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 ESTABLISHING FOUR) Cause No
EXPLORATORY DRILLING AND SPACING)
UNITS AND ESTABLISHING WELL) Docket No
LOCATION RULES FOR THE NIOBRARA)
FORMATION IN VARIOUS SECTIONS)
LOCATED IN TOWNSHIPS 8 AND 10)
NORTH, RANGES 59 AND 60 WEST, 6TH)
P.M., AN UNNAMED FIELD, WELD COUNTY,)
COLORADO)

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 establishing four exploratory 640-acre drilling and spacing units for the drilling of a horizontal well within each 640-acre exploratory drilling and spacing unit for production of oil, gas and associated hydrocarbons from the Niobrara Formation underlying the below-described lands:

Township 8 North, Range 60 West, 6th P.M.
Section 27: All ("DSU #1");

Township 10 North, Range 59 West, 6th P.M.
Section 28: All ("DSU #2");
Section 31: All ("DSU #3");
Section 33: All ("DSU #4")

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

In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado.
 - 2. Applicant holds the right to operate on the Application Lands.
- 3. The Application Lands are subject to Commission Rule 318.a. which provides that a well to be drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing.

- 4. Applicant hereby requests that the Commission establish four 640-acre exploratory drilling and spacing units on the Application Lands..
- 5. The above-proposed exploratory drilling and spacing units will allow efficient drainage of the Niobrara Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. Drilling and spacing units of the size and shape specified above are not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the drilling and spacing unit.
- 6. Applicant is requesting to drill and complete one horizontal well in each established 640-acre exploratory drilling and spacing unit comprised of the Application Lands.
- 7. Applicant states that the proposed horizontal well shall be located on the surface anywhere within the drilling and spacing unit.
- 8. Applicant states that the proposed horizontal wells shall be located no closer than 600 feet from the boundaries of each unit (regardless of the lease lines within the unit) for the development and production of oil, gas, and other associated hydrocarbons from the Niobrara Formation.
- 9. Applicant maintains that the proposed horizontal wells will have no adverse effect on correlative rights of adjacent owners.
- 10. That according to the information and belief of the Applicant, the names and addresses of the interested parties hereto are set forth in <u>Exhibit A</u>; and the undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, as required by Rule 503.e.

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

- A. Establishing four approximate 640-acre exploratory drilling units for the Niobrara Formation upon the Application Lands and authorizing one horizontal well in each unit.
- B. Providing that the treated interval of the proposed horizontal wells shall be no closer than 600 feet from the boundaries of each unit.
- C. Finding that an approximate 640-acre exploratory drilling unit for the Niobrara Formation will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara Formation on the Application Lands.
- D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

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, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this 3 day of December, 2012.

Respectfully submitted:

CARRIZO OIL AND GAS, INC.

By:

Kenneth A. Wonstolen Elizabeth Y. Gallaway Kenneth E. Warner Beatty & Wozniak, P.C. Attorneys for Applicant 216 16th Street, Suite 1100 Denver, Colorado 80202 (303) 407-4499

Applicant's Address:
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.

Craig Wiest

Subscribed and sworn to before me this 12th day of December, 2012.

Witness my hand and official seal.

My commission expires: June 26, 2013

KEVIN RANDOLPH HORNE Notary Public, State of Texas My Commission Expires June 26, 2013 Notary Public

EXHIBIT A INTERESTED PARTIES

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

McArthur Minerals, LLC 2313 17th St. Greeley, CO 806234

The Estate of John Weiss, deceased Address Unknown

The Estate of Jeanne H. Allen, a/k/a Jeannie H. Allen, deceased

OIL India (USA) Inc. c/o IOCL (USA) Inc. 333 Clay St. Ste. 3300 Houston, TX 77002

Van K. Bullock P.O. Box 484 Morrison, CO 80465

Whiting Oil and Gas Corporation 1700 Broadway Suite 2300 Denver, CO 80290-1703

EOG Resources, Inc. 600 17th Street, Suite 1100 Denver, CO 80202

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

Irene A. Emery, f/k/a, Irene A. Doty C/O The Williams Home 1201 Langhome Rd Lynchburg, VA 24503

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

The Estate of Ralph P. Hickman, deceased Address Unknown

Martha H. Ferguson Address and Status Unknown

IOCL (USA) Inc. 333 Clay St. Ste. 3300 Houston, TX 77002

Greg Carnes P.O. Box 1990 Lees Summit, MO 64063

Diversified Operating Corporation 15000 W. 6th Ave, Suite 102 Golden, CO 80401

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

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Legend

6 Wells 600' Spacing

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 ESTABLISHING FOUR EXPLORATORY DRILLING AND SPACING UNITS AND ESTABLISHING WELL LOCATION RULES FOR THE NIOBRARA FORMATION IN VARIOUS SECTIONS LOCATED IN TOWNSHIPS 8 AND 10 NORTH, RANGES 59 AND 60 WEST, 6TH P.M., AN UNNAMED FIELD, WELD COUNTY, COLORADO	Cause No Docket No								
AFFIDAVIT OF MAILING									
STATE OF COLORADO))ss.									
CITY AND COUNTY OF DENVER)									
Elizabeth Y. Gallaway, of lawful age, and being first duly sworn upon her oath, states and declares:									
That she is the attorney for Carrizo Oil and Gas, Inc., that on or before December 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.									
Eliza	abeth Y. Gallaway								
Subscribed and sworn to before me December 3, 2012.									
Witness my hand and official seal.									
My commission expires: 12 0-04-13	Serve L. Potro-								
Nota	ary Public								