# 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	)	
VACATING TWO 640-ACRE DRILLING UNIT AND	)	Cause No.
ESTABLISHING A 960-ACRE DRILLING UNIT	)	
WITH UP TO SIXTEEN HORIZONTAL WELLS IN	)	Docket No.
THE UNIT, LOCATED IN SECTIONS 19 AND 30,	)	
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 1) vacating Order Nos. 535-90 and 535-352 and 2) establishing a 960-acre drilling unit with up to sixteen horizontal wells authorized in the unit, in the following-described lands:

Township 10 North, Range 59 West, 6th P.M.

Section 19:

ΑII

Section 30:

 $N\frac{1}{2}$ 

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, approved three approximate 640-acre drilling and spacing units for certain lands, including Section 19, Township 10 North, Range 59 West, 6th P.M., and authorized up to two (2) horizontal wells in each such unit at its option 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 approved up to six horizontal wells within certain lands including Section 19, Township 10 North, Range 59 West, 6th P.M., for the production of oil, gas and associated 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 Section 19, Township 10 North, Range 59 West, 6th P.M., for the development and operation of the Niobrara Formation.
- 6. On June 17, 2013, the Commission issued Order No. 535-352 which, among other things, established an approximate 640-acre drilling and spacing unit consisting of Section 30, Township 10 North, Range 59 West, 6th P.M., and approved up to thirteen horizontal wells in the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
  - 7. Applicant requests that Order Nos. 535-90 and 535-352 each be vacated in their entirety.

- 8. Applicant requests that the Commission establish a 960-acre drilling unit upon the Application Lands, and establish that up to sixteen horizontal wells may be drilled in the unit, with internal wellbores offset by 300 feet and unit boundary setbacks of 300 feet.
- 9. Applicant asserts that the requested drilling unit and number of 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.
- 10. 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 1) vacate Order Nos. 535-90 and 535-352 and 2) establish a 960-acre drilling unit with up to sixteen horizontal wells in the unit upon 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).
- 11. According to Rule 507.b.(1), the names and addresses of the interested parties to this Application 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.
  - 12. 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. Vacating Order Nos. 535-90 and 535-352.
- B. Establishing a 960-acre drilling unit with up to sixteen horizontal wells in the unit upon the Application Lands with internal wellbores offset by 300 feet and unit boundary setbacks of 300 feet.
- C. For such other findings and orders as the Commission may deem proper or advisable in the matter.

Dated: July 18, 2013

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

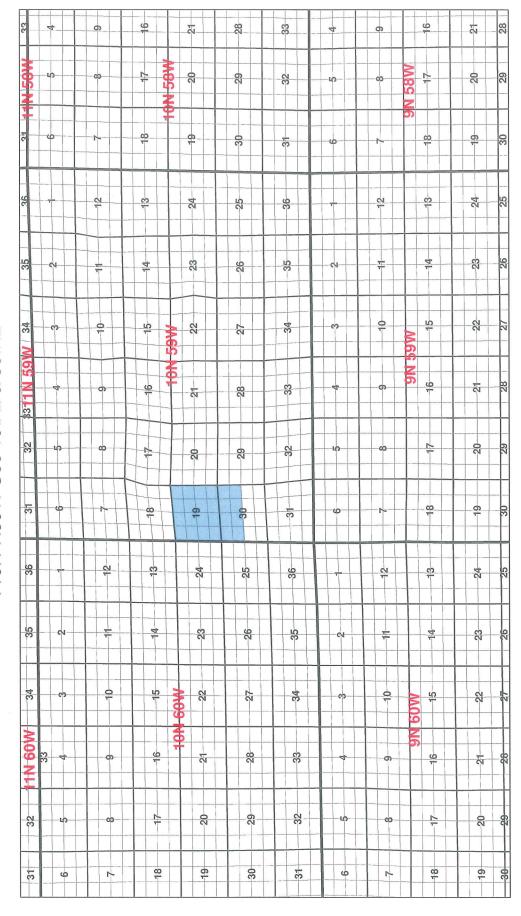
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### **VERIFICATION**

STAT	E OF TEXAS	)	
COUN	NTY OF HARRIS	)	SS.
Applic	e is Land Manager for Carrizo C	)il & Ga	t duly sworn upon oath, deposes and says s, Inc. and that he has read the foregoing ined are true to the best of his knowledge,  Craig E. Wiest
	Subscribed and sworn to before	me thi	s <u>l1<sup>ttl</sup></u> day of July, 2013.
	Witness my hand and official se	eal.	
Му со	mmission expires: 3/5/w/6	HIII WAR TO THE TOTAL THE TOTAL TO THE TOTAL THE TOTAL TO THE TOTAL TH	
	ROSS DANIEL WARDLAW Notary Public, State of Texas My Commission Expires		Notary Public
	March 05, 2016		

Exhibit A

Weld County, Colorado T10N-R59W Sec 19:All & 30:N2



# Exhibit B Interested Parties

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

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

Haimo Oil & Gas, LLC Attn: Mr. Jianwen Dou 593, Zhangsutan Lanzhou Gansu Province, 730010, PRC

United States of America BLM Colorado State Office 2850 Youngfield St Lakewood, CO 80215

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

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

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

David Bauer Weld County 1111 H Street Greeley, CO 80632

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STATE OF COLORADO	\				
STATE OF COLORADO	) )ss.				
CITY AND COUNTY OF DENVER	) 55.				
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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 July 25, 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 Exhibit B to the Application.

Kenneth A. Wonstoler

Subscribed and sworn to before me July / , 2013.

Witness my hand and official seal.

My commission expires: \_\_

Notary Public

MARY GRACE T. GO-HOVELAND Notary Public State of Colorado