

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

|                                     |   |                                  |
|-------------------------------------|---|----------------------------------|
| IN THE MATTER OF THE PROMULGATION   | ) | CAUSE NO. 535                    |
| AND ESTABLISHMENT OF FIELD RULES TO | ) |                                  |
| GOVERN OPERATIONS IN AN UNNAMED     | ) | DOCKET NO. <i>To be assigned</i> |
| FIELD, ADAMS COUNTY, COLORADO       | ) |                                  |

APPLICATION

Carrizo Oil & Gas, Inc. ("Carrizo" or "Applicant"), by and through its attorneys, Burleson LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to establish an approximate 640-acre drilling and spacing unit for Section 28, Township 3 South, Range 64 West, 6<sup>th</sup> P.M., and authorize the drilling of up to two (2) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. 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 has registered as an operator with the Commission.
2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 3 South, Range 64 West, 6<sup>th</sup> P.M.  
Section 28: All

These lands are hereinafter referred to as the "Application Lands."

3. The Application Lands are unspaced with respect to the Niobrara Formation, which is a common source of supply underlying said lands and, as such, Rule 318.a. applies to said lands and under said rule, wells greater than 2,500 feet in depth shall be located not less than 600 feet from any lease line, and shall not be located less than 1,200 feet from any other producible or drilling well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

4. Applicant requests an order establishing an approximate 640-acre drilling and spacing unit for the Application Lands, and the authority to drill up to two (2) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be no closer than 600 feet from the proposed unit boundaries and no closer than 1,200 feet from the treated interval of any other wellbore located in the proposed unit and completed in the Niobrara Formation, without exception being granted by the Director.

5. 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 approximate 640-acre drilling and spacing unit requested herein for the drilling and completion of up to two (2) horizontal wells within the unit. The requested drilling and spacing unit for the Application Lands is not smaller than the maximum area that can be economically and efficiently drained by one well.

{00174201.1}

6. The granting of this application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.

7. That the names and addresses of the interested parties (owners within the proposed drilling and spacing unit) are attached hereto and marked Exhibit A. The Applicant shall submit a certificate of service for the Application within the seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order:

A. Establishing an approximate 640-acre drilling and spacing unit for the Application Lands, and approve of up to two (2) horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be no closer than 600 feet from the proposed unit boundaries and no closer than 1,200 feet from the treated interval of any other wellbore located in the proposed unit and completed in the Niobrara Formation, without exception being granted by the Director.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 10<sup>th</sup> day of May, 2012.

Respectfully submitted,

CARRIZO OIL & GAS, INC.

By: 

Robert A. Willis (Colorado Bar No. 26308)  
Katharine E. Fisher (Colorado Bar No. 39230)  
Burleson LLP  
Wells Fargo Center  
1700 Lincoln Street, Suite 1300  
Denver, CO 80203  
(303) 801-3200

Applicant's Address:  
1000 Louisiana Street, Suite 1500  
Houston, TX 77002

VERIFICATION

STATE OF TEXAS

)

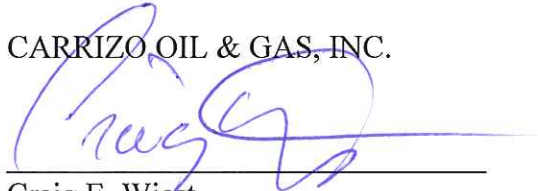
) ss.

COUNTY OF HARRIS

)

Craig E. Wiest, Land Manager-Western U.S. for Carrizo Oil & Gas, Inc., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

CARRIZO OIL & GAS, INC.



Craig E. Wiest

Subscribed and sworn to before me this 10<sup>th</sup> day of May, 2012, by Craig E. Wiest, Land Manager-Western U.S. for Carrizo Oil & Gas, Inc.

Witness my hand and official seal.

My commission expires: 2/2/2016



Notary Public

## EXHIBIT A

### INTERESTED PARTIES

The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in this Exhibit A.

Carrizo Oil & Gas, Inc.  
1000 Louisiana St., Suite 1500  
Houston, TX 77002

Robert A. Willis  
Burleson LLP  
1700 Lincoln St., Suite 1300  
Denver, CO 80290

Exterra Resources, LLC, a Delaware Corp.  
256 Seaboard Lane #101  
Franklin, TN 37067

Carrizo Oil & Gas, Inc.  
500 Dallas St., Suite 2300  
Houston, TX 77002

Union Pacific Land Resources Corp.  
P.O. Box 1330  
Houston, TX 77251-1330

Gordon Stevens  
Adams County Public Works, Construction  
Manager  
4430 South Adams County Parkway  
Brighton, CO 80601-8218

Kim Kaal  
Energy Liaison  
Colorado Division of Wildlife  
711 Independent Avenue  
Grand Junction, CO 81505

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

Section 28, Township 3 South, Range 64 West, 6<sup>th</sup> P.M.

|    |    |    |    |    |
|----|----|----|----|----|
| 18 | 17 | 16 | 15 | 14 |
| 19 | 20 | 21 | 22 | 23 |
| 30 | 29 | 28 | 27 | 26 |
| 31 | 32 | 33 | 34 | 35 |
| 6  | 5  | 4  | 3  | 2  |
| 7  | 8  | 9  | 10 | 11 |

 Application Lands