### 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 A 640-ACRE DRILLING UNIT AND	)	Cause No.
ESTABLISHING A 960-ACRE DRILLING UNIT	)	
WITH UP TO SIXTEEN HORIZONTAL WELLS IN	)	Docket No
THE UNIT, LOCATED IN SECTIONS 29 AND 32,	)	
TOWNSHIP 11 NORTH, RANGE 57 WEST IN	)	
WELD COUNTY COLORADO		

#### <u>APPLICATION</u>

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 a portion of Order No. 535-102 and 2) establishing a 960-acre drilling unit with up to sixteen horizontal wells authorized in the unit, in the following-described lands:

Township 11 North, Range 57 West, 6th P.M.

Section 29: All Section 32: N½

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. On December 12, 2011, the Commission issued Order No. 535-102 which, among other things, established three approximate 640-acre drilling and spacing units for certain lands including Section 32, Township 11 North, Range 57 West 6<sup>th</sup> P.M. and approve up to two horizontal wells within each unit, for development of and production from the Niobrara Formation.
- 4. Commission Rule 318.a. for unspaced lands 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. Section 29, Township 11 North, Range 57 West is subject to Rule 318.a. for the Niobrara Formation.
- 5. Applicant requests that Order No. 535-102 be vacated as to Section 32, Township 11 North, Range 57 West, 6th P.M.
- 6. Applicant requests that the Commission establish a 960-acre drilling unit upon the Application Lands, and establish that up to sixteen horizontal wells may be drilled in the unit, with internal wellbores offset by 300 feet and unit boundary setbacks of 300 feet.

- 7. Applicant asserts that the requested drilling unit and number of 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.
- 8. 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 1) vacate a portion of Order No. 535-102 and 2) establish a 960-acre drilling unit with up to sixteen horizontal wells in the unit upon the Application Lands. 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).
- 9. According to Rule 507.b.(1), the names and addresses of the interested parties to this Application 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.
  - 10. 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. Vacating Order No. 535-102 as to Section 32, Township 11 North, Range 57 West, 6th P.M.
- B. Establishing a 960-acre drilling unit with up to sixteen horizontal wells in the unit upon the Application Lands with internal wellbores offset by 300 feet and unit boundary setbacks of 300 feet.

C. For such other findings and orders as the Commission may deem proper or advisable in the matter.

Dated: July 1, 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

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#### **VERIFICATION**

STAT	TE OF TEXAS	)	SS.
COU	NTY OF HARRIS	)	33.
Appli	ne is Land Manager for Carrizo C	Oil & Ga	est duly sworn upon oath, deposes and says as, Inc. and that he has read the foregoing ained are true to the best of his knowledge,
	Subscribed and sworn to before	e me thi	is <u>l1<sup>ttl</sup></u> day of July, 2013.
	Witness my hand and official se	al.	
Му со	ommission expires: 3/5/w/6		
	ROSS DANIEL WARDLAW Notary Public, State of Texas My Commission Expires March 05, 2016		Notary Public

Exhibit A

Weld County, Colorado T11N-R57W Sec 29:All & 32:N2

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## Exhibit B Interested Parties

Oil India (USA), Inc. c/o Thompson Knight, LLP Attn: Arthur J. Wright 333 Clay St, Suite 3300 Houston, TX 77002

IOCL (USA), Inc. c/o Thompson Knight, LLP Attn: Arthur J. Wright 333 Clay St, Suite 3300 Houston, TX 77002

Haimo Oil & Gas, LLC Attn: Mr. Jianwen Dou 593, Zhangsutan Lanzhou Gansu Province, 730010, PRC

Estate of Walter A. Younglund, Deceased 64600 WCR 126 New Raymer, CO 80742

Whiting Oil and Gas Corporation 1700 Broadway Ste. 2300 Denver, CO 80290

United States of America BLM Colorado State Office 2850 Youngfield St Lakewood, CO 80215

David Bauer Weld County 1111 H Street Greeley, CO 80632

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

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

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

OF THE STATE OF IN THE MATTER OF THE APPLICATION OF CARRIZO OIL AND GAS, INC., FOR AN ORDER VACATING TWO 640-ACRE DRILLING UNITS AND ESTABLISHING A 960-ACRE DRILLING UNIT WITH UP TO SIXTEEN HORIZONTA WELLS IN THE UNIT, LOCATED IN SECTIONS 30 AND 31, TOWNSHIP 11 NORTH, RANGE 5 WEST IN WELD COUNTY, COLORADO	F ) R ) S ) Cause No. G ) L ) Docket No. S )
AFFIDAVIT OF	MAILING
STATE OF COLORADO ) )ss. CITY AND COUNTY OF DENVER )	
Kenneth A. Wonstolen, of lawful age, and band declares:	eing first duly sworn upon his oath, states
That he is an attorney for Carrizo Oil and caused a copy of the attached Application to be prepaid, addressed to the parties listed on Exhibit	
	Kenneth A. Wonstolen
Subscribed and sworn to before me July $\frac{1}{2}$	<u>%</u> , 2013.
Witness my hand and official seal.  My commission expires:	·
	Notary Public Notary Public

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

IN THE MATTER OF THE APPLICATION OF	)	CAUSE NO. 535
CARRIZO OIL AND GAS, INC., FOR AN ORDER	)	
VACATING A 640-ACRE DRILLING UNIT AND	)	DOCKET NO. 1309-SP-1166
ESTABLISHING A 960-ACRE DRILLING UNIT	)	
WITH UP TO SIXTEEN HORIZONTAL WELLS IN	)	
THE UNIT, LOCATED IN SECTIONS 29 AND 32,	)	
TOWNSHIP 11 NORTH, RANGE 57 WEST IN	)	
WELD COUNTY, COLORADO	)	

#### **ENTRY OF APPEARANCE**

The undersigned, a member of the firm of Beatty & Wozniak, P.C., attorneys for Carrizo Oil and Gas, Inc., applicant in the above-referenced application, enters her appearance therein.

Dated this 9<sup>th</sup> day of August, 2013.

**BEATTY & WOZNIAK, P.C.** 

By: Elizabeth Y. Gallaway

216 Sixteenth Street, Suite 1100 Denver, Colorado 80202-5155

303-407-4499