

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:

400422631

Date Received:

06/28/2013

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: State Well Number: 3-36-9-61

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

9. Proposed Total Measured Depth: 10773

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 36 Twp: 9N Rng: 61W Meridian: 6

Latitude: 40.711800 Longitude: -104.149490

Footage at Surface: 272 feet FNL/FSL 1039 feet FEL/FWL
 FNL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4932 13. County: WELD

14. GPS Data:

Date of Measurement: 05/09/2013 PDOP Reading: 2.6 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 FNL 1058 FEL 600 FSL 1058 FEL
 Sec: 36 Twp: 9N Rng: 61W Sec: 36 Twp: 9N Rng: 61W

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: 240 ft

18. Distance to nearest property line: 272 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 458 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	535-341	640	All

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 375660822. Surface Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian23. 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 ☐ No23b. 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 9 North, Range 61W of the 6th P.M., Section 36: ALL

25. Distance to Nearest Mineral Lease Line: 600 ft

26. Total Acres in Lease: 640

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	1441	534	1441	60
1ST	8+3/4	7	23	0	6636	570	6636	1441
1ST LINER	6+1/4	4+1/2	11.6	5912	10773			

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

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

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

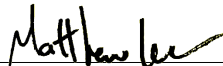
Date: 6/28/2013

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: _____



Director of COGCC

Date: 8/28/2013

API NUMBER

05 123 37896 00

Permit Number: _____ Expiration Date: 8/27/2015

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.

COA Type	Description
	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.
	Operator acknowledges the proximity of the following wells: Vessels State #1 (123-07673), Sohio State #2 (123-07185), Sohio State #1 (123-09178). Operator agrees to: provide mitigation option 3 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OTHER – AS SPECIFIED BY PERMIT CONDITION") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400422631	FORM 2 SUBMITTED
400440653	DEVIATED DRILLING PLAN
400440656	OFFSET WELL EVALUATION
400440659	DIRECTIONAL DATA
400440671	WELL LOCATION PLAT

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed. No LGD or public comment received.	8/26/2013 11:06:04 AM
Engineer	Received re-entry plan for Carrizo's State 36 pad wells indicating that the 3 referenced offset wells will be reentered to plug. Removed hold.	8/26/2013 8:48:47 AM
Engineer	On Hold - Wells within 1500' of the proposed directional plan lack adequate formation isolation: Vessels State #1, 123-07673, (lacks aquifer isolation, Niobrara isolation marginal 10 sx at stub) Sohio State #2, 123-07185, (lacks aquifer and Niobrara isolation) Sohio State #1, 123-09178, (lacks aquifer and Niobrara isolation) Emailed operator rep (tina.taylor@crzo.net).	7/17/2013 9:21:05 AM
Permit	Added comment regarding swell packer and input order information per operator.	7/15/2013 2:02:06 PM
Permit	Requested spacing order information and information on how Carrizo intends to make the TOP legal. Initial review complete.	7/12/2013 6:19:42 AM
Permit	Per operator corrected distance to nearest utility. State land board ok with location and bond.	7/11/2013 3:43:01 PM
Permit	Form passes completeness.	7/1/2013 12:57:05 PM

Total: 7 comment(s)

Best Management Practices

No	BMP/COA Type	Description
1	Site Specific	<p>Fresh water for the Fresh Water Storage Pit comes from water provider; water sources permitted for consumable industrial use.</p> <p>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.</p> <p>Operator will participate in the Colorado Oil & Gas Association Voluntary Baseline Groundwater Quality Sampling Program.</p> <p>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.</p>
2	Planning	A Form 15 Pit Report will be submitted within 30 days of construction of the fresh water storage pit.
3	Pre-Construction	The COGCC to be notified 48 hours prior to construction of the Fresh Water Storage Pit.
4	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.
5	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.
6	Construction	The location will be fenced and the fenced area will include the Fresh Water Storage Pit.

Total: 6 comment(s)