

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Date Received:

04/15/2013

PluggingBond SuretyID

20120105

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE COMMINGLE

Refiling

Sidetrack

3. Name of Operator: CARRIZO NIOBRARA LLC

4. COGCC Operator Number: 10439

5. Address: 500 DALLAS STREET #2300

City: HOUSTON State: TX Zip: 77002

6. Contact Name: Tina Taylor Phone: (713)328-1000 Fax: (713)328-1060

Email: tina.taylor@crzo.net

7. Well Name: Nelson Ranches Well Number: 1-27-10-59

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 11595

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 28 Twp: 10N Rng: 59W Meridian: 6

Latitude: 40.810060 Longitude: -103.975660

Footage at Surface: 2219 feet FNL 193 feet FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 5170 13. County: WELD

14. GPS Data:

Date of Measurement: 02/06/2013 PDOP Reading: 2.0 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
1890 FNL 664 FEL 1902 FNL 650 FEL
Sec: 28 Twp: 10N Rng: 59W Sec: 27 Twp: 10N Rng: 59W

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: 1121 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1780 ft

20. 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	535-329	960	27 ALL, E/2 28

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):
 Township 10 North, Range 59W of the 6th P.M., Section 28: SE4NE4 (This wellbore produces from multiple leases) Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 650'. Spaced as 960 including all of section 27 and the E2 of section 28

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 40

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: _____
 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
CONDUCTOR	16	15+1/4	65	0	60	6	60	0
SURF	12+1/4	9+5/8	36	0	1,448	534	1,448	60
1ST	8+3/4	7	23	0	6,491	815	6,491	1,448
1ST LINER	6+1/4	4+1/2	11.6	5729	11,595			

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

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: 4/15/2013 Email: tina.taylor@crzo.net

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: Matthew Lee Director of COGCC Date: 6/7/2013

API NUMBER **05 123 37554 00** Permit Number: _____ Expiration Date: 6/6/2015

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.

- 1) Provide 48 hour notice prior to spud via electronic Form 42.
- 2) Provide cement coverage to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
1638219	WELL LOCATION PLAT
1638220	DEVIATED DRILLING PLAN
2486426	SURFACE CASING CHECK
400403442	FORM 2 SUBMITTED
400430550	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Per operator - revised Proposed Total MD, Top Productive Zone, BHL, Casing & Cement Attached new well location plat, deviated drilling plan, and directional data template	6/7/2013 12:34:33 PM
Permit	Input new spacing order and removed comment regarding swell packer since entire wellbore is now legal.	5/5/2013 3:44:38 PM
Permit	Per operator corrected distance to nearest property line, distance to nearest wellbore, and removed lease number.	5/6/2013 9:55:59 AM
Engineer	No existing wells within 500' of proposed directional.	4/30/2013 1:37:23 PM
Permit	Requested surface and minerals information, operator to review comments, distance to nearest wellbore, distance to property line, and information on lease number. This well has a hearing for a 960 spaced section in May. Wellbore is not currently legal.	4/29/2013 2:51:30 PM

Total: 5 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. Operator shall not allow any fluids to flow back to the Fresh Water Storage Pit/Pond.
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. 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. Operator will participate in the Colorado Oil & Gas Association Voluntary Baseline Groundwater Quality Sampling Program. Operator will implement interim reclamation measures immediately after construction of the location to stabilize cut and fill slopes, stabilize the topsoil and spoil stockpiles, establish desirable vegetation and control weeds on the location.
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: 6 comment(s)