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 ALLOWING UP TO FOUR)	Cause No.
HORIZONTAL WELLS IN THREE 640-ACRE	ý	
DRILLING AND SPACING UNITS FOR THE)	Docket No.
NIOBRARA FORMATION IN SECTIONS 25,)	
26, AND 35, TOWNSHIP 8 NORTH, RANGE)	
60 WEST IN WELD COUNTY, COLORADO	j j	

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 authorizing up to four horizontal wells in each of the following-described 640-acre drilling and spacing units:

Township 8 North, Range 60 West, 6th P.M. Section 25: All ("DSU #1")

Township 8 North, Range 60 West, 6th P.M. Section 26: All ("DSU #2")

Township 8 North, Range 60 West, 6th P.M. Section 35: All ("DSU #3")

Weld County, Colorado (together the "Application Lands"),

and further providing that the treated interval of each horizontal wellbore may be separated by a minimum of 600 feet 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 is an operator in good standing with the Commission.
 - 2. Applicant owns substantial leasehold interests in the Application Lands.
- 3. On September 19, 2011, the Commission entered Order No. 535-70, which among other things, established two approximate 640-acre drilling and spacing units for certain lands, and approved up to two horizontal wells within each unit, for the

production of oil, gas and associated hydrocarbons from the Niobrara Formation. This Order applies to DSU #1.

- 4. On October 31, 2011, the Commission entered Order No. 535-91, which among other things, established two approximate 640-acre drilling and spacing units for certain lands, including Application Lands, and authorized up to two horizontal wells within each unit, for development and production of oil, gas and related hydrocarbons from the Niobrara Formation. This Order applies to DSU #2 and DSU #3.
- 5. On July 9, 2012, the Commission entered Order No. 535-188, which, among other things, pooled all interests in an approximate 640-acre drilling and spacing unit for the development and operation of the Niobrara Formation. This Order applies to DSU #1.
- 6. On July 9, 2012, the Commission entered Order No. 535-189, which, among other things, pooled all interests in an approximate 640-acre drilling and spacing unit for the development and operation of the Niobrara Formation. This Order applies to DSU #2.
- 7. On July 9, 2012, the Commission entered Order No. 535-187, which, among other things, pooled all interests in an approximate 640-acre drilling and spacing unit for the development and operation of the Niobrara Formation. This Order applies to DSU #3.
- 8. Applicant requests that up to four horizontal wells be authorized for production of oil, gas and associated hydrocarbons from the Niobrara Formation in DSU #1, DSU #2, and DSU #3.
- 9. In accordance with Rule 318, Applicant will locate and drill the wells so that the treated interval of the horizontal wells is no closer than 600 feet from the boundaries of the units. Applicant requests that the 1,200 foot internal wellbore setback of Rule 318 be relaxed so that the treated interval of the horizontal wells may be separated by a minimum of 600 feet.
- 10. Applicant asserts that additional 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.
- 11. The names and addresses of the interested parties to this Application are set forth in Exhibit A, and the undersigned certifies that copies of this Application shall be served on each interested party as required by Rule 503.e.

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. Authorizing up to four horizontal wells in DSU #1, DSU #2, and DSU #3 for production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- B. Providing that said wells shall be located and drilled so that the treated interval of the wellbores are no closer than 600 feet from the boundaries of the unit and are separated by a minimum of 600 feet.

C. For such other findings and	d orders as the Commission may deem proper
or advisable in the matter	

Dated: September 1, 2012

Ву:

Kenneth A. Wonstelen Elizabeth Y. Gallaway Beatty & Wozniak, P.C.

