

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER Pilot
SINGLE ZONE MULTIPLE COMMINGLE

Refiling
Sidetrack

3. Name of Operator: CARRIZO OIL & GAS INC 4. COGCC Operator Number: 10338
5. Address: 500 DALLAS STREET #2300
City: HOUSTON State: TX Zip: 77002
6. Contact Name: Tina Taylor Phone: (713)328-1000 Fax: (713)358-6440
Email: tina.taylor@crzo.net
7. Well Name: Nelson Ranches Well Number: 27-11-10-59
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 7430

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 27 Twp: 10N Rng: 59W Meridian: 6
Latitude: 40.816160 Longitude: -103.970240
Footage at Surface: 3 feet FNL 1317 feet FWL
11. Field Name: Wildcat Field Number: 99999
12. Ground Elevation: 5104 13. County: WELD

14. GPS Data:
Date of Measurement: 09/08/2011 PDOP Reading: 1.9 Instrument Operator's Name: Marc Woodard

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**
Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____
Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

16. Is location in a high density area? (Rule 603b)? Yes No
17. Distance to the nearest building, public road, above ground utility or railroad: 5280 ft
18. Distance to nearest property line: 3 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 ft

LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara	NBRR	535-99	640	sec 27

21. Mineral Ownership: Fee State Federal Indian Lease #: _____
22. Surface Ownership: Fee State Federal Indian
23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: _____
23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No
23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

Section 27:N/2,SW/4

25. Distance to Nearest Mineral Lease Line: 3 ft 26. Total Acres in Lease: 80

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: Land Farming Land Spreading Disposal Facility Other: Landfarm Burial/Evaporation

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	9+5/8	36	0	1,400	534	1,400	0
OPEN HOLE	8+3/4			1400	7,430	968	7,430	5,713

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments This is a Pilot Hole for informational purposes only and will be plugged back at TD with 534 sacks of cement. Top of cement will be 5713'. No conductor casing will be set. Carrizo requests approval of a Rule 603.a.(2) exception location: Wellhead is to be located less than 150' from a property line. Exception request and SUA covering both sides of the property line is attached. THIS IS THE PILOT OF A PILOT/LATERAL DRILLING PROGRAM.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? Yes No

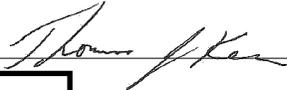
36. Is this application part of submitted Oil and Gas Location Assessment ? Yes No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Tina Taylor

Title: Regulatory Compliance Date: 1/11/2012 Email: tina.taylor@crzo.net

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved:  Director of COGCC Date: 3/18/2012

API NUMBER

05 123 35279 00

Permit Number: _____ Expiration Date: 3/17/2014

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

Not approved for production, this wellbore is an exception location.

1) Provide 48 hour notice of MIRU to Jim Precup by e-mail at james.precup@state.co.us. Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, Email Address.

2) Plug back pilot hole: Niobrara, Codell, D-Sand and J-Sand must be isolated.

Attachment Check List

Att Doc Num	Name
2532059	SURFACE AGRMT/SURETY
2532060	EXCEPTION LOC REQUEST
400239294	FORM 2 SUBMITTED
400239328	MULTI-WELL PLAN
400239329	DEVIATED DRILLING PLAN
400239513	WELL LOCATION PLAT

Total Attach: 6 Files

General Comments

User Group	Comment	Comment Date
Permit	Updated the permit with an exception loc request.	3/16/2012 9:00:08 AM
Permit	No LGD or public comment received; final review completed.	3/16/2012 8:53:58 AM
Permit	Updated permit with SUA which covers the waiver but still require exception loc request letter.	3/16/2012 5:48:53 AM
Permit	Asked for property line waiver 2/13/2012	2/13/2012 7:52:39 AM
Permit	This is the pilot for a pilot/lateral drilling plan.	1/12/2012 6:17:25 AM
Permit	If a pilot well is being drilled to a depth of 2500 feet or more and the operator plans to complete it later, than it must be 600 feet from a lease line and be at least 1200 feet from a well permitted/producing from the same formation, or requires an approved exception location. per rule 318a.	1/12/2012 6:09:09 AM
Permit	On hold- Well location requires property line waiver or an SUA for both sides of the prperty line since its the same ranch on either side.	1/12/2012 5:59:41 AM
Permit	Operator attached new plat and corrected the lat long. This form has passed completeness.	1/11/2012 10:18:45 AM
Permit	Returned to draft. Lat long on plat is incorrect. Directional template should not have been uploaded for this vertical hole.	1/11/2012 8:22:36 AM

Total: 9 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Material Handling and Spill Prevention	Operator will ensure 110 percent secondary containment for any volume of fluids contained at the well site during drilling and completion. Operator will implement best management practices to contain any unintentional release of fluids.
Storm Water/Erosion Control	Operator has designed the well pad with insloping and a storm water control ditch to prevent storm water run-on/runoff and the release of fluids from the location. See attached Construction Layout Drawing.
Site Specific	Fresh water for the Fresh Water Storage Pit comes from water provider; water sources permitted for consumable industrial use.
Material Handling and Spill Prevention	Operator shall not allow any fluids to flow back to the Fresh Water Storage Pit/Pond.
Site Specific	Fresh Water Storage Pit shall contain fresh water only and signage prohibiting the use of the pit for any fluid that does not come from municipal, irrigation or surface water source.
Construction	The location will be fenced and the fenced area will include the Fresh Water Storage Pit.
Pre-Construction	The COGCC to be notified 48 hours prior to construction of the Fresh Water Storage Pit.
Planning	A Form 15 Pit Report will be submitted within 30 days of construction of the fresh water storage pit.

Total: 8 comment(s)