



PERMIT FOR GAS DRILLING AND PRODUCTION

The City of Arlington hereby issues permission to conduct gas drilling and completion activities associated with the well(s) identified below.

This Gas Drilling and Production Permit shall be posted in a conspicuous place on the drill site and shall not be removed without prior permission of the Gas Well Inspector. This permit shall be presented to the Gas Well Inspector or any City official upon request. The terms and provisions of the "Gas Drilling and Production" Chapter of the Code of the City of Arlington, as amended, are incorporated into this Gas Drilling and Production Permit as if written word for word herein and shall be considered terms and conditions of this Permit.

Permit Issued to:

Operator Carrizo Oil & Gas, Inc.
Agent to Receive Notice Scott Hudson
Mailing Address 1000 Louisiana Street, Suite 1500
City Houston State Texas Zip 77002
Work Phone (713)-328-1000 Mobile Phone ( ) E-mail scott.hudson@crzo.net

Well Name(s): Matlock Thornton Unit #5H-#8H
Property Description:
Address: 6001 Copping Lane, Arlington, Texas 76001
Parcel and Production Unit:
RRC Permit Number: Well #5H- 697745, Well #6H- 697750, Well#7H- 697751, Well #8H- 697752

This permit is issued pursuant to the requirements of the 'Gas Drilling and Production' Chapter of the Code of the City of Arlington, as amended, (Ordinance No. 07-074) and the approved zoning and any associated stipulations made by City Council.

Comments:
Permits valid until 2-28-11. See Page 3 for site stipulations.

Table with 4 columns: Fee (\$58,000.00), Receipt or Check No. (2223-8226/8227), Gas Well Permit No(s). (GW10-68 to 71), CC approval date (8-17-10)

Building Official [Signature] Date 8/30/2010

Separate permits from the Community Development and Planning Department are required for building, mechanical, electrical, fire, concrete, walls/fencing, and plumbing.

The issuance of this permit shall not be construed as a permit to violate any provision of the Code of the City of Arlington, Texas or of the previously approved requirements, and associated site plan. identified in Zoning Case SUP 09-04 and approved on 8/4/09 & Res10-236 appd 8/17/10.

Operator's Signature [Signature] Date 06/22/10

Printed Name Scott Hudson

Note: Submit an electronic, color copy of a completed permit that is signed and notarized by the operator. Once issued, an electronic copy will be returned to the Operator. Page 3, Permit Stipulations, will be added at time of issuance.

**INDEMNIFICATION AND EXPRESS NEGLIGENCE PROVISIONS:**

Each gas well permit issued by the inspector shall include the following language: Operator does hereby expressly release and discharge all claims, demands, actions, judgments, and executions which it ever had, or now has or may have, or assigns may have, or claim to have, against the City of Arlington, and/or its departments, agents, officers, servants, successors, assigns, sponsors, volunteers, or employees, created by, or arising out of personal injuries, known or unknown, and injuries to property, real or personal, or in any way incidental to or in connection with the performance of the work performed by the Operator under a gas well permit. The Operator shall fully defend, protect, indemnify, and hold harmless the City of Arlington, Texas, its departments, agents, officers, servants, employees, successors, assigns, sponsors, or volunteers from and against each and every claim, demand, or cause of action and any and all liability, damages, obligations, judgments, losses, fines, penalties, costs, fees, and expenses incurred in defense of the City of Arlington, Texas, its departments, agents, officers, servants, or employees, including, without limitation, personal injuries and death in connection therewith which may be made or asserted by operator, its agents, assigns, or any third parties on account of, arising out of, or in any way incidental to or in connection with the performance of the work performed by the operator under a gas well permit. The operator agrees to indemnify and hold harmless the City of Arlington, Texas, its departments, its officers, agents, servants, employees, successors, assigns, sponsors, or volunteers from any liabilities or damages suffered as a result of claims, demands, costs, or judgments against the City, its departments, its officers, agents, servants, or employees, created by, or arising out of the acts or omissions of the City of Arlington occurring on the drill site or operation site in the course and scope of inspecting and permitting the gas wells including, but not limited to, claims and damages arising in whole or in part from the negligence of the City of Arlington occurring on the drill site or operation site in the course and scope of inspecting and permitting the gas wells. It is understood and agreed that the indemnity provided for in this section is an indemnity extended by the operator to indemnify and protect the City of Arlington, Texas and/or its departments, agents, officers, servants, or employees from the consequences of the negligence of the City of Arlington, Texas and/or its departments, agents, officers, servants, or employees, whether that negligence is the sole or contributing cause of the resultant injury, death, and/or damage.

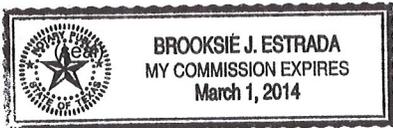
Scott Hudson  
Operator's Signature

06/22/10  
Date

Scott Hudson  
Printed Name

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Scott Hudson, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for the purposes and consideration therein expressed as the act and deed of Carrizo Oil & Gas, Inc., and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 22nd day of June, 2010.



Brooksie Estrada  
Notary Public In and For The State of Texas  
Brooksie Estrada

My Commission Expires: 3/1/14

## Matlock Thornton Drill Site Permit Stipulations

1. A sign will be displayed at the gate stating the well number, the name and number of the operator, the emergency 911 number, and the telephone numbers of two contacts.
2. During drilling, the allowable nighttime sound level is 63.4 dBA, the maximum daytime sound level is 65.4 dBA, and fracing operations shall not exceed 67.4 dBA.
3. The approved water site plan limits the withdrawal rate from the approved hydrant to a maximum of 500 gallons per minute.
4. The traffic route to the Matlock Thornton Drill Site commences at U.S. 287 Highway (Hwy 287). From Hwy 287, exit at F.M. 157 and travel north along South Cooper Street to Sublett Road. Head east on West Sublett Road a total of 6,340 feet to Coping Lane. Travel south to the site access road on the east side of Coping Lane. To exit the site, travel north on Coping Lane back to Sublett Road. Head east on West Sublett Road to Matlock Road and travel 6,550 feet south on Matlock Road to West Harris Road. Turn right on West Harris Road and continue west approximately 6,300 feet to South Cooper Street.
5. Due to the congested intersection of U.S. 287 Highway and F.M. 157, semi-truck traffic is restricted through that intersection between the hours of 7-9 a.m. and 4-6 p.m.
6. After completion of all wells, a solid masonry wall will enclose all completed wells and tanks located within the operation site. Landscaping shall be provided along all four sides on the outside of the masonry wall in accordance with the submitted site plan, Exhibit E-3, and shall be selected from the Texas Smartscape plant list at the time of planting. Shrubs shall be planted at no more than three feet on center and trees will be planted on center at no more than half of the specific species potential spread. During the zoning stage, the applicant agreed to install the landscaping along Coping Lane prior to the completion of the drilling operations.
7. Installed landscaping screening the site from Sublett Road must be maintained for the life of drilling operations.