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 1,280 ACRE DRILLING |) | Cause No. |
| UNIT AND ESTABLISHING A 960-ACRE |) | |
| DRILLING UNIT WITH UP TO SIXTEEN |) | Docket No. |
| HORIZONTAL WELLS IN THE UNIT, |) | |
| LOCATED IN SECTIONS 20 AND 29, |) | |
| TOWNSHIP 8 NORTH, RANGE 61 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 1) vacating Order No. 535-221 and a portion of Order no. 535-3; and 2) establishing a 960-acre drilling unit with up to sixteen horizontal wells authorized in the unit, in the following-described lands:

Township 8 North, Range 61 West, 6th P.M.

Section 20: All Section 29: 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 February 22, 2011, the Commission issued Order No. 535-3 which, among other things established 160 approximate 640-acre drilling and spacing units for certain lands, including the Application Lands and allowed one horizontal well in each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- 4. On November 15, 2012, the Commission issued Order No. 535 221 which, among other things vacated two approximate 640-acre drilling and spacing units established by Order Nos. 535-3 and 535-69; and established an approximate 1280-acre drilling and spacing unit consisting of Sections 29 and 32, Township 8 North, Range 61 West, 6th P.M., and approved up to two horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
- 5. On January 7, 2013, the Commission issued Order No. 535 241 which, among other things approved up to six horizontal wells within an approximate 1280-acre drilling and

spacing unit for Sections 29 and 32, Township 8 North, Range 61 West, 6th P.M., for the development and operation of the Niobrara Formation.

- 6. On January 7, 2013, the Commission issued Order No. 535-256 which, among other things pooled all interests in an approximate 1280-acre drilling and spacing unit established for Sections 29 and 32, Township 8 North, Range 61 West, 6th P.M., for the development and operation of the Niobrara Formation.
- 7. On February 11, 2013, the Commission issued Order No. 535-265 which, among other things approved up to six horizontal wells within certain lands, including Section 20, Township 8 North, Range 61 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- 8. On March 25, 2013, the Commission issued Order No. 535-287 which, among other things, pooled all interests in the 640-acre drilling and spacing units established for Section 20, Township 8 North, Range 61 West, 6th P.M., for the development and operation of the Niobrara Formation.
- 9. On June 17, 2013, the Commission issued Order No. 535-339 which, among other things, approved up to thirteen horizontal wells within an approximate 640-acre drilling and spacing unit consisting of Section 20, Township 8 North, Range 61 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- 10. Applicant requests that Order No. 535-3 be vacated as to Section 20, Township 8 North, Range 61 West.
 - 11. Applicant requests that the Order No. 535-221 be vacated in its entirety.
- 12. 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 Order No. 535-221 and a portion of 535-3 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. 535-221.
- B. Vacating Order No. 535-3 as to Section 20, Township 8 North, Range 61 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 8 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 |) |
|--|---|
| COUNTY OF HARRIS |) SS.) |
| that he is Land Manager for Carrizo O | eing first duly sworn upon oath, deposes and says oil & Gas, Inc. and that he has read the foregoing n contained are true to the best of his knowledge, |
| Subscribed and sworn to before | me this <u>l1^{tfl}</u> day of July, 2013. |
| Witness my hand and official se | al. |
| 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 T8N-R61W Sec 20:All & 29:N2

