# 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 A 640-ACRE	)	Cause No.
DRILLING AND SPACING UNIT FOR THE	)	
NIOBRARA FORMATION AND ALLOWING	)	Docket No.
UP TO THIRTEEN HORIZONTAL WELLS IN	)	
SECTION 31, TOWNSHIP 10 NORTH,	)	
RANGE 60 WEST IN 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 creating a 640-acre drilling and spacing unit and authorizing up to thirteen horizontal wells in the following-described lands:

Township 10 North, Range 60 West, 6<sup>th</sup> P.M. Section 31: All

Weld County, Colorado (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. A well location map of the Application Lands is attached as <u>Exhibit A</u>.
- 3. Applicant requests that the Commission establish a 640-acre drilling unit comprising the Application Lands.
- 4. Applicant requests approval to drill, at its option, up to thirteen horizontal wells in the unit, with internal wellbores offset by 300 feet and unit boundary setbacks of 600 feet, except that 100 foot "heel-and-toe" completed interval setbacks from the unit boundaries perpendicular to the well laterals shall apply so long as Applicant obtains exception location approvals pursuant to Rule 318.c. This exception location requirement for reduced unit boundary setbacks shall not apply if superseded by a subsequent Commission rule or area-wide order.
- 5. Applicant asserts that the requested 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.
- 6. 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 thirteen 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 requested well(s).

- 7. The names and addresses of the interested parties to this Application which include, as appropriate, offset operators, lessees, or mineral owners, are set forth in <u>Exhibit B</u>, and the undersigned certifies that copies of this Application shall be served on each interested party as required by Rule 503.e.
  - 8. Applicant agrees to be bound by the oral order of the Commission.

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. Establishing the requested drilling and spacing unit for production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
- B. Providing that Applicant may drill, at its option, up to thirteen horizontal wells in the unit, with internal wellbores offset by 300 feet and unit boundary setbacks of 600 feet, except that 100 foot "heel-and-toe" completed interval setbacks from the unit boundaries perpendicular to the well laterals shall apply so long as Applicant obtains exception location approvals pursuant to Rule 318.c.
- C. Providing that the exception location requirement for reduced unit boundary setbacks set forth in this Application shall not apply if superseded by a subsequent Commission rule or areawide order.
- D. For such other findings and orders as the Commission may deem proper or advisable in the matter.

Dated: May 2013

Kenneth A. Wonstolen

Beatty & Wozniak, P.C.

216 Sixteenth Street-Suite 1100

Denver, CO 80202-5115

Address of Applicant
Carrizo Oil & Gas, Inc.
Attn: Craig Wiest
500 Dallas Street, 2300
Houston, TX 77002

### **VERIFICATION**

STATE OF TEXAS	)	00
COUNTY OF HARRIS	)	SS.

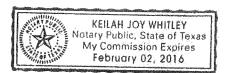
Ross D. Wardlaw, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for Carrizo Oil & Gas, Inc. and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Ross D. Wardlaw

Subscribed and sworn to before me this 29th day of May, 2013.

Witness my hand and official seal.

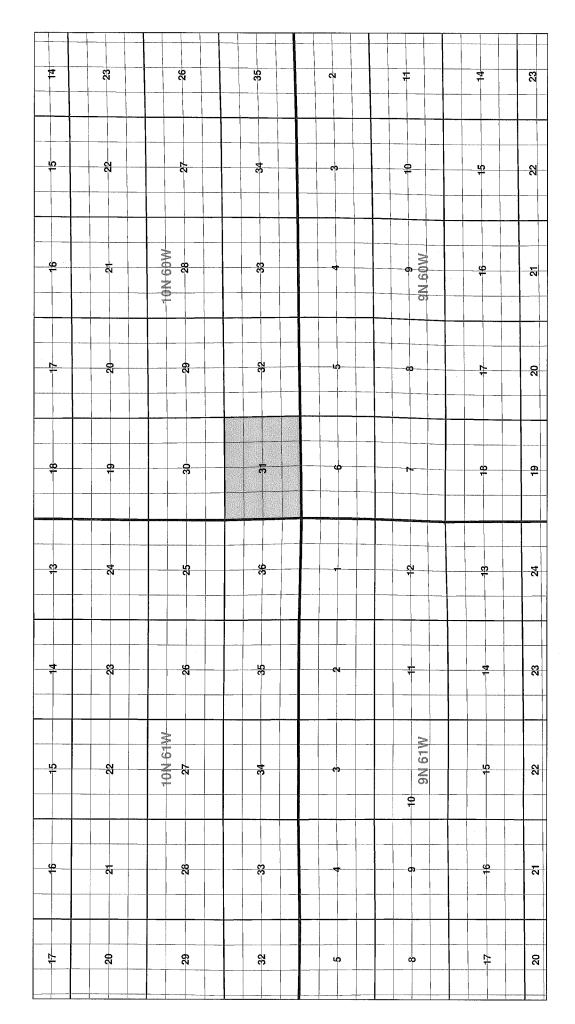
My commission expires: FEBRUARY 2, 2014



Kahl Joy Whilley Notary Public

EXHIBIT A

Weld County, Colorado T10N-R60W Sec: 31



## Exhibit B

#### **Interested Parties**

Foree Oil Company 8235 Douglas Ave. Suite 402 LB27 Dallas, TX 75225

Industrial Federal Savings and Loan Association Address Unknown

IOCL (USA) Inc. c/o Thompson Knight, LLP 333 Clay Street, Suite 3300 Houston, TX 77002

Janet E. Lind 33781 N. Highway 257 Windsor, CO 80550

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

Noble Energy, Inc. 1625 Broadway Suite 2200 Denver, CO 80202-4720

Sundance Energy, Inc. 390 Interlicken Crecsent Suite 640 Broomfield, CO 80021

David Bauer Weld County 1111 H Street Greeley, CO 80632

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

SLJ/Niobrara, Ltd. c/o SLJ Company, LLC 4311 W. Lovers Lane Suite 200 Dallas, TX 75209

Estate of Dee J. Shull, Deceased c/o Mike D. Shull 53004 Weld County Road 100 Grover, CO 80729

Haimo Oil & Gas LLC 593, Zhangsutan Lanzhou Gansu Province, 730010, PRC Attention: Mr. Zhi Liu

Estate of John Brauher Address Unknown Weld County, CO

EOG Resources, Inc. 600 17th Street Suite 1000N Denver, CO 80202

McElvain Energy Fund 2010, LLC 1050 17th Street Suite 2500 Denver, CO 80265

OIL India (USA) Inc. c/o Thompson Knight, LLP 333 Clay Street, Suite 3300 Houston, TX 77002

Tom Schreiner, Energy Liaison Colorado Parks and Wildlife Northeast Region Office 6060 Broadway Denver, CO 80216

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AFFIDAVIT OF MAILING				
STATE OF COLORADO	)			
	)ss.			
CITY AND COUNTY OF DENVER	)			

Kenneth A. Wonstolen, of lawful age, and being first duly sworn upon his oath, states and declares:

That he is an attorney for Carrizo Oil and Gas, Inc., that on or before June 10, 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.

Kenneth A. Wonstolen

Subscribed and sworn to before me May 30, 2013.

Witness my hand and official seal.

My commission expires: 10-04-13

Notary Public