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

IN THE MATTER OF THE AMENDED) APPLICATION OF CARRIZO OIL & GAS,) INC. FOR AN ORDER **AMENDING** ORDER) NOS. 535-3 AND 535-102 AND) ESTABLISHING A 1,280 ACRE DRILLING) AND SPACING UNIT FOR THE NIOBRARA) FORMATION AND ALLOWING UP TO) HORIZONTAL WELLS IN) SEVEN SECTIONS 30 AND 31, TOWNSHIP 9) NORTH, RANGE 59 WEST IN WELD) COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 1301-SP-04

AMENDED APPLICATION

Carrizo Oil & Gas, Inc. ("Applicant"), by and through its undersigned attorneys, submits this **Amended** Application to the Colorado Oil and Gas Conservation Commission ("Commission") for an order **vacating** Orders No. 535-3 and No. 535-102, which established approximate 640-acre drilling and spacing units for development of and production from the Niobrara Formation, and establishing a new 1,280-acre drilling and spacing unit comprised of the following lands:

Township 9 North, Range 59 West, 6th P.M.

Section 30: All Section 31: All

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

Applicant further requests that it be allowed to drill up to seven horizontal wells in the Application Lands, five "long laterals" that extend across the requested 1,280 acre unit, and one "short lateral" that extends across Section 30 oriented to "mirror" the existing "short lateral" well in Section 31, with the treated interval of each horizontal wellbore internally separated by a minimum of 600 feet, as well as being no closer than 600 feet from the unit boundaries, 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 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 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 Sections 30 and 31, Township 9 North, Range 59 West, and allowed up to one horizontal well in each of the units.

- 4. On October 31, 2011, the Commission entered Order No. 535-102, which among other things, established three approximate 640-acre drilling and spacing units for certain lands, including Section 30, Township 9 North, Range 59 West, and approved up to two horizontal wells within each unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- 5. An existing well, the Ptasnik 30-44-9-59, API No. 05-123-33959, has been drilled in Section 30, Township 9 North, Range 59 West. This existing well will be incorporated into the new 1,280-acre drilling unit requested herein for allocation of the production therefrom.
- 6. Applicant requests that the Commission vacate Order No. 535-3 and Order No. 535-102 with respect to the Application Lands and establish a single 1,280-acre drilling and spacing unit, for development and production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
- 7. Applicant further requests the right to drill up to seven horizontal wells in the Niobrara Formation in the proposed 1,280-acre drilling unit, five "long laterals" that extend across the requested 1,280 acre unit, and one "short lateral" that extends across Section 30 oriented to "mirror" the existing "short lateral" Ptasnik 30-44-9-59 Well in Section 31, Township 9 North, Range 59 West.
- 8. 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 internally separated by a minimum of 600 feet.
- 9. 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 seven 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).
- 10. On December 26, 2012, the Bureau of Land Management ("BLM") protested Applicant's original November 2, 2012 Application. On January 10, 2013, Applicant's counsel consulted with the BLM and incorporated its input into this Amended Application.
- 11. Applicant certifies that copies of this Application will be served on all interested parties within seven (7) days of the filing hereof, pursuant to Rule 503.e.
 - 12. Applicant agrees to be bound by the oral order of the Commission.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in February 2013, 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: January / 2013

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 & Gas, Ind	first duly sworn upon oath, deposes and says that he is a c. and that he has read the foregoing Application and that the best of his knowledge, information and belief. Craig Wiest
Subscribed and sworn to before m	ne this <u>14th</u> day of January, 2013.
Witness my hand and official seal.	
My commission expires: February 2	2,2016
KEILAH JOY WHITLEY Notary Public, State of Texas My Commission Expires February 02, 2016	Halah Joy While O

Section 30 & 31-9N-59W Section 29 & 32-8N-61W

35

6 Wells 600' Spacing



EXHIBIT A

Exhibit B

Interested Parties

United States of America 1849 C Street NW Room 5665 Washington, D.C. 20240

Anadarko E&P Company LP P.O. Box 173779 Denver, CO 80217

David Bauer Weld County 1111 H Street Greeley, CO 80632 Noble Energy WyCo, LLC 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
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Denver, CO 80246-1530

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SEVEN HORIZONTAL WELLS IN) SECTIONS 30 AND 31, TOWNSHIP 9) NORTH, RANGE 59 WEST IN WELD) COUNTY, COLORADO		
AFFIDAVIT OF MAILING		
STATE OF COLORADO		
)ss. CITY AND COUNTY OF DENVER)		
Kenneth E. Warner, of lawful age, and being first duly sworn upon his oath, states and declares:		
That he is the attorney for Carrizo Oil and Gas, Inc., that on or before January / , 2013, 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 B to the Application.		
Ī	Kenneth E. Warner	
Subscribed and sworn to before me Janu	ary <u>/</u> , 2013.	
Witness my hand and official seal.		

Notary Public

My commission expires: