

AMENDMENT TO OIL, GAS AND MINERAL LEASE

STATE OF TEXAS §
COUNTY OF TARRANT §
KNOW ALL MEN BY THESE PRESENTS:

25%

WHEREAS, on October 11, 2006, City of Mansfield, whose address is 1200 E. Broad Street, Mansfield, Texas 76063 ("Lessor"), did execute and delivered to Carrizo Oil & Gas, Inc., whose address is 1000 Louisiana, Suite 1500, Houston, Texas 77002 as Lessee ("Lessee"), a certain Oil, Gas and Mineral Lease (the "Lease"), which lease was filed for record and recorded at Document No. 207078770, of the Official Public Records of Tarrant County, Texas, covering 21.41 acres of land, more or less, in Tarrant County, Texas, (the "Lease Premises") and covering the land identified in greater detail in the attached and incorporated Lease as Exhibit "A", hereto.

WHEREAS, the Lease is in full force and effect and Lessor and Lessee mutually desire to hereby partially modify and amend said Lease as to paragraph and provision No. 7 to the extent and in the manner hereinafter specified:

NOW, THEREFORE, the City of Mansfield, as Lessor for and in consideration of the sum of Ten Dollars (\$10.00) the receipt of which is acknowledged from Lessee and the form and sufficiency of which is hereby acknowledged by Lessor, its successors and assigns, do hereby mutually agree to the following partial lease amendment, as follows:

(A) Paragraph 7, of the Lease, shall be amended to read as followed:

7. Pooling. Lessee may pool the Land with contiguous acreage to form pooled units for the production of oil or gas. The acreage in a pooled unit may not exceed greater of 320 acres or the amount that would be permitted for a Retained Tract composed of acreage lying entirely within the Land. The unit will become effective when Lessee files in the Real Property Records where the Land is located a document describing the pooled acreage and depths for the pooled unit, and Lessee shall make a copy of the document available to Lessor. Lessee may at its election exercise its pooling option before or after commencing operations. Operations for drilling on or production of oil or gas from any part of a pooled unit that includes land covered by this Lease shall be considered as operations on or production of oil or gas from the portion of the Land included in the pooled unit. That part of the Land included in a pooled unit will be considered to be a Retained Tract, and the provisions of this Lease that provide for termination of the Lease insofar as the Lease covers depths 100 feet below the base of the deepest producing formation and other provisions relating to Retained Tracts shall apply. There shall be allocated to the Land included in the unit that prorated portion of the oil and gas, or either of them, produced from the pooled unit that the number of surface acres of the Land included in the unit bears to the total number of surface acres included in the unit. Royalties shall be computed on the portion of production allocated to the Land. No part of the Land may be included in a pooled unit unless all of the land that is not in a Retained Tract for a producing well is included in the unit.

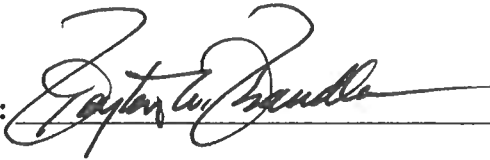
To effectuate the purposes and intent of the parties hereto the Lease, as hereby amended, shall continue in full force and effect subject to and in accordance with all of its terms.

This instrument may be executed in one or more counterparts or in multiple originals, either one of which is as valid as the other and when taken together shall constitute one agreement.

WITNESS the execution hereof this 1st day of February, 2008

Lessor:

**City of Mansfield
Clayton W. Chandler**

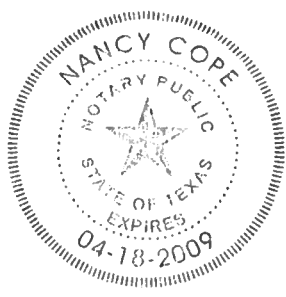
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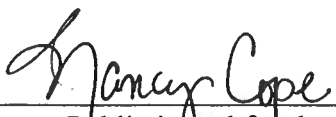
Title: City Manager

ACKNOWLEDGEMENTS

**STATE OF TEXAS §
 §
COUNTY OF TARRANT §**

This instrument was acknowledged before me on the 1st day of February 2008, by Clayton Chandler, City Manager, on behalf of the City of Mansfield.




Notary Public in and for the State of Texas
Nancy Cope
Printed Name

Lessee:

Carrizo Oil & Gas, Inc.
Andrew R. Agosto

By:  MUCS

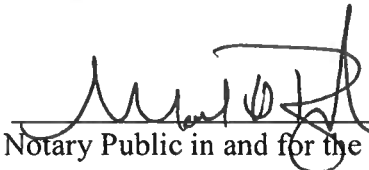
Title: Vice President

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF Harris §

This instrument was acknowledged before me on the 26th day of FEBRUARY 2008,
by Andrew R. Agosto, Vice President on behalf of Carrizo Oil & Gas, Inc.




Notary Public in and for the State of Texas

Printed Name

Exhibit "A"

(Attach copy of executed gas lease)

FILE COPY

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

OIL AND GAS LEASE
(City of Mansfield Lease)

This Oil and Gas Lease (this "Lease") is made on this 11th day of October, 2006, between the City of Mansfield, Texas (hereafter called "Lessor," whether one or more), whose address is 1200 E. Broad Street, Mansfield, Texas 76063 and Carrizo Oil & Gas, Inc., (hereafter called "Lessee"), whose address is 1000 Louisiana, Suite 1500 Houston, Texas 77002, (collectively, hereafter called the "Parties").

1. **Grant.** In consideration for good and other valuable consideration, Lessor grants and leases exclusively unto Lessee Lessor's interest in the tract of land in Tarrant County, Texas, more particularly described in attached Exhibit "A" (the "Land"), for the sole purpose of drilling and producing oil and gas, laying pipelines and building roads and tanks thereon to produce, save, treat, process, store, and transport oil and gas and other products manufactured from oil and gas produced from the Land.

2. **Primary Term.** This Lease is for a term of two (2) years from this date (called "Primary Term") and so long thereafter as oil or gas is produced from the Land in paying quantities.

3. **Minerals Covered.** This Lease covers only oil and gas, including other liquid and gaseous hydrocarbons, as well as such other minerals or substances as may be produced incidental to and as a part of or mixed with oil, gas and other liquid or gaseous hydrocarbons, produced through the borehole only, but this Lease does not cover sand, gravel, uranium, fissionable materials, coal, lignite or any hard minerals or substances of any type which shall be produced from the Land separate and apart from, or independently of, oil, gas or other liquid and gaseous hydrocarbons.

4. **Royalty.**

(a) As royalties, Lessee agrees:

(1) To deliver free of cost to Lessor at the wells or to the credit of Lessor at the pipeline to which the wells may be connected, 25% (the "Royalty Fraction") of all oil and other liquid hydrocarbons produced and saved from the Land. At Lessor's option, which may be exercised from time to time, Lessee shall pay to Lessor the same part of the market value at the well of oil and other liquid hydrocarbons of like grade and gravity prevailing on the day the oil and other hydrocarbons are run from the Lease in the general area in which the Land is located.

(2) To pay to Lessor:

(i) On gas produced from the Land and sold by Lessee or used on or off the Land and to which the following subparagraphs (ii) and (iii) do not apply, the Royalty Fraction of the market value at the point of sale, use, or other disposition.

(ii) On gas produced from the Land that is processed in a processing plant in which Lessee or an affiliate of Lessee has a direct or indirect interest, the higher of the Royalty Fraction of the market value of the gas at the inlet to the processing plant, or the Royalty Fraction of the market value of all processed liquids saved from the gas at the plant plus the Royalty Fraction of the market value of all residue gas at the point of sale, use, or other disposition.

(iii) On gas produced from the Land that is processed in facilities other than a processing plant in which Lessee or an affiliate of Lessee has a direct or indirect interest, the Royalty Fraction of the market value at the plant of all processed liquids credited to the account of Lessee and attributable to the gas plus the Royalty Fraction of the market value of all residue gas at the point of sale, use, or other disposition.

(b) The market value of gas will be determined at the specified location by reference to the gross heating value (measured in British thermal units) and quality of the gas. The market value used in the calculation of oil and gas royalty will never be less than the total proceeds received by Lessee in connection with the sale, use, or other disposition of the oil or gas produced or sold. For purposes of this paragraph, if Lessee receives from a purchaser of oil or gas any reimbursement for all or any part of severance or production taxes, or if Lessee realizes proceeds of production after deduction for any expense of production, gathering, dehydration, separation, compression, transportation, treatment, processing, storage, or marketing, then the reimbursement or the deductions will be added to the total proceeds received by Lessee. Royalty will be payable on oil and gas produced from the Land and consumed by Lessee on the Land for compression, dehydration, fuel, or other use.

(c) If gas produced from the Land is sold by Lessee pursuant to an arms-length contract with a purchaser that is not an affiliate of Lessee, and for a term no longer than that which is usual and customary in the industry at the time the contract is made, then the market value of the gas sold pursuant to the contract shall be the total proceeds received by Lessee in the sale, subject to the provisions of paragraph 4(b) above.

(d) If Lessee compresses, transports, processes, or treats gas produced from the Land, Lessor's royalty shall not bear any of the costs associated therewith. If a third party that is not an affiliate of Lessee, compresses, transports, processes, or treats gas produced from the Land, Lessor's royalty will bear its proportionate share of costs and expenses associated therewith, but the price charged for compression, transportation, processing, and treatment shall not exceed the price that would be paid under similar circumstances in an arms-length transaction between unaffiliated parties.

(e) Lessor shall be paid the Royalty Fraction of all payments and other benefits made under any oil or gas sales contract or other arrangement, including take-or-pay payments and payments received in settlement of disputes; provided that if Lessor receives a take-or-pay payment or similar payment for gas that has not been produced,

and if the gas is subsequently produced, Lessor will only receive its Royalty Fraction of any payments made for make-up gas taken pursuant to the take or-pay provision or similar provision.

(f) Lessee must disburse or cause to be disbursed to Lessor its royalty on production from a particular well not later than 90 days after completion of the well, in the case of an oil well, or after the pipeline connection, in the case of a gas well. Thereafter, Lessee must disburse or cause to be disbursed to Lessor its royalty on production by the last day of the second month after the month of production. If not paid when due, Lessor's royalty will bear interest at the maximum lawful rate from due date until paid, which amount Lessee agrees to pay. Acceptance by Lessor of royalties that are past due will not act as a waiver or estoppel of its right to receive interest due thereon unless Lessor expressly so provides in writing signed by Lessor. The royalty payment obligations under this Lease shall not be affected by any division order or the provisions of the Section 91.402 of the Texas Natural Resources Code or any similar statute.

(g) As used in this Lease, "affiliate" means (i) a corporation, joint venture, partnership, or other entity that owns more than ten percent of the outstanding voting interest of Lessee or in which Lessee owns more than ten percent of the outstanding voting interest; or (ii) a corporation, joint venture, partnership, or other entity in which, together with Lessee, more than ten percent of the outstanding voting interests of both Lessee and the other corporation, joint venture, partnership, or other entity is owned or controlled by the same persons or group of persons.

(h) The receipt by Lessee from a purchaser or a pipeline company of proceeds of production for distribution to Lessor will not result in Lessee acquiring legal or equitable title to those proceeds, but Lessee will at all time hold the proceeds in trust for the benefit of Lessor. Notwithstanding the insolvency, bankruptcy, or other business failure of a purchaser of production from the Land or pipeline company transporting production from the Land, Lessee will remain liable for payment to Lessor for, and agrees to pay Lessor all royalties due Lessor together with interest if not timely paid.

(i) Notwithstanding anything contained herein to the contrary, Lessee shall never be obligated to pay royalty on products produced, saved and sold by Lessee under this lease based upon a price higher than that realized by Lessee at the point of delivery nor shall Lessor's royalty on products produced, saved and sold by Lessee under this lease be paid based upon a price lower than that realized by Lessee at the point of delivery. For the purpose of this lease, point of delivery shall be defined as that point at which oil and/or gas or any other products produced by Lessee under this lease are no longer owned or controlled by Lessee.

5. Shut-in Royalty. While there is a gas well on this Lease or on acreage pooled therewith capable of producing gas in paying quantities, but gas is not being sold, Lessee shall pay or tender in advance an annual shut-in royalty equal to Twenty Five Dollars (\$25) per acre for each well from which gas is not being sold. Payment with respect to a well will be due within 60 days after the well is shut-in. While shut-in royalty payments are timely and properly paid, this Lease will be held as a producing lease. The right of

Lessee to maintain this Lease in force by payment of shut-in gas royalty is limited to a period of no more than two (2) years or from time to time, for shorter periods which do not exceed three (3) cumulative years. The obligation of Lessee to pay shut-in royalty is a condition and not a covenant. The payment or tender of royalty under this paragraph may be made by the check of Lessee mailed or delivered to the parties entitled thereto on or before the due date.

6. Continuous Drilling. (a) If, at the expiration of the Primary Term, oil or gas is not being produced from the Land, but Lessee has commenced the drilling of a well on the Land, the Lease will not terminate but will remain in effect for so long thereafter as operations are carried out with due diligence with no cessation of more than 60 days, and if the operations result

in the production of oil or gas, the Lease shall remain in force as otherwise provided herein. For the purposes of this Lease, the term "operations" is strictly defined as the period of time the well is spudded with appropriate equipment on site to drill to the depth indicated on the drilling permit to the time the drilling rig is released from the drill site.

(b) If this Lease is maintained beyond the expiration of the Primary Term by production or otherwise, it will remain in force as to all acreage and depths as long as there is no lapse of more than two years between the completion of one well and the commencement of the actual drilling of another well. The commencement of actual drilling means the penetration of the surface with a drilling rig capable of drilling to the anticipated total depth of the well. After a well is commenced, drilling operations must continue in a good and workmanlike manner in a good faith effort to reach the anticipated total depth with no cessation of operations for more than 60 consecutive days. A well will be deemed to have been completed on the date of completion as shown on the completion report filed with the Railroad Commission of Texas, or 90 days after the release of the drilling rig, if sooner. The permitted time between wells shall be cumulative so that if a well is commenced prior to the date it is required to be commenced, the number of days prior to the date on which the well should have been commenced shall be added to the time permitted for the next well.

(c) If at any time the maximum time for the commencement of the actual drilling of a well expires without the commencement of the well, or upon the expiration of the Primary Term if the Lease is not maintained by continuous drilling, this Lease will terminate except as to the Retained Tract (defined below) surrounding any well that is then producing in paying quantities or deemed to be producing in paying quantities by virtue of payment of shut-in royalties, and as to each Retained Tract, the Lease will then terminate as to all depths 100 feet below the stratigraphic equivalent of the base of the deepest producing formation on the Retained Tract. The Lease will be treated as a separate lease with respect to each Retained Tract and will continue so long as production in paying quantities continues from the tract. If production from a Retained Tract ceases from any cause, this Lease will terminate as to that tract unless Lessee commences operations for drilling or reworking on the tract within 60 days after the cessation of production, in which case the Lease as to that tract will continue in force as long as the operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in production, so long thereafter as there is production from the tract.

(d) As used in this Lease, the term "horizontal well" means a well that meets the definition of a "horizontal drainhole well" under Statewide Rule 86 of the Railroad Commission of Texas, and a "vertical well" is a well that is not a horizontal well. The land assigned to a well for the purposes of this Paragraph is referred to as a "Retained Tract." A Retained Tract for a well may not exceed the minimum size required to obtain a drilling permit under the well density rules adopted by the Railroad Commission of Texas for the field, or if there are no field rules that apply, the Retained Tract shall be limited to the smallest size required to obtain a drilling permit under the statewide well density rules of the Railroad Commission of Texas. A Retained Tract for a vertical well producing from the Barnett Shale formation may not exceed 40 acres. If field rules are established later that permit obtaining a drilling permit with less acreage, a Retained Tract for a vertical well may not exceed the minimum size permitted. A Retained Tract for a horizontal well may include the greater of 160 acres or the minimum acreage specified above for a vertical well plus the additional acreage listed in the tables in Rule 86 and must comply with the requirements of Rule 86 for minimum permitted well density, and if the well is producing from the Barnett Shale formation, the acreage of the Retained Tract shall be assigned as if well density for vertical wells is 40 acres or less.

(e) Within 60 days after the last to occur of the expiration of the Primary Term or the continuous drilling program, Lessee must file in the county records and a document designating each Retained Tract by metes and bounds and the retained depths thereunder, and releasing all other depths and acreage. A gas well that becomes an oil well will hold only the acreage permitted for an oil well, and Lessee must file a redesignation of the Retained Tract in the Real Property Records of the county where the Land is located. If Lessee fails to file timely a document required by this paragraph after Lessor has provided 30 days prior written notice, then Lessor may do so, and the filing will bind Lessee.

7. Pooling. Lessee may pool the Land with contiguous acreage to form pooled units for the production of oil or gas. The acreage in a pooled unit may not exceed greater of 160 acres or the amount that would be permitted for a Retained Tract composed of acreage lying entirely within the Land. The unit will become effective when Lessee files in the Real Property Records where the Land is located a document describing the pooled acreage and depths for the pooled unit, and Lessee shall make a copy of the document available to Lessor. Lessee may at its election exercise its pooling option before or after commencing operations. Operations for drilling on or production of oil or gas from any part of a pooled unit that includes land covered by this Lease shall be considered as operations on or production of oil or gas from the portion of the Land included in the pooled unit. That part of the Land included in a pooled unit will be considered to be a Retained Tract, and the provisions of this Lease that provide for termination of the Lease insofar as the Lease covers depths 100 feet below the base of the deepest producing formation and other provisions relating to Retained Tracts shall apply. There shall be allocated to the Land included in the unit that prorated portion of the oil and gas, or either of them, produced from the pooled unit that the number of surface acres of the Land included in the unit bears to the total number of surface acres included in the unit. Royalties shall be computed on the portion of production allocated to the Land. No part of the Land may be included in a pooled unit unless all of the land that is not in a Retained Tract for a producing well is included in the unit.

8. Offset Wells. Lessee must completely protect the oil and gas in and under the Land, or such portions thereof as may be in force and effect from time to time, from drainage by wells on adjoining or adjacent lands or leases. Lessee must drill as many wells as are necessary and to the depth or depths necessary for complete protection against drainage from said adjacent land or leases. Lessee is obligated to protect the Land from drainage by wells drilled on other lands of Lessor to the same extent as though such draining wells were drilled on lands belonging to third parties. Neither the royalties nor shut-in gas well rentals paid or to be paid hereunder may relieve Lessee from the obligations herein expressed, nor shall the provisions of this Paragraph relieve Lessee of any implied duties or obligations arising under this Lease.

Notwithstanding the foregoing, but not limiting the foregoing, in the event a well producing oil or gas in paying quantities is now or hereafter completed within 330 feet of or draining the Land, Lessee must, within ninety (90) days after the later of the commencement of production from such well or the effective date hereof, commence the drilling or recompletion of a well on the Land and shall make a good faith effort to establish commercial production in the sand or horizon from which the offset well is producing. If at the time the offset obligation accrues a well on contiguous acreage pooled with the Land can be demonstrated to a reasonable person to be completely protecting the Land then no offset well obligation will be due. If at the time such offset obligation accrues, Lessee is engaged in the drilling of another well on contiguous acreage pooled with the Land, then Lessee has not more than one hundred twenty (120) days after the date of completion of such other well drilled by Lessee within which to commence the drilling of the well to protect against the offset well.

9. Secondary Recovery. Lessee will not implement any repressuring, pressure maintenance, recycling, or secondary recovery operations without the prior written consent of Lessor.

10. Surface Operations. (a) The Land is currently used for municipal functions and no oil, gas or other drilling, production or transportation operations of any kind, including but not limited to the drilling, placement, or casing of any well, meter, pipeline, road or other structure shall take place or be situated upon the subject Land. No seismic operations shall be conducted upon the Land whatsoever without express written consent of Lessor. Lessee shall not be permitted any use of the surface lands for any purpose without the written consent of Lessor and Lessee shall have no rights to ingress and egress upon the surface of the leased premises.

(b) Lessee shall not have the privilege of using surface water from the Land. Water from Lessor's creeks, tanks, or wells may not be used by Lessee. If Lessor consents to the drilling of a water well by Lessee, Lessor shall have free use of water produced from the well at all times the well is not being used by Lessee. When the water well is no longer being used by Lessee, it shall tender the well and all related equipment to Lessor, free of cost.

11. Assignments. No assignment of this Lease may be made unless the successor operator posts and maintains an acceptable performance bond with and for the benefit of Lessor which guarantees the performance of all plugging (in like amount and as comparable to that accepted by the Railroad Commission for wells of like depth) and restoration obligations hereunder. Lessor's consent shall not be unreasonably withheld; provided, however, consent to any assignment shall not constitute consent to any other assignment. Any assignment made without Lessor's consent shall be void and shall constitute a material breach of this lease. Lessee must furnish Lessor a copy of any assignment made pursuant to this Paragraph, with the recording data reflected thereon. Assignment of this lease or any part thereof shall not relieve Lessee, its assignees or any successor of any obligations hereunder theretofore accrued; and any assignee of Lessee must, by acceptance of such assignment, be bound by all terms and provisions hereof. The term "assignment," as used herein, must include, without limitation, any assignment, sublease, farmout, operating agreement, pooling agreement, unitization agreement, assignment, or any other agreement by which any share of the operating rights granted by this lease are assigned or succeeded to, or agreed to be assigned or succeeded to, to any other party.

The provisions hereof shall extend to the benefit of and be binding upon the heirs, executors, administrators, successors, and assigns of the respective parties hereto. No changes or division in the ownership of the land, rentals or royalties shall be binding upon Lessee for any purpose until Lessee has been furnished with the instrument or instruments, or copies thereof, constituting the chain of title from the original Lessors.

12. Force Majeure. If, while this lease is in force, at or after the expiration of the primary term, Lessee's drilling operations are delayed by reason of Lessee's inability to obtain fuel for operations or Lessee's inability to obtain the services of a drilling rig, or prohibition from entering the Land, then all provisions contained herein providing for the termination of this lease, in whole or in part, upon cessation of continuous drilling operations shall be extended until thirty (30) days after the removal of such delaying cause; provided, however, that Lessee must give written notice to Lessor of the existence and cause of such delay within fifteen (15) days thereafter. Other than the foregoing, no force majeure type provision is applicable to this lease. This Lease and any obligation hereunder may not be extended by more than two years in the cumulative by reason of Force Majeure.

13. No Warranties. Lessor makes no warranty of any kind with respect to title to the Land. By acceptance of this Lease, Lessee acknowledges that it has been given full opportunity to investigate and has conducted sufficient investigation to satisfy itself as to the title to the Land, and Lessee assumes all risk of title failures. If Lessor owns an interest in the Land less than the entire fee simple estate, then the royalties payable hereunder will be reduced proportionately.

14. Curing Defaults. Should Lessee at any time fail to comply with its obligations hereunder regarding construction, maintenance, or repair within 30 days after written notice from Lessor, Lessor will have the right to do or have done whatever is necessary to fulfill the obligations to its satisfaction, and Lessee shall be liable to Lessor for the reasonable and necessary expenses thus incurred by Lessor, to be paid within ten days after Lessor furnishes to Lessee an itemized written statement of the expenses.

15. **Notices.** All notices will be deemed given and reports will be deemed delivered if sent by certified letter, return receipt requested, properly addressed and deposited in the United States Postal Service, postage prepaid, to Lessor and Lessee at the addresses shown for each party. Any party may designate a new address by proper notice to the other party or parties.

16. **(Deleted).**

17. **Insurance.** At all times while this Lease is in force, Lessee shall acquire and maintain insurance covering all of its operations on the Land, including any work performed on its behalf by contractors, subcontractors, and others. The policies shall include coverage for comprehensive general liability, for bodily injury and property damage, blowout and loss of well coverage, and coverage for any damage to the environment, including coverage for the cost of clean up and surface remediation. The coverage shall be in the minimum amount of \$5,000,000.

18. **Indemnity.** Lessee herein shall be solely responsible for full compliance with all rules and regulations of the Railroad Commission of Texas, or any other governmental agency, in all of its operation on the Land and especially including the proper plugging of any well that is to be abandoned on the Land, and does hereby indemnify and agree to hold Lessor harmless against any such rules and regulations. LESSEE SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE INDEMNIFIED PARTIES (AS HEREINAFTER DEFINED) FROM ANY AND ALL LIABILITY, LIENS, DEMAND, JUDGMENTS, SUITS AND CLAIMS OF ANY KIND OR CHARACTER ARISING OUT OF, IN CONNECTION WITH, OR RELATING TO ANY OPERATION OR ACTIVITY CONDUCTED BY LESSEE, OR ITS AGENTS, CONTRACTORS, EMPLOYEES, LICENSEES OR INVITEES, ON OR UNDER THE LAND INCLUDING BUT NOT LIMITED TO CLAIMS FOR INJURY OR DEATH OF ANY PERSONS OR DAMAGE, LOSS OR DESTRUCTION OF ANY PROPERTY, REAL OR PERSONAL, UNDER ANY THEORY OF TORT, CONTRACT, STRICT LIABILITY OR OTHERWISE. LESSEE FURTHER COVENANTS AND AGREES TO DEFEND ANY SUITS BROUGHT AGAINST ANY OF THE INDEMNIFIED PARTIES ON ACCOUNT OF SAID CLAIMS AND TO PAY ANY JUDGMENTS AGAINST ANY OR ALL OF THE INDEMNIFIED PARTIES RESULTING FROM ANY SUCH SUIT OR SUITS, TOGETHER WITH ALL COSTS AND EXPENSES RELATIVE TO ANY SUCH CLAIMS, INCLUDING BUT NOT LIMITED TO ATTORNEY'S FEES. EACH OF THE INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO PARTICIPATE IN THE DEFENSE OF ANY SUIT OR CLAIM IN WHICH THEY (OR ANY OF THEM) MAY BE A PARTY WITHOUT RELIEVING LESSEE OF ITS OBLIGATIONS HEREUNDER. THE FOREGOING INDEMNITY AND ALL OTHER INDEMNITIES OF LESSEE CONTAINED IN THIS LEASE SHALL SURVIVE ANY TERMINATION OF THIS LEASE AND SHALL INURE TO THE BENEFIT OF LESSOR AND EACH OF THE INDEMNIFIED PARTIES. AS USED IN THIS LEASE, THE TERM "INDEMNIFIED PARTIES" REFERS TO LESSOR AND ANY AND ALL OFFICERS, EMPLOYEES, AGENTS, TENANTS, AND INVITEES OF LESSOR.

19. Miscellaneous Provisions.

(a) In the event this Lease expires for any reason as to all or any part of the Land, Lessee shall, within 60 days thereafter, furnish Lessor with a written, recordable release covering all of the Land or that portion of the Land to be released.

(b) Nothing in this Lease negates the usual implied covenants imposed upon Lessee.

(c) Lessee will conduct all operations hereunder in compliance with the rules of the Railroad Commission of Texas and federal and state environmental laws and regulations. Upon written request by Lessor, Lessee will give Lessor at least ten days prior notice in writing before conducting drilling, recompletion, or reworking operations on acreage pooled with the Land. Upon written request by Lessor, Lessee shall furnish to Lessor copies of applications to drill, daily drilling reports, well tests, completion reports, plugging records, and production reports. Lessor has the right, personally or by representative, at Lessor's risk, of access to the derrick floor to observe all operations on all wells drilled on acreage pooled with the Land. Lessor will have the right to inspect and take samples of all cores and cuttings and witness the taking of all logs and drill stem tests. Lessee will divulge to Lessor correct information as requested by Lessor as to each well, the production therefrom, and such technical information as Lessee may acquire. Lessor has the right to be present when wells or tanks are gauged and production metered and has the right to examine all run tickets and to have full information as to production and runs and to receive copies of all run tickets upon request.

(d) The term "production" means production in paying quantities. No obligation of Lessee to pay money under this Lease will be excused or delayed by reason of Force Majeure. Lessee's obligations to pay money under this Lease are to be performed in Tarrant County, Texas. Paragraph headings are used in this Lease for convenience only and are not to be considered in the interpretation or construction of this Lease. The execution or ratification by Lessor of any division order, gas contract, or any other document will not alter any provision of this Lease unless the intent to do so is expressly stated in the document. Under no circumstances may Lessee, its agents, employees, or contractors bring firearms or dogs or other animals on the Land or hunt or fish on the Land. Upon written request by Lessor, Lessee agrees to furnish to Lessor a copy of each title opinion or report obtained by Lessee that covers all or any part of the Land together with a copy of each title curative document obtained by Lessee.

(e) Lessor shall have the right to inspect all records of Lessee relating to this Lease, operations conducted on the Lease, the sale and marketing of production from the Lease, and the payment of royalties, including the right to audit Lessee's books insofar as they relate to the foregoing.

(f) No seismic or other geophysical operations may be conducted by Lessee without Lessor's prior written approval.

(g) This Lease is binding upon and for the benefit of Lessor, Lessee, and their respective heirs, personal representatives, successors, and assigns.

(h) Upon 30 days' notice, Lessor shall have the right, no more often than once each calendar year, to call a meeting with Lessee and/or its permitted assigns to review Lessee's operations on the Land and to discuss Lessee's and/or its permitted assigns' then anticipated operations on the Land or acreage pooled therewith for the succeeding year.

(i) Notwithstanding the requirements of this Lease, Lessee covenants and agrees to comply with the minimum rules and regulations of the City of Mansfield, including, but not limited to, Section 7960 "Gas Well Drilling and Production" (Ordinance No. 1480), of the Mansfield Zoning Ordinance (collectively the "Regulations"). In addition, Lessee acknowledges and agrees that this Lease does not constitute, and shall not contractually obligate the City Council of the City of Mansfield to grant a waiver or approval of any requirements set forth in the Regulations.

(j) Lessee agrees to abide by the terms and conditions of Lessee's bid for the right to lease the Land, as set forth in Exhibit "B" hereto, as if such terms and conditions were copied verbatim herein.

20. **Environmental Protection Provisions.**

Lessee represents, warrants, and covenants that, at all times during its possession of the Land or of any easements or areas retained under this lease:

- (1) The Land must never be used by Lessee for the generation, storage, or disposal of Hazardous Substances or as a landfill or other waste disposal site.
- (2) There must be no underground fuel storage tanks on the Land.
- (3) None of the equipment owned or used by Lessee on the Land may contain any polychlorinated biphenyls.
- (4) No Hazardous Substances or wastes exist in, on, or under the Land as a result of Lessee's operations to the best of Lessee's knowledge.
- (5) The Land is in full compliance with all Applicable Laws, as defined below, to the best of Lessee's knowledge.
- (6) There are no actions, suits, claims, or proceedings seeking money damages, injunctive relief, remedial action, or other remedy pending or threatened relating to (a) a violation or noncompliance with any Applicable Laws; (b) the disposal, discharge, or release of Hazardous Substances; or (c) exposure to Hazardous Substances or any other solid wastes, pollutants, chemical substances, noises, or vibrations to the extent the same will arise from any condition related to Lessee's ownership or use of the Land.
- (7) All necessary plans for development, applications, inspection reports, certificates, and other instruments required under any Applicable Law to

