## 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 A 1,280 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 29 AND 32,	)	
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 1) vacating Order No. 535-221; and 2) establishing a 960-acre drilling unit with up to sixteen horizontal wells authorized in the unit, in the following-described lands:

Township 8 North, Range 61 West, 6th P.M.

Section 29: S½
Section 32: 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 February 22, 2011, the Commission issued Order No. 535-3 which, among other things established 160 approximate 640-acre drilling and spacing units for certain lands, including the Application Lands and allowed one horizontal well in each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- 4. On November 15, 2012, the Commission issued Order No. 535 221 which, among other things vacated two approximate 640-acre drilling and spacing units and established an approximate 1280-acre drilling and spacing unit consisting of Sections 29 and 32, Township 8 North, Range 61 West, 6th P.M., and approve up to two horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
- 5. On January 7, 2013, the Commission issued Order No. 535 241 which, among other things approved up to six horizontal wells within an approximate 1280-acre drilling and spacing unit for Sections 29 and 32, Township 8 North, Range 61 West, 6th P.M., for the development and operation of the Niobrara Formation.
- 6. On January 7, 2013, the Commission issued Order No. 535 256 which, among other things pooled all interests in an approximate 1280-acre drilling and spacing unit established for Sections 29 and 32, Township 8 North, Range 61 West, 6th P.M., for the development and operation of the Niobrara Formation.

- 7. Applicant requests that the Order No. 535-221 be vacated in its 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 No. 535-221 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 Exhibit B, 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 No. 535-221.
- 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 1/2, 2013

Kenneth A. Wonstoler

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	)
that he is Land Manager for Carrizo C	peing first duly sworn upon oath, deposes and says Oil & Gas, Inc. and that he has read the foregoing in contained are true to the best of his knowledge,
Subscribed and sworn to before	e me this <u>l1<sup>ttl</sup></u> day of July, 2013.
Witness my hand and official se	eal.
My commission expires: 3/5/w/6	·
ROSS DANIEL WARDLAW Notary Public, State of Texas My Commission Expires March 05, 2016	Notary Public

Exhibit A

Weld County, Colorado T8N-R61W Sec 32:All & 29:S2

19	18	7	6	- 3	30	19	0	4	6	<u> </u>
20	17		51	32	29	20	7			32 8
2	5	9	4	<u> </u>	28	N <sub>2</sub>	100	9	4	33 20
3	5	N 62W	ట	34	27	222		10	ω	34
3	14		N>	35	26	23	14	4	N	33 6
2	3	12		36	25	24	ಪ	12		36
9	80	7	0	<u>Ly</u>	30	19	18	7	9	<u> </u>
3	7	-60	- U	32	29	20	17	8	<b>-</b> 41	32
્	00	9 7N 61W	4	33	28	21	16	9		33 <b>9N</b>
3	5	WE	ω	34	27	13	15	10	ω	9N 61W
3	14		2		26	23	14	+	N	35
24	라	72		36	25	24	33	12		36
9	<u></u>		6	31	30	<u></u>	<u> </u>		0	<u> </u>
20	17	W09 NZ	6	<u>သ</u> 20	22	20			- 61	W09 N6
21	- 6		4	33	28	2	16	9	4	33

#### Exhibit B

#### Interested Parties

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

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

Bill Barrett Corporation 1099 18th St., Suite 2300 Denver, Colorado 80202

Synergy Resources Corporation 20203 Highway 60 Platteville, CO 80651

Norman Keith Freeman 74 Norwood Avenue Kensington, CA 94707-1150

The Estate of Eugene W. Freeman, deceased Address unknown

The Estate of Jacques Censor, deceased 71 West 4th Ave.
New York, NY

Thomas G. Dorough, Jr. P.O. Box 1196 Englewood, CO 80150

David Bauer Weld County 1111 H Street Greeley, CO 80632

Tom Schreiner, Energy Liaison Colorado Parks and Wildlife Northeast Region Office 6060 Broadway Denver, CO 80216 Oil India (USA), Inc. c/o Thompson Knight, LLP Attn: Arthur J. Wright 333 Clay St, Suite 3300 Houston, TX 77002

Noble Energy WYCO, LLC 1625 Broadway, Suite 2200 Denver, CO 80202

Continental Resources, Inc. 302 N. Independence Enid, OK 73701

The Estate of W. E. Freeman, deceased 1939 11th Ave. Greeley, CO

The Estate of Eleanor Hutchinson, deceased 30321 Wingfoot Drive Evergreen, CO 80439

E. O. Nay, Jr. Address Unknown

W. O. Callaway 6487 S. Dallas Court Englewood, CO 80111-5346

George G. Vaught, Jr. P. O. Box 13557 Denver, CO 80201-3557

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 OF ) CARRIZO OIL AND GAS, INC., FOR AN ORDER ) VACATING A 1,280 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 29 AND 32, ) TOWNSHIP 8 NORTH, RANGE 61 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 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. Wonstolen
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