

FORM
2
Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400447446

Date Received:

07/15/2013

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: Kalen Bauer Phone: (713)328-1000 Fax: (713)328-1060
Email: kalen@rockymountainpermitting.com

7. Well Name: Bailey Well Number: 7-26-8-60

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

9. Proposed Total Measured Depth: 10687

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 26 Twp: 8N Rng: 60W Meridian: 6
Latitude: 40.627010 Longitude: -104.063690

Footage at Surface: 334 feet FSL 1333 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4875 13. County: WELD

14. GPS Data:

Date of Measurement: 07/02/2013 PDOP Reading: 2.2 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 _____
600 FSL 1516 FWL 600 FNL 1516 FWL
Sec: 26 Twp: 8N Rng: 60W Sec: 26 Twp: 8N Rng: 60W

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: 1333 ft

18. Distance to nearest property line: 334 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 458 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	535-362	640	ALL

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 8 North, Range 60W of the 6th P.M., Section 26: SW4 Horizontal wellbore crosses lease lines within drilling and spacing unit;

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 160

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	1442	534	1442	0
1ST	8+3/4	7	23	0	6384	546	6384	0
1ST LINER	6+1/4	4+1/2	11.6	5652	10687			

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

33. Comments Swell packer will be set beyond 600' from section line to keep wellbore from 7" casing unproduced. Spacing Hearing was June 16, 2013.

34. Location ID: 432951

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: Terry Hoffman

Title: Regulatory Compliance Date: 7/15/2013 Email: terry@rockymountainpermitting

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: 8/13/2013

API NUMBER 05 123 37813 00	Permit Number: _____	Expiration Date: <u>8/12/2015</u>
--------------------------------------	----------------------	-----------------------------------

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.

COA Type	Description
	Provide mitigation proposed for following wells prior to stimulation. 123-09262, TAYLOR 1: Re-enter the well and plug to provide adequate protection. 123-15471, TAYLOR 1-A: Re-enter the well and plug to provide adequate protection. 123-10707, Stanley 14-23: Re-enter the well and plug to provide adequate protection.
	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
1534699	OTHER
400447446	FORM 2 SUBMITTED
400447452	WELL LOCATION PLAT
400447453	DEVIATED DRILLING PLAN
400447454	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	8/12/2013 10:42:45 AM
Permit	Per operator corrected distance to nearest road to 1333' & changed contact information. Added Location ID# 432951. Ok to pass.	8/12/2013 10:42:33 AM
Permit	Requesting corrected distance to nearest road, add Location ID & New contact person info.	8/12/2013 9:40:57 AM
Permit	Input order number from recently approved hearing.	3/7/2013 5:54:01 AM
Permit	Initial review complete. Requested corrected distance to nearest road and location ID number from operator. Requested a copy of the finalized order from hearings.	3/6/2013 6:52:51 AM
Engineer	Received updated remediation plan from operator: Fred Miller. Fwd to scanning to attach. 123-20272, Federal Osprey 35-3: Existing surface casing and top of production casing cement OK. Additionally operator writes: The 1500' radius extending from the Federal Osprey 35-3 will only cross our curve portions of the Bailey 7 and 8 wells. The curve section will have cement behind the 7" casing and there is an additional isolation packer just below the 7" to isolate fracture stimulations from the legal line. Dependent on where the radius lands in each well, either cement or isolation packers will provide adequate adherence to the DJ BHO policy.	7/31/2013 8:34:31 AM
Engineer	Received remediation plan from operator: Andrew Taylor. Fwd to scanning to attach. Removed Hold. Asked for further clarification on remediation plan.	7/30/2013 4:29:38 PM
Engineer	On Hold - Wells within 1500' of the proposed directional plan lack adequate formation isolation: 05-123-09262, TAYLOR 1, (lacks aquifer and Niobrara isolation), PA 05-123-15471, TAYLOR 1-A, (surf csg OK, lacks Niobrara isolation), DA Existing wells OK 05-123-14361, TAYLOR 5-26, (surf csg OK, Niobrara isolated w/ 40 sk stub plug at 1250' up), PA Emailed operator rep (tina.taylor@crzo.net).	7/23/2013 2:28:03 PM
Permit	This form has passed completeness.	7/16/2013 11:41:15 AM

Total: 9 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	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.
2	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.
3	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.

Total: 3 comment(s)