- be filed by Lessee in connection with the conduct of Lessee's use of the Land have been filed with the appropriate federal, state, and local governmental bodies, authorities, and agencies, and all permits, licenses, or other authorizations necessary for the lawful conduct of Lessee's use of the Land in compliance with all Applicable Laws have been obtained.
- (8) If violations of Applicable Laws with respect to the Land or Lessee's operations on the Land are found to exist, Lessor shall have the right and authority to notify any relevant public or governmental agency of the existence of such violations of Applicable Laws.
 - (9) Lessee will not engage in and will not permit any other party to engage in any activity on the Land which would cause the Land to become a hazardous waste treatment, storage, or disposal facility within the meaning of, or otherwise bring the Land within the ambit of, the Resource Conservation and Recovery Act of 1976, as amended, or any similar state law or local ordinance or other environmental law.
 - (10) Except for Hazardous Substances originating from the subsurface of the Land (e.g. H₂S, naturally occurring radioactive materials, and CO₂), Lessee will not engage in and will not permit any other party to engage in any activity on the Land which would cause a release or threatened release of a Hazardous Substance from or to the Land within the meaning of, or otherwise bring the Land within the ambit of, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.
 - (11) Lessee will not engage in and will not permit any other party to engage in any activity on the Land which would cause the discharge of pollutants or effluents into any water source or system, or the discharge into the air of any emissions, which would require a permit under the Federal Water Pollution Control Act or the Clean Air Act, or any similar state law or local ordinance or any other environmental law.
 - (12) Lessee will not permit any substance or conditions in or on the Land which might support a claim or cause of action under RCRA, CERCLA, or any other federal, state or local environmental statute, regulation, ordinance or other environmental regulatory requirement.
 - (13) If Lessee determines that a threat to the environment, including but not limited to a release, discharge, spill, or deposit of a hazardous substance has occurred or is occurring which affects or threatens to affect the Land, or persons, structures, equipment, or other property adjacent thereto, Lessee must immediately verbally notify: (1) Lessee, and (2) all emergency response centers and environmental or regulatory agencies, as required by law or regulation. Lessee must provide Director of the City of Mansfield with written confirmation of the verbal report within 72 hours. Lessee agrees to cooperate fully with Lessee in promptly responding to, reporting, and remedying a threat to the environment, including the drainage systems, soils, groundwater, waters, or atmosphere, in

accordance with applicable law or as authorized or approved by any federal, state, or local agency having authority over environmental matters.

“Applicable Laws” shall mean and include any and all existing or future laws, statutes, rules, regulations, and judicial interpretations thereof of the United States, of any state in which the Land, or any portion thereof, is located, and of any other governmental or quasi-governmental authority having jurisdiction, that relate to the prevention, abatement, and/or elimination of pollution and/or protection of the environment, including, but not limited to, the federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation or Recovery Act, the Clean Water Act, the Safe Drinking Water Act, the Toxic Substances Control Act, and the Hazardous Materials Transportation Act, together with all state statutes serving any similar or related purpose. “Hazardous Substance” shall mean any substance regulated or covered by an Applicable Law except those necessary for oil and gas operations, which are subsequently removed from the Land within a reasonable period of time after necessary use in oil and gas operations.

21. Binding on Successors and Assigns. This Lease shall be binding on the parties hereto and their successors, assigns, heirs and legal representatives. Lessor represents and warrants that this Lease and Exhibits thereto have been approved and duly adopted by the City Council of the City of Mansfield, Texas in accordance with all applicable public meeting and public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Lease with the attached Exhibits on behalf of Lessor has been authorized to do so. Lessee represents and warrants that this Lease and Exhibits thereto have been approved by appropriate action of Lessee and that the individual executing this Agreement on behalf of Lessee has been authorized to do so.

Executed on the date first written above.

LESSOR: CITY OF MANSFIELD

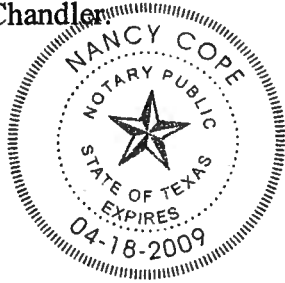
By: 
Clayton Chandler, City Manager

THE STATE OF TEXAS §

COUNTY OF TARRANT §

This document was acknowledged before me on October 11, 2006, by City

Manager Clayton Chandler



Nancy Cope
Notary Public, State of Texas

LESSEE: CARRIZO OIL & GAS, INC.

By: Andrew Agosto

THE STATE OF TEXAS §

COUNTY OF Harris §

This document was acknowledged before me on December 13, 2006, by

Andrew Agosto, on behalf of said Carrizo Oil & Gas.

Merry Kay Engbrecht
Notary Public, State of Texas

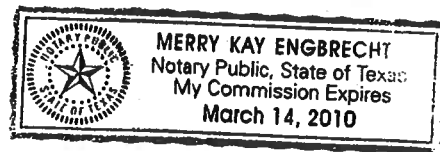


EXHIBIT A

BEING a 4.849 acre tract of land situated in the T.J. Hanks Survey, Abstract No. 644, said 4.849acre tract being a portion of a tract of land as described by Trustee's Deed to For Worth National Bank and recorded in Volume 6597, page 759, Tarrant County Deed Records, said 4.848 acre tract also being a portion of a 33.23 acre tract of land (Lot 1, Block4) of an unrecorded survey map of Mansfield Industrial Park, as prepared by Carter and Burgess, Inc., in April, 1980, and being more particularly described by metes and bounds as follows:

COMMENCING at the intersection of the South right-of-way line of Lillian-Mansfield-Britton Road (County Road No. 2063) (Broad Street) and the most easterly right-of-way line of Sixth Avenue (a 90 foot public right-of-way, Volume 7066, page 1030, Tarrant County Deed Records);

THENCE with the said Southerly right-of-way line of Lillian-Mansfield-Britton Road the following courses and distances:

- N. 66 deg. 27 min. E. 199.52 feet;
- N. 73 deg. 14 min. 17 sec. E. 268.70 feet;
- N. 63 deg. 39 min. 25 sec. E. 209.79 feet to the Point of Beginning of the hereon

described tract, said point being in the said southerly right-of-way line of Lillian-Mansfield-Britton Road, said joint also being in the East right-of-way line of a proposed 60 foot wide street;

THENCE N. 48 deg. 18 min. 42 sec. E. Continuing along said southerly right-of-way line of Lillian-Mansfield-Britton Road, a distance of 186.57 feet to a point in said southerly right-of-way line; said point also being the Northwest corner of a tract of land as described by deed to Curtis Wilson and recorded in Volume 6239, page 942;

THENCE S. 31 deg. 08 min. 37 sec. E. along the West line of said Wilson Tract, a distance of 468.65 feet to the Southwest corner of said Wilson Tract;

THENCE N. 59 deg. 12 min. 25 sec. E. along the South line of said Wilson Tract, a distance of 157.38 feet to a point in the West line of a tract of land as described by deed to John Bratton and recorded in Volume 32, page 529, Tarrant County Deed Records, said point also being the Southeast corner of said Wilson Tract;

THENCE S. 30 deg. 44 min. 37 sec. E. along the West line of said Bratton Tract, a distance of 33.98 feet to the Southwest corner of said Bratton Tract, said point also facing the Northwest corner of a tract of land as described by deed to Longhorn Council Foundation and recorded in Volume 7022, page 03, Tarrant County Deed Records;

THENCE S. 29 deg. 22 min. 25 sec. E. along the West line of the said Longhorn Council Foundation Tract, a distance of 280.86;

THENCE S. 30 deg. 36 min. 46 sec. E. continuing along said Longhorn Council Foundation Tract West line a distance of .20 feet, to a point in the centerline of a Texas Electric Service Company Distribution line as recorded in Volume 4449, page 670, Tarrant County Deed Records;

THENCE S. 40 deg. 57 min. 41 sec. W. leaving said Longhorn Council Foundation Tract West line and along said TESCO. distribution line easement, a distance of 259.94 feet;

THENCE S. 63 deg. 53 min. 25 sec. W. continuing along said TESCO. distribution line easement, a distance of 98.96 feet;

THENCE N. 30 deg. 09 min. 47 sec. W. at 5.01 feet passing the South right-of-way line of a proposed 60 foot wide street and along the aforementioned East right-of-way line of a proposed 60 foot wide street, and continuing on with same course, in all a total distance of 821.69 feet to the Point of Beginning and containing 4.849 acres or 211,206 sq. ft. of land, more or less.

BEING 14.737 acres of land located in the T.J. HANKS SURVEY, Abstract No. 644, Tarrant County, Texas, and being the same tract of land conveyed to Chris Harris by the deed recorded in Volume 7713, Page 1678 of the Deed Records of Tarrant County, Texas. Said 14.737 acres of land being more particularly described by metes and bounds, as follows:

BEGINNING at a $\frac{3}{4}$ " iron rod in the Northwest right-of-way line of Kimball Street and the most Easterly Northeast corner of said Chris Harris Tract, and lying at the South corner of the tract of land conveyed to Jimmie D., and Margaret A. Comer, by the deed recorded in Volume 4047, Page 322 of the Deed Records of Tarrant County, Texas. Said Point of Beginning also being located by deed at a point SOUTH 60° WEST 2938.80 feet; THENCE SOUTH 30° EAST 4091.60 feet from the Northeast corner of said HANKS SURVEY;

THENCE S $05^{\circ} 39' 36''$ W 117.92 feet along the East boundary line of said Harris Tract to a $\frac{5}{8}$ " iron rod;

THENCE S $16^{\circ} 59' 22''$ E 241.34 feet along the East boundary line of said Chris Harris Tract to a $\frac{5}{8}$ " iron rod in the West right-of-way line of Cemetery Road, and lying in the North boundary line of the Mansfield Cemetery Tract;

THENCE along the North boundary line of said Mansfield Cemetery Tract, being the most Northerly Sound boundary line of said Chris Harris Tract, as follows:

1. N. $88^{\circ} 50' 19''$ W 304.80 feet following an old fence to a $\frac{5}{8}$ " iron rod;
2. N $84^{\circ} 22' 14''$ W 247.52 feet following an old fence to a round wooden fence corner post;

THENCE S $01^{\circ} 54' 58''$ W 222.60 feet along the West fence line of said Mansfield Cemetery Tract and the most Westerly East boundary line of said Chris Harris Tract to a $\frac{1}{2}$ " iron rod in an old fence;

THENCE S $89^{\circ} 30' 10''$ W 79.85 feet along the most Southerly North boundary line of aforesaid Mansfield Cemetery Tract, and generally following a fence with the South boundary line of said Chris Harris Tract to a 2- $\frac{1}{2}$ " ornate metal fencepost in concrete;

THENCE S $88^