

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

IN THE MATTER OF THE PROMULGATION )  
AND ESTABLISHMENT OF FIELD RULES )  
TO GOVERN OPERATIONS IN AN )  
UNNAMED FIELD, WELD COUNTY, )  
COLORADO. )

CAUSE NO. 535

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 amending Orders No. 535-41 and No. 535-51, which orders established approximate 640-acre drilling and spacing units for development of and production from the Niobrara Formation, by combining two adjacent units to create a new 1,280-acre drilling and spacing unit for development of and production from the Niobrara Formation, in the following lands:

Township 7 North, Range 60 West, 6th P.M.  
Section 17  
Section 18

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

Applicant further requests that it be allowed to drill up to two (2) horizontal wells in the Application Lands, with the second well in the 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 leasehold interests in the Niobrara Formation underlying the Application Lands. A reference map of the Application Lands is attached as Exhibit A.
3. On June 27, 2011, the Commission entered Order No. 535-41 which, among other things, established nine (9) approximate 640-acre drilling and spacing units for certain lands, including Section 18, Township 7 North, Range 60 West, and approved up to two horizontal wells within each unit for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
4. On August 8, 2011, the Commission entered Order No. 535-51 which, among other things, established nine (9) approximate 640-acre drilling and spacing for certain lands, including Section 17, Township 7 North, Range 60 West, and approved one horizontal well within each unit for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

5. Applicant requests that the Commission amend Order No. 535-41 and Order No. 535-51 with respect to the Application Lands by combining the existing 640-acre units on said lands in order to create a single 1,280-acre drilling and spacing unit, for development and production of oil, gas, and associated hydrocarbons from the Niobrara Formation. Applicant avers that its request for a 1,280-acre unit is based on recent geologic interpretation of faulting and other factors.

6. Applicant requests the right to drill up to two (2) horizontal wells in the Niobrara Formation in the proposed drilling unit, with the treated interval of the wellbore to be no closer than 600 feet from the boundaries of the unit and with internal wellbore setbacks at the option of Applicant, based on geologic analysis of faulting and other factors.

7. 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 drilling unit as requested herein and allow the drilling of up to two (2) 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 authorized well(s).

8. Applicant certifies that copies of this Application will be served on all interested parties within within seven (7) days of the filing hereof, pursuant to Rule 503.e.

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

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in August, 2012, 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: June 21, 2012

By: 

Kenneth A. Wanstolen  
Elizabeth Y. Gallaway  
Beatty & Wozniak, P.C.  
216 Sixteenth Street-Suite 1100  
Denver, CO 80202-5115

Address of Applicant  
Carrizo Oil & Gas, Inc.  
ATTN: Craig Wiest  
1000 Louisiana Street, Suite 1500  
Houston, TX 77002

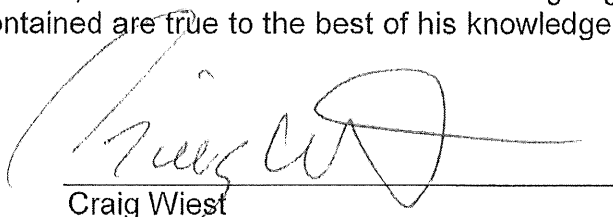
VERIFICATION

STATE OF TEXAS

COUNTY OF Harris

)  
)  
) ss.

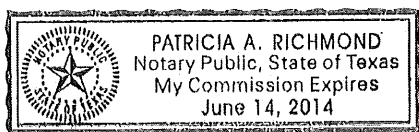
Craig Wiest, of lawful age, being first duly sworn upon oath, deposes and says that he is a Land Manager for Carrizo Oil & Gas, Inc. and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

  
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Craig Wiest

Subscribed and sworn to before me this 20<sup>th</sup> day of June, 2012.

Witness my hand and official seal.

My commission expires: 6/14/2014



  
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Notary Public

EXHIBIT A

Township 7 North, Range 60 West, 6<sup>th</sup> P.M. Section 17 and 18  
Weld County, Colorado

