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

| ) | Cause No.     |
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| ) | Docket No.    |
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#### **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 six horizontal wells in the following-described 1280-acre drilling and spacing unit:

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

Section 29: All Section 32: All

Weld County, Colorado ("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. Sections 29 and 32, Township 8 North, Range 61 West, are each currently spaced as distinct 640-acre drilling and spacing units. Together, they comprise a proposed 1280-acre drilling and spacing unit for development of the Niobrara Formation. The application for the proposed 1280-acre drilling and spacing unit is scheduled to be heard at the November 15, 2012 Commission Hearing, Docket No. 1211-SP-147. Approval of the current application for increased density is contingent upon Commission approval of said pending application for a 1280-acre drilling and spacing unit.
- 4. 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 the production of oil, gas and associated hydrocarbons from the Niobrara Formation underlying certain lands, including Section 29, Township 8 North, Range 61 West, and allowed one horizontal well in each unit.

- 5. On September 19, 2011, the Commission entered Order No. 535-69 which, among other things, established 40 approximate 640-acre drilling and spacing units for certain lands, including Section 32, Township 8 North, Range 61 West, and approved two horizontal wells within each unit for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
- 6. Applicant requests that up to six horizontal wells be authorized for production of oil, gas and associated hydrocarbons from the Niobrara Formation in the Application Lands.
- 7. 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.
- 8. 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.
- 9. 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 six horizontal wells in the Application Lands 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 orders as the Commission may deem proper or advisable in the matter.

Dated: November 2, 2012

By:

Kenneth A. Wonstolen

Elizabeth Y. Gallaway

Kenneth E. Warner

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.   |
| Land Manager for Carrizo Oil & Ga                              | s, Inc. and | duly sworn upon oath, deposes and says that he is and that he has read the foregoing Application and that best of his knowledge, information and belief.  Craig Wiest |
| Subscribed and sworn to befo                                   | ore me thi  | nis <u>20th</u> day of October, 2012.   |
| Witness my hand and official  My commission expires: 2/2/201/2 | seal.       | KEILAH JOY WHITLEY Notary Public, State of Texas My Commission Expires February 02, 2016  |
|  |             | Notary Public   |

#### Exhibit A

#### **Interested Parties**

Eleanor Hutchinson, deceased 30321 Wingfoot Drive Evergreen, CO 80439

E. O. Nay, Jr. Address Unknown

M. A. Church Address Unknown Denver, CO

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

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

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

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

Energy & Exploration Partners, LLC P.O. Box 471428 Fort Worth, TX 76147-1376

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

David Bauer Weld County 1111 H Street Greeley, CO 80632 Clifford Ray Thompson, Trustee of the Clifford Ray Thompson Living Trust, dated August 14, 1991 12408 Water Oak Drive Fort Worth, TX 76248

John M. Freese 3411 E. 62nd St. Tulsa, OK 74136

W. O. Callaway Address Unknown Denver, CO

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

Bill Barrett Corporation 1099 18th street Suite 2300 Denver, CO 80202

Noble Energy WYCO, LLC 1625 Broadway, Suite 2200 Denver, CO 80202-4720

EOG Resources, Inc. 600 17th Street, Suite 100N Denver CO 80202

Synergy Resources Corporation 20203 Highway 60 Platteville, CO 80651

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

9N 62W

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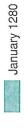
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6 Wells 600' Spacing

7N 62W

-23-

-26



# 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 SIX HORIZONTAL WELLS IN A 1280-ACRE DRILLING AND SPACING UNIT FOR THE NIOBRARA FORMATION IN SECTIONS 29 AND 32, TOWNSHIP 8 NORTH, RANGE 61 WEST IN WELD COUNTY, COLORADO | ) ) Cause No. ) Docket No. ) )                 |
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| AFFIDAVIT OF  | MAILING  |
| STATE OF COLORADO )   |  |
| )ss.<br>CITY AND COUNTY OF DENVER )   |  |
| Elizabeth Y. Gallaway, of lawful age, and be declares:  | ing first duly sworn upon her oath, states and |
| That she is the attorney for Carrizo Oil and 2012, she caused a copy of the attached Applicati postage prepaid, addressed to the parties listed on E  |  |
| Eliza   | beth Y. Gallaway                               |
| Subscribed and sworn to before me October   | er //  |
| Witness my hand and official seal.  |  |
| My commission expires: April 11, 2016  Nota   | Mutha A Sair<br>ry Public                      |