## 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 VACATING PARTS OF ORDER NO.	) Cause No
535-159 AND POOLING ALL INTERESTS IN	)
THE NIOBRARA FORMATION IN ONE 960-	) Docket No
ACRE DRILLING AND SPACING UNIT AND	)
ONE 320-ACRE DRILLING AND SPACING	)
UNIT IN PARTS OF TOWNSHIP 10 NORTH,	)
RANGE 59 WEST 6 <sup>TH</sup> 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 1) vacating parts of Order Nos. 535-159; and, 2) pooling all interests in one 960-acre drilling and spacing unit and one 320-acre drilling and spacing unit for the below-described lands for the development of the Niobrara Formation:

Township 10 North, Range 59 West, 6th P.M.

Section 27: All

Section 28: E/2 ("DSU #1" approx. 960 acres)

Township 10 North, Range 59 West, 6th P.M.

Section 33: E/2 ("DSU #2" approx. 320 acres)

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

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. Prior to December 12, 2011, the Application Lands were 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. On December 12, 2011, the Commission issued Order No. 535-99 which, among other things, established one approximate 640-acre drilling and spacing unit and authorized two horizontal

wells within the unit for the development of oil, gas, and other hydrocarbons underlying the Niobrara Formation. Section 27, Township 10 North, Range 59 West, 6<sup>th</sup> P.M. is subject to this Order.

- 5. On May 29, 2012, the Commission issued Order No. 535-159 which, among other things, pooled all interests in the applicable 640-acre drilling and spacing unit pursuant C.R.S. 34-60-116 for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. Section 27, Township 10 North, Range 59 West, 6<sup>th</sup> P.M. is subject to this Order.
- 6. On February 11, 2013, the Commission issued Order No. 535-272 which, among other things, established three approximate 640-acre exploratory drilling units for the development of oil, gas, and other hydrocarbons underlying the Niobrara Formation. Sections 28 and 33, Township 10 North, Range 59 West, 6<sup>th</sup> P.M. are subject to this Order.
- 7. On February 11, 2013, the Commission issued Order No. 535-264 which, among other things, authorized up to six horizontal wells in three approximate 640 acre exploratory drilling units for the development of oil, gas, and other hydrocarbons underlying the Niobrara Formation. Sections 28 and 33, Township 10 North, Range 59 West, 6<sup>th</sup> P.M. are subject to this Order.
- 8. On April 23, 2013, the Commission issued Order No. \_\_\_\_\_ which, among other things, vacated Order No. 535-99 as it applies to Section 27, Township 10 North, Range 59 West, 6<sup>th</sup> P.M. and Order No. 535-272 as it applies to Sections 28 and 33, Township 10 North, Range 59 West, 6<sup>th</sup> P.M. and established one 960-acre exploratory drilling and spacing unit and one 320-acre exploratory drilling and spacing unit and allowed for one horizontal well within each unit. Sections 27, 28 and 33, Township 10 North, Range 59 West, 6<sup>th</sup> P.M. are subject to this Order.
- 9. Concurrent with this Application, Applicant is filing a companion application ("companion application"), which among other things, seeks to vacate parts of Order Nos. 535-264 and allow up to thirteen horizontal wells in DSU #1 and six horizontal wells in DSU #2 for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. The order issued pursuant to the companion application will apply to Sections 27, 28 and 33, Township 10 North, Range 59 West, 6<sup>th</sup> P.M.
- 10. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, in the Application Lands for the development of the Niobrara Formation.
- 11. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of a horizontal well to the Niobrara Formation on the Application Lands.
- 12. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the authorized wells, and will be provided with the information required by Rule 530. The list of such interested parties is attached hereto as Exhibit A.

13. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands should be pooled for the orderly development of the Niobrara Formation.

WHEREFORE, Applicant 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, the Commission enter its order:

- A. Vacating Order No. 535-159 as it applies to Section 27, Township 10 North, Range 59 West, 6<sup>th</sup> P.M.
- B. Pooling all interests in the Application Lands for the development of the Niobrara Formation.
- C. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of a horizontal well to the Niobrara Formation on the Application Lands.
- D. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the authorized wells are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof with respect to said wells drilled to develop the Niobrara Formation in the drilling unit comprised of the Application Lands.
- E. 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 June 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 <u>I</u>Sday of April, 2013.

Respectfully submitted:

CARRIZO OIL AND GAS, INC.