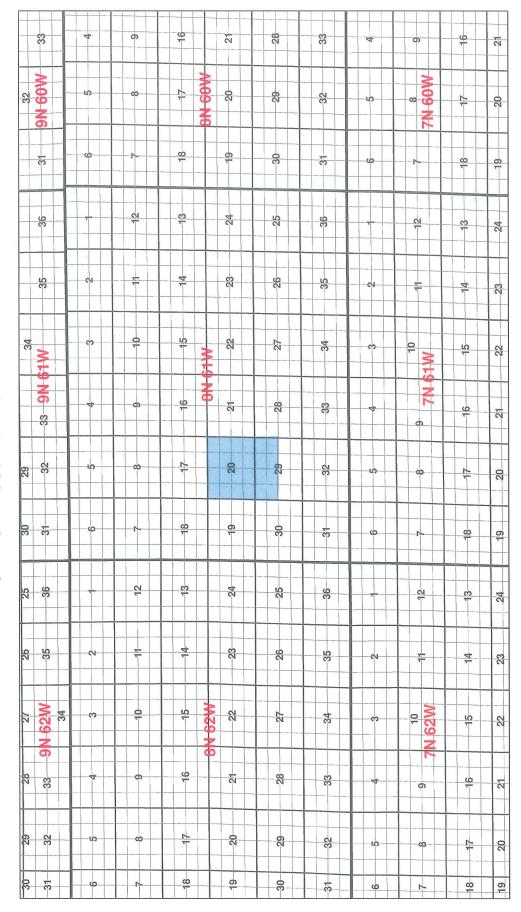


Exhibit B

Interested Parties

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

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

The Estate of Virginia H. French, Diann Corliss, Personal Representative P.O. Box 691 Kersey, CO 80644

Mary Louise Brown 2005 Boston Way Modesto, CA 95355

Peggy Elliott 12979 Larimore Circle Omaha, NE 68164

Calvin Mays 9966 So. Ramshead Court Highlands Ranch, CO 80130

Synergy Resources Corporation 20203 Highway 60 Platteville, CO 80651

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

Noble Energy WYCO, LLC 1625 Broadway, Suite 2200 Denver, CO 80202

Carol Ann Scarpinati 3836 Tahiti Lane Modesto, CA 95356

Lynn Phillips P.O. Box 293 Bellvue, CO 80512

Joan Russell 500 Thorington Court Greer, SC 29651

A.W. Pepper Address Unknown Denver, CO

Bill Barrett Corporation 1099 18th street Suite 2300 Denver, CO 80202

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

| IN THE MATTER OF THE APPLICATION OF) CARRIZO OIL AND GAS, INC., FOR AN) ORDER VACATING A 1,280 ACRE DRILLING) UNIT AND ESTABLISHING A 960-ACRE) DRILLING UNIT WITH UP TO SIXTEEN) HORIZONTAL WELLS IN THE UNIT,) LOCATED IN SECTIONS 26 AND 35,) TOWNSHIP 8 NORTH, RANGE 61 WEST IN) WELD COUNTY, COLORADO) | Cause No. Docket No. |
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| AFFIDAVIT OF MAILIN | <u>G</u> |
| STATE OF COLORADO) | |
|)ss. CITY AND COUNTY OF DENVER) | |
| Kenneth A. Wonstolen, of lawful age, and being states and declares: | first duly sworn upon his oath, |
| That he is an attorney for Carrizo Oil and Gas, 2013, he caused a copy of the attached Application to I Mail, postage prepaid, addressed to the parties listed or | pe deposited in the United States |
| Kenneth Subscribed and sworn to before me July 4, 20 | A. Wonstolen |
| | 13. |
| Witness my hand and official seal. My commission expires: | |
| Notary I | Sublic V |
| | MARY GRACE T. GO-HOVELAND Notary Public State of Colorado |

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 1,280 ACRE DRILLING UNIT AND |) | DOCKET NO. |
| ESTABLISHING A 960-ACRE DRILLING UNIT |) | |
| WITH UP TO SIXTEEN HORIZONTAL WELLS IN |) | |
| THE UNIT, LOCATED IN SECTIONS 20 AND 29, |) | Intake No. 61 |
| TOWNSHIP 8 NORTH, RANGE 61 WEST IN |) | |
| WELD COLINTY 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 7th day of August, 2013.

BEATTY & WOZNIAK, P.C.

By:

Elizabeth Y. Gallaway

216 Sixteenth Street, Suite 1100

Denver, Colorado 80202-5155

303-407-4499