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

| IN THE MATTER OF THE APPLICATION OF) | |
|---------------------------------------|------------|
| CARRIZO OIL AND GAS, INC., 960-ACRE) | |
| DRILLING AND SPACING UNIT FOR THE) | Cause No. |
| NIOBRARA FORMATION AND ALLOWING) | |
| UP TO SIXTEEN HORIZONTAL WELLS IN) | Docket No. |
| SECTIONS 17 AND 20, TOWNSHIP 11) | |
| NORTH, RANGE 57 WEST IN WELD) | |
| COUNTY, COLORADO) | |
| j | |

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 960-acre drilling and spacing unit and authorizing up to sixteen horizontal wells in the following-described lands:

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

Section 17: S½
Section 20: 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. 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. Sections 17 and 20, Township 11 North, Range 57 West are subject to Rule 318.a. for the Niobrara Formation.
- 4. 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.
- 5. 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.

- 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 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).
- 7. 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.
 - 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 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.
- B. For such other findings and orders as the Commission may deem proper or advisable in the matter.

Dated: July 18, 2013

By:___

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 | |
|--|--|
| COUNTY OF HARRIS) |) SS.) |
| that he is Land Manager for Carrizo Oil 8 | g first duly sworn upon oath, deposes and says & Gas, Inc. and that he has read the foregoing contained are true to the best of his knowledge, |
| Subscribed and sworn to before me | e this <u>l1^{tfl}</u> day of July, 2013. |
| Witness my hand and official seal. | |
| My commission 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 20:All & 17:S2

| 24 | 3 | 9 | | 8 | 5 | 24 | 2 | 2 | | 12N |
|----|----------|----------|------------|----------|----|------|---------------|----|------|---------------|
| 16 | 8 | 0N-59W | 6 | <u> </u> | 30 | 19 | 18 1N 59W | 7 | 6 | 31 12N 59W |
| 20 | 1 | 60 | υ 1 | 32 | 29 | 20 | 17 | 00 | - UI | 32 |
| 23 | 16 | 9 10N | 4 | <u> </u> | 28 | 12 | | 9 | | 33 12 |
| 13 | 5 | 10N-58W | ω | <u> </u> | 27 | 22 | 11N 58W | 10 | ω | 12N 58W |
| 23 | 1 | | N | <u> </u> | 26 | - 23 | 1 | | - 2 | 35 |
| 24 | 3 | 12 | | 30 | 25 | 24 | <u> </u> | 12 | | 36 |
| 19 | 8 | 4 | φ- | 31 | 30 | 19 | 8 | | 0 | 31 |
| 20 | 7 | - | -5- | 32 | 29 | 20 | 1 | 8 | 5 | 32 |
| 21 | 5 | 100 | | 33 | 28 | 21 | 16 | 9 | 4 | 33 12 |
| 22 | <u>,</u> | 10N 57W | 6 | 34 | 27 | 23 | 6 15 15 | 10 | ω | 12N 57W |
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| 24 | 3 | 12 | | 36 | 8 | 24 | 3 | 13 | | 38 |
| 13 | 8 | 7 10 | 9 | <u> </u> | 33 | 19 | 8 | | 9 | 31 |
| 20 | 1 | 0N 26W | - 61 | ₩ | 28 | 20 | 17 11N 56W | Φ | 51 | 12N 56W |
| 21 | 16 | 9 | 4 | 33 | 28 | 21 | 16 | 9 | 4 | 32 33 |

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

Jeannie Ellis, f/k/a, Jeannie Hummel Address Unknown

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

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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 July 25, 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. Wonstoler

Subscribed and sworn to before me July $\frac{8}{2}$, 2013.

Witness my hand and official seal.

My commission expires: 3/3/15.

Notary Public

MARY GRACE T. GO-HOVELAND Notary Public State of Colorado