



August 23, 2016

Mr. Matt Lepore  
Director  
Colorado Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

Re: 502.b Variance, COGCC Rule 1003.b.  
Document # 401002271

Director Lepore:

Carrizo (Niobrara) LLC ("Carrizo") requests a variance under Rule 502.b to Rule 1003.b. requirements for certain previously disturbed land described in more detail below, which Carrizo is not currently using. Attached is a Form 4 Sundry Notice, which the Commission may use to approve this variance request. Carrizo requests a variance from the timing requirements of Rule 1003.b for the following the previously disturbed land ("Variance Area"):

Carrizo (Niobrara) LLC, Nelson 2-17-9-60, Location ID 431925, SESW Sec-17, T-9N, R-60W

Carrizo requests a variance from the requirements to conduct interim reclamation actions in the Variance Area for a period of five (5) years. Currently, there are four producing wells on the Variance Area and Carrizo plans to drill and complete additional wells. However, the subsequent drilling and completions activities will likely not occur for up to five years. Rule 1003.b requires areas no longer in use and those areas that will not have subsequent activities within the next 12 months be reclaimed within three months on cropland and six months on non-cropland. This would require Carrizo to re-contour, de-compact, and revegetate the Variance Area within the next six months to undertake interim reclamation. Then in a few years, Carrizo would need to clear the vegetation and re-contour and re-compact the Area again to drill and complete the additional wells. Once the additional wells are drilled and completed, Carrizo would need to re-contour, de-compact, and revegetate the Area yet again to undertake interim reclamation a second time. This would effectively triple the amount of site preparation and reclamation activity during the next five years, significantly increase the level of truck traffic, noise, dust, and other environmental impacts associated with such work, and force Carrizo to incur additional costs associated with the second round of interim reclamation and the new round of site preparation.

To ensure adequate protection of public health, safety, and welfare, and the environment Carrizo has completed the following actions

- (1) Removed all oil and gas equipment from all access roads and locations within the Variance Area
- (2) Removed all trash and debris belonging to Carrizo and its agents from the Variance Area.

Carrizo will also undertake the following actions on an ongoing basis:

- (3) Inspect the Area at a frequency of approximately daily for spills and releases, and to conduct general housekeeping.
- (4) Continue to comply with Rule 1002.f regarding site stabilization and stormwater management controls by a) following our stormwater management plan, b) having our pumpers notify the foreman and/or superintendent of any erosion issues after a precipitation event, c) having a 3<sup>rd</sup> party perform inspections and remediate or notify Carrizo of any erosion identified d) having monthly reports from the 3<sup>rd</sup> party sent to Carrizo to ensure that any compliance or issues have been addressed.

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(5) Continue to comply with Rule 1003.a regarding removal of certain equipment

(6) Continue to comply with Rule 1003.f regarding weed management by a) spraying for weeds in the spring and as needed b) mowing the Area usually twice a year in the summer and at the end of growing season c) having pumpers drag the Area and associated lease roads d) having pumpers notify foreman and/or superintendent of any weed issues

The attached exhibits provide documentation of these activities. Carrizo also will undertake any other necessary measures that it determines in good faith are necessary to protect the public health, safety, welfare, and the environment.

The surface owner(s), Paul Nelson and Charlene Nelson understand and have agreed to this extension as evidenced in the Interim Reclamation Agreement that is attached to the Form 4 filing.

As further assurance that it will complete the obligations listed above, Carrizo is proposing to submit additional financial assurance to the Colorado Oil and Gas Conservation Commission that would cover cost of conducting reclamation of the Variance Area. A detailed description of the Variance Area and a reclamation cost estimate is attached on the Form 4.

Please let us know if any additional information is needed to approve this request for a variance from Rule 1003 pursuant to Rule 502.b.

Best regards,

A handwritten signature in black ink, appearing to read "Scott Hudson", with a long horizontal flourish extending to the right.

Scott Hudson

Vice President of Drilling and Completions