## 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 19, TOWNSHIP 10 NORTH,	)	
RANGE 59 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 following-described lands:

Township 10 North, Range 59 West, 6<sup>th</sup> P.M. Section 19: 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 <u>Exhibit A</u>.
- 3. On October 31, 2011, the Commission issued Order No. 535-90 which, among other things established three approximate 640-acre drilling and spacing units for certain lands, including the Application Lands, and authorized up to two horizontal wells in each unit at the option of the applicant for development and production of oil, gas and related hydrocarbons from the Niobrara Formation
- 4. On March 25, 2013, the Commission issued Order No. 535-280 which, among other things established four approximate 640-acre drilling and spacing units for certain lands, including the Application Lands, and authorized up to six horizontal wells in each unit for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.
- 5. On March 25, 2013, the Commission issued Order No. 535-289 which, among other things, pooled all interests within certain lands, including the Application Lands, for the development and operation of the Niobrara Formation.
- 6. Applicant requests approval to drill, at its option, an additional seven horizontal wells, for a total of up to thirteen horizontal wells in the unit, with internal wellbores offset by 300 feet and

unit boundary setbacks of 600 feet, except that 100 foot "heel-and-toe" completed interval setbacks from the unit boundaries perpendicular to the well laterals shall apply so long as Applicant obtains excetion location approvals pursuant to Rule 318.c. This exception location requirement for reduced unit boundary setbacks shall not apply if superseded by a subsequent Commission rule or area-wide order.

- 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 an additional seven, for a total 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).
- 9. 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 <u>Exhibit B</u>, and the undersigned certifies that copies of this Application shall be served on each interested party 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 Applicant may drill, at its option, an additional seven for a total of up to thirteen horizontal wells in the unit, with internal wellbores offset by 300 feet and unit boundary setbacks of 600 feet, except that 100 foot "heel-and-toe" completed interval setbacks from the unit boundaries perpendicular to the well laterals shall apply so long as Applicant obtains exception location approvals pursuant to Rule 318.c.
- B. Providing that the exception location requirement for reduced unit boundary setbacks set forth in this Application shall not apply if superseded by a subsequent Commission rule or areawide order.
- C. For such other findings and orders as the Commission may deem proper or advisable in the matter.

Dated: May \_\_\_\_, 2013

By: Chrsc

Kenneth A. Wonstolen 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	ì.
COUNTY OF HARRIS	)	

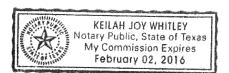
Ross D. Wardlaw, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for Carrizo Oil & Gas, Inc. and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Ross D. Wardlaw

Subscribed and sworn to before me this 29th day of May, 2013.

Witness my hand and official seal.

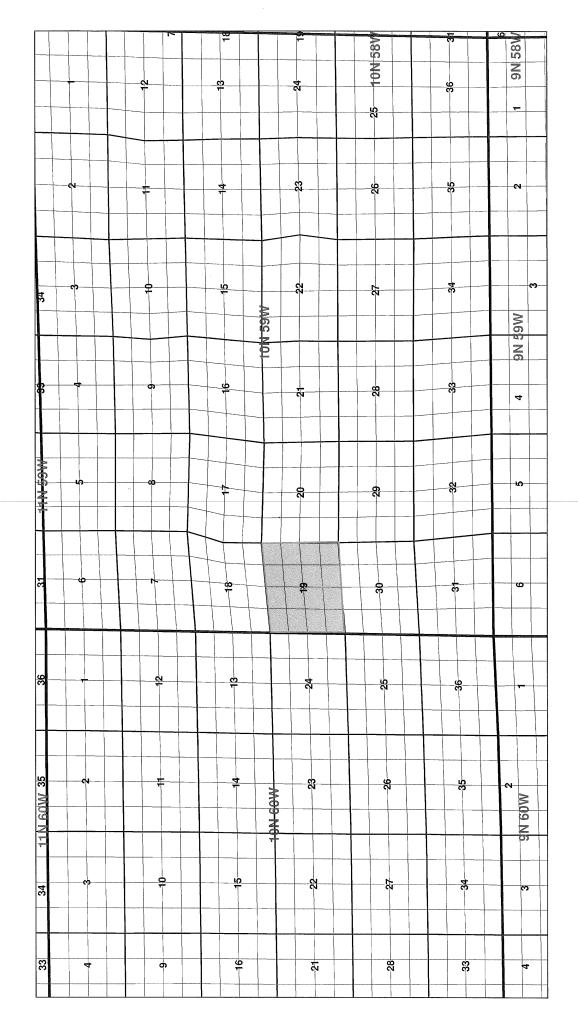
My commission expires: FEBRUARY 2, 2016



Kalah Joy Whilley Notary Public

EXHIBIT A

Weld County, Colorado T10N-R59W Sec: 19



### Exhibit B

#### **Interested Parties**

Noble Energy WYCO, LLC 1625 Broadway, Ste. 2200 Denver, CO 80202

John Weiss and Mary Weiss, deceased Address Unknown Keota, Colorado 81004

Centennial Mineral Holdings, LLC 5950 Cedar Springs Rd., Suite 200 Dallas, TX 75235

United States of America 2850 Youngfield St. Lakewood, CO 80215

Frank Comfort Jones, II and Marsha A. Jones 1632 36th Avenue Court Greeley, CO 80634

John A. Ehmke 58519 CR 107 Grover, CO 80729

Haimo Oil & Gas LLC 593, Zhangsutan Lanzhou Gansu Province, 730010, PRC

David Bauer Weld County 1111 H Street Greeley, CO 80632

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

U.S. AgBank, FCB 245 N Waco St Wichita, KS 67202

Grayrock Minerals, LLC 5950 Cedar Springs Rd., Suite 200 Dallas, TX 75235

AK Resources, LLC PO Box 6975 Denver, CO 80206

James Adam Hilzer 3314 39th Ave Evans, CO 80620

IOCL (USA) Inc. c/o Thompson Knight, LLP 333 Clay St. Suite 3300 Houston, TX 77002

Oil India (USA) Inc. c/o Thompson Knight, LLP 333 Clay St. Suite 3300 Houston, TX 77002

Tom Schreiner, Energy Liaison Colorado Parks and Wildlife Northeast Region Office 6060 Broadway Denver, CO 80216

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

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 19, TOWNSHIP 10 NORTH, ) RANGE 59 WEST IN WELD COUNTY, ) COLORADO			
AFFIDAVIT OF MAILING			
STATE OF COLORADO ) )ss.			
CITY AND COUNTY OF DENVER )			
Kenneth A. Wonstolen, of lawful age, and being first duly sworn upon his oath, states and declares:			
That he is an attorney for Carrizo Oil and Gas, Inc., that on or before June $\underline{10}$ , 2013, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on $\underline{\text{Exhibit B}}$ to the Application.			
Kenneth A. Wonstolen			
Subscribed and sworn to before me May <u>3D</u> , 2013.			
Witness my hand and official seal.			
My commission expires: <u>เช-อน-เ3</u> .			

Notary Public