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

IN THE MATTER OF THE APPLICATION OF) CARRIZO OIL & GAS, INC. FOR AN ORDER) ESTABLISHING DRILLING AND SPACING) UNITS FOR THE NIOBRARA FORMATION OF) CERTAIN DESCRIBED LANDS IN WELD) COUNTY, COLORADO.

CAUSE NO. \_\_\_\_\_

DOCKET NO. \_\_\_\_\_

### APPLICATION

Carrizo Oil & Gas, Inc. ("Applicant"), by and through its undersigned attorneys, submits this Application to the Colorado Oil and Gas Conservation Commission ("Commission") for an order establishing three (3) approximate 640-acre drilling and spacing units for development of and production from the Niobrara Formation in the following lands:

Township 10 North, Range 59 West, 6th P.M. Sections 18, 19 and 27: All

Weld County, Colorado (hereafter "Application Lands").

Applicant further requests that it be allowed to drill up to two (2) horizontal wells in each such drilling and spacing unit, with the second well in each unit at its option. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a company duly authorized to conduct business in Colorado, and is a registered operator in good standing with the Commission.

2. Applicant owns a substantial leasehold interest in the Application Lands which are shown on Exhibit 1 attached hereto.

3. The Application Lands are unspaced with respect to the Niobrara Formation, which is a common source of supply underlying said lands. Since there are no Commission orders specifically applicable to the development of the Niobrara Formation on the application lands, wells drilled on said lands are subject to Rule 318 of the Rules and Regulations of the Commission – Location of Wells. Under said rule, for wells greater than 2,500 feet in depth, such wells shall be located not less than 600 feet from any lease line, and shall be located not less than 1,200 feet from any other well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing.

4. Applicant requests the right to drill up to two horizontal wells in the Niobrara Formation in each drilling and spacing unit to be established pursuant to this Application, with the treated interval of the wellbore(s) to be no closer than 600 feet from the boundaries of the drilling and spacing unit (regardless of lease lines within the unit). With respect to the second (optional) horizontal well, the treated interval of its wellbore shall be no closer than 1,200 feet to the first horizontal well. Such well locations are, in all respects, consistent with the provisions of Rule 318.

5. In order to promote efficient drainage and orderly development of the Niobrara Formation underlying the application lands, to prevent waste, and to protect correlative rights, the Commission should establish three (3) approximate 640 acre drilling and spacing units as requested herein and allow up to two (2) horizontal wells in each of said units, with the second well at the option of Applicant. Drilling and spacing units of the specified size and configuration are not smaller than the maximum area that can be economically and efficiently drained by the proposed well(s).

6. The undersigned states that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, and that the Commission will be supplied with a list of such interested parties along with a certificate of service, per Rule 503.e.

7. Applicant agrees to be bound by the oral order of the Commission.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in October, 2011, that notice be given as required by law, and that upon such hearing this Commission enter its order consistent with Applicant's petition as set forth above.

Dated this \_\_\_\_ day of August, 2011.

### **BEATTY & WOZNIAK, P.C.**

By:\_

Kenneth A. Wonstolen Elizabeth Y. Gallaway 216 Sixteenth Street, Suite 1100 Denver, Colorado 80202-5155

<u>Applicant's Address</u>: 1000 Louisiana Street, Suite 1500 Houston, TX 77002

#### VERIFICATION

STATE OF TEXAS ) COUNTY OF \_\_\_\_\_ ) ss.

Jason Causey, of lawful age, being first duly sworn upon oath, deposes and says that he is a 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.

Jason Causey

Subscribed and sworn to before me this \_\_\_\_\_ day of August, 2011.

Witness my hand and official seal.

My commission expires:\_\_\_\_\_

Notary Public

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CAUSE NO. \_\_\_\_\_

DOCKET NO. \_\_\_\_\_

### AFFIDAVIT OF MAILING

)ss.

STATE OF COLORADO

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 the attorney for Carrizo Oil & Gas, Inc., and that on or before September \_\_\_\_, 2011 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 2 to the Application.

Kenneth A. Wonstolen

Subscribed and sworn to before me August\_\_\_\_, 2011.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_\_.

Notary Public

# EXHIBIT 2A SECTION 18 - T10N - R59W

John A. Ehmke 58519 CR 107 Grover, CO 80729

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

James Adam Hilzer 3314 39th Ave. Evans, CO 80620

# EXHIBIT 2B SECTION 19 - T10N - R59W

James S. More 1313 High St. Wichita, KS 67203

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

James Adam Hilzer 3314 39th Ave. Evans, CO 80620

## EXHIBIT 2C SECTION 27 - T10N - R59W

Nelson Ranches, Inc. 58900 County Road 382 Grover, CO 80729

Keiser Holding, LLC 20 South Lewis St. Castle Rock, CO 80104

Dorothy Harpole, aka Dorothy A. Harpole 721 Duke sq. Fort Collins, CO 80521

Harold Klaus aka Harold L. Klaus 4712 West 12th St. Greeley, CO 80634

Martha Golden P.O. Box 336 Bridgeport, NE 69336

Edwin Keiser 8735 Cypress Club Drive Raleigh, NC 27615

Emma Mae Thompson 4601 Dasa Drive Cherry Hills Village, CO 80111-1111

The G.A. Keiser Family Trust dated 3-Aug-09 c/o Phyllis M. Keiser, Co-Trustee 24360 Weld County Road 41 La Salle, CO 80645 Gladys M. Buhler Trust, Randall J. Buhler, Trustee 474 Centennial Circle Sterling, CO 80751

Robert Klaus 232 Littlefield Drive Point, TX 75472

Edna Davison c/c Culver Davison, Cons. 4403 S. Lowell Blvd. Denver, CO 80236

Gary I. Steele 1517 Prairie Road Colorado Springs, CO 80909

David R. Steele P.O. Box 93 Montrose, CO 81402

The Brennan Family Trust established by the Last Will and Testament of William R. Brennan c/o Kathy Sue Parmley, Trustee 17 Burlington Drive Longmont, CO 80301

Slash V, LLC, a Colorado Limited Liability Company 23 Alles Drive Greley, CO 80631

The Moore Realty and Investment Company A Colorado Corporation

# **EXHIBIT 2D**

Celia Greenman Colorado Division of Wildlife 6060 Broadway Denver, CO 80216

Kent Kuster Colorado Department of Public Health and Environment 4300 Cherry Creek Drive South Denver, CO 80246-1530

David Bauer Weld County Government 1111 H Street Greeley, CO 80632