216 Sixteenth Street-Suite 1100

Address of Applicant Denver, CO 80202-5115

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

VERIFICATION

STATE OF TEXAS)	
COUNTY OF HOUVIS	SS.
Craig Wiest, of lawful age, being first that he is a Land Manager for Carrizo Oil & Ga Application and that the matters therein containformation and belief.	duly sworn upon oath, deposes and says as, Inc. and that he has read the foregoing ined are true to the best of his knowledge,
Subscribed and sworn to before me this	s <u>144h</u> day of September, 2012.
Witness my hand and official seal.	
My commission expires: 2/2/2016	
KEILAH JOY WHITLEY Notary Public, State of Texas My Commission Expires February 02, 2016	Holah Joy Who Notary Public J

Exhibit A

Interested Parties

Douglas Thomas PO Box 370 Kersey, CO 80644

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

SKV, LLC P.O. Box 300687 Denver, CO 80218

The Board of County Commissioners of Weld County 1150 O St. P.O. Box 758 Greeley, CO 80632

Orlene Stockstill 3520 98th St. NE Seattle, WA 98115

Sue J. Cook 126 East La Soledad Green Valley, AZ 85614

Leah S. Hergenreder 3007 High Drive Evans, CO 80620

Oil and Gas Title Holding Corp. 5 East 59th St, 5th floor New York, NY 10022

Mile High Oil & Gas, Inc. P.O. Box 27296 Denver, CO 80202

Diversified Operating Corporation 15000 W. 6th Ave, #102 Golden, CO 80401 TAK Mountain, LLC 1600 Broadway, Suite 1525 Denver, CO 80202

Rincones Two, LLC¬ 2000 Yaupon Valley Road Austin, TX 78746

LHB Niobrara, LLC P.O. Box 46063 Denver, CO 80201-6063

Pidgeon Cay 4, LLC 460 S. Marion Pkwy. #1856B Denver, CO 80209

The Betty B Ladmer Trust, dated November 4, 1997 Trustees; Vicki Lynn Bagley and Teri Sue Levine 201 S Hudson St Denver, CO 80222

Ward Petroleum Corp. 502 South Fillmore Enid, OK 73702

Chesapeake Exploration, LLC P.O. Box 18496 Oklahoma City, OK 73154

Denver Basin Oil & Gas, LLC P.O. Box 18288 Denver, CO 80218

Terry Edgar 1801 N. Rio Yaqui Green Valley, AZ 85614

J and M Redman Trust dated March 5, 1996 13677 Omega Circle Littleton, CO 80124 Terry J. Cammon 10455 W. 73rd Place Arvada, CO 80005

H.A. Kugeler, Jr. 10251 Arapahoe Rd Lafayette, CO 80026

Kathryn O. Bomholt 2664 S Troy Court Aurora, CO 80014

Verity Land Company #3, LLC P.O. Box 82219 Oklahoma City, OK 73148

Carver E&P, LLC P.O. Box 46063 Denver, CO 80201-6063

NipNTuck, LLC 1346 Candleridge Drive Boise, ID 83712

Noble Energy, Inc. 1625 Broadway, Suite 2200 Denver, CO 80202

Michael Warren, Energy Liaison Colorado Parks and Wildlife Northwest Regional Office 711 Independent Avenue Grand Junction, CO 81505

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

David Bauer Weld County 1111 H Street Greeley, CO 80632

Township 8 North, Range 60 West Sec 25

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36-8N-60W 8N60W

Township 8 North, Range 60 West Sec 26

Township 8 North, Range 60 West Sec 35 WOON WOONS

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

HORIZONTAL WELLS IN THREE 640-7 DRILLING AND SPACING UNITS FOR NIOBRARA FORMATION IN SECTION 26, AND 35 TOWNSHIP 8 NORTH, RA 60 WEST IN WELD COUNTY, COLORAG	R AN) FOUR) ACRE) THE) S 25,) ANGE)	Cause No. Docket No.
STATE OF COLORADO)		
)s CITY AND COUNTY OF DENVER)		
Elizabeth Y. Gallaway, of lawful a	ge, and being fi	rst duly swor

n upon her oath, states and declares:

That she is the attorney for Carrizo Oil and Gas, Inc., that on or before September <u>ad</u>, 2012, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Elizabeth Y. Gallaway

Subscribed and sworn to before me September 17, 2012.

Witness my hand and official seal.

Resion expires: <u>10−04</u>-)3

Notary Public