By:

Kenneth A. Wonstolen Elizabeth Y. Gallaway 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

### **VERIFICATION**

STATE OF TEXAS		
COUNTY OF HARRIS	) ss. )	
that he is a Land Manager for Carrizo Oi	first duly sworn upon oath, deposes and says il & Gas, Inc. and that he has read the foregoing contained are true to the best of his knowledge,  Craig Wiest	
Subscribed and sworn to before m	ne this <u>ITM</u> day of April, 2013.	
Witness my hand and official seal	•	
My commission expires: MRUN 5,70 (6		
ROSS DANIEL WARDLAW Notary Public, State of Texas My Commission Expires March 05, 2016	Notary Public	

#### Exhibit A

#### Interested Parties

Oil India (USA) Inc. Address Unknown

IOCL (USA) Inc. Address Unknown

Haimo Oil & Gas LLC. Address Unknown

Whiting Oil & Gas Corporation 1700 Broadway Suite 2300 Denver, CO 80290

Nelson Ranches, Inc. 58900 County Road 382 Grover, CO 80729

The Moore Realty and Investment Company
A Colorado Corporation
Address Unknown

Gary L. Steele 10 Nona Brooks Dr. Unit X Pueblo, CO 81005

David R. Steele P.O. Box 93 Montrose, CO 81402

Joan Perrott 539 University Ave. Hot Springs, SD 57747

Sharon J. Brennan AKA Sharon Jean Brennan 2540 Grand Overlook Drive Grand Junction, CO 81507 Joan L. Brennan AKA Joan Brennan P.O. Box 914 Cheyenne, WY 82001

Marcia L. Brennan AKA Marcia Brennan 1223 Race St. #601 Denver, CO 80206

Keiser Holding, LLC 20 South Lewis Street Castle Rock, CO 80104

Dorothy Harpole, AKA Dorothy A. Harpole 721 Duke Square Fort Collins, CO 80525

Harold L. Klaus Trust dated August 15, 1994 c/o Lee W. Klaus, Trustee 12064 S. Bear Drive, Draper, Utah 84020

Martha Golden P.O. Box 336 Bridgeport, NE 69336

Carol Golden AKA Carol S. Golden 1069 W. Pine Unit D Upland, CA 91786

Dixie Lee Sanders f/k/a Dixie Lee Golden P.O. Box 6935 Jackson, WY 83002 Edwin Keiser 8735 Cypress Club Drive Raleigh, NC 27615

Emma Mae Thompson 4601 Dasa Drive Cherry Hills Village, CO 80111-1111

Jacqueline K. Thompson 888 Trail Ridge Road Aiken, SC 29803

Tyrone Thompson AKA Tyrone A. Thompson Drawer 5150 Avon, CO 81620

The G. A. Keiser Family Trust dated August 3, 2009 c/o Phyllis M. Keiser, Co-Trustee 24360 Weld County Road 41 La Salle, CO 80645

Gladys M. Buhler Trust, by Randall J. Buhler, Trustee 474 Centennial Circle Sterling, CO 80751

PL Investment LLC 19751 E. Mainstreet Suite 339 Parker, CO 80138

Edna Davison c/o Culver Davison, Cons. 4403 S. Lowell Blvd. Denver, CO 80236

The Brennan Family Trust established by the Last Will and Testament of William R. Brennan c/o Kathy Sue Parmley, Trustee 17 Burlington Drive Longmont, CO 80501

Slash V, LLC, a Colorado Limited Liability Company 23 Alles Drive Greeley, CO 80631

BLM Colorado State Office 2850 Youngfield Street Lakewood, CO 80215-7093

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

County of Weld 915 10 St. Greeley, CO 80631

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

Timbro Ranch & Cattle Company, LLC PO Box 1826 Sterling, CO 80751

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

IN THE MATTER OF THE APPLICATION OF CARRIZO OIL AND GAS, INC. ORDER VACATING PARTS OF OF 535-159 AND POOLING ALL INTELEMENT THE NIOBRARA FORMATION IN CACRE DRILLING AND SPACING UNIT IN PARTS OF TOWNSHIP 10 RANGE 59 WEST 6TH P.M., AN UNITED, WELD COUNTY, COLORADO	FOR AN ) RDER NO. ) RESTS IN ) ONE 960- ) JNIT AND ) SPACING ) O NORTH, ) JNNAMED )	Cause No.  Docket No.		
AFFIDAVIT OF MAILING				
STATE OF COLORADO	)			
CITY AND COUNTY OF DENVER	)ss. )			
Elizabeth Y. Gallaway, of lawful age, and being first duly sworn upon her oath, states and declares:				
That she is an attorney for Carrizo Oil and Gas, Inc., that on or before April 29, 2013, 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 B to the Application.				
		abeth Y. Gallaway		
Subscribed and sworn to before	re me April <u>/8</u>	_, 2013.		
Witness my hand and officials	eal.			
My commission explicit.	2 - 13 20 00 00 00 00 00 00 00 00 00 00 00 00 0	Jerusa Titers		
STA	No.	tary Public		

Weld County, Colorado T10N-R57W Sec: 21

