ˈᠯᠬᠯ</u> day of April, 2013.
Witness my hand and official seal	I.
My commission expires: MAPUL 5,70 (6	<u> </u>
ROSS DANIEL WARDLAW Notary Public, State of Texas My Commission Expires March 05, 2016	Notary Public

**EXHIBIT A** 

Weld County, Colorado T10N-R57W Sec: 21



### Exhibit B

#### **Interested Parties**

OIL India (USA) Inc. Address Unknown IOCL (USA) Inc. Address Unknown

Haimo Oil & Gas LLC Address Unknown

David Bauer Weld County 1111 H Street Greeley, CO 80632 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

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

IN THE MATTER OF THE APPLICATION CARRIZO OIL AND GAS, INC.,				
ORDER ESTABLISHING A 6 DRILLING AND SPACING UNIT F	,	Cause No.		
NIOBRARA FORMATION AND A UP TO THIRTEEN HORIZONTAL V	LLOWING ) VELLS IN ) NORTH, )	Docket No.		
AFFIDAVIT OF MAILING				
STATE OF COLORADO	)			
CITY AND COUNTY OF DENVER	)ss. )			

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

That she is an attorney for Carrizo Oil and Gas, Inc., that on or before April 29, 2013, 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 B to the Application.

Elizabeth Y. Gallaway

Subscribed and sworn to before me April 18, 2013.

Witness my hand and official seal.

My commission expires PETERS 04-1

Notary Public

# 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 ESTABLISHING A 640-ACRE ) DRILLING AND SPACING UNIT FOR THE ) NIOBRARA FORMATION AND ALLOWING ) UP TO THIRTEEN HORIZONTAL WELLS IN ) SECTION 21, TOWNSHIP 10 NORTH, ) RANGE 57 WEST IN WELD COUNTY, ) COLORADO )	Cause No.  Docket No.  IntakeNo. 81
SUPPLEMENTAL AFFIDA	VIT OF MAILING
STATE OF COLORADO )	
)ss. CITY AND COUNTY OF DENVER )	
Elizabeth Y. Gallaway, of lawful age, and being declares:	first duly sworn upon her oath, states and
That she is an attorney for Carrizo Oil and Gas, caused a copy of the above-captioned Application to be postage prepaid, addressed to the additional interested	e deposited in the United States Mail,
Elizabe	eth Y. Gallaway
Subscribed and sworn to before me May	, 2013.
Witness my hand and official seal.  My commission expires: ARY 94-04-13  PUBLIC Notary	usa Atslus Public

### **Additional Interested Parties**

Linda Sue Shawcross 25187 CR 54 1/4 Kersey, CO 80644

Bureau of Land Management 2850 Youngfield St. Lakewood, CO 80215

Gary D. Toedtli 9495 Webster Way Wesminster, CO 80021

Whiting Oil and Gas Corporation 1700 Broadway Ste. 2300 Denver, CO 80290 Craig William Toedtli 1138 Coneflower Way Brighton, CO 80601

Larry W. Toedtli 11201 North East 58th Place Kirkland, WA 98033

Dorothy L. Roberts P.O. Box 715 185 Uintah Ridge Drive Divide, CO 80814

HRM Resources II, LLC 410 17th St., Suite 1200 Denver, CO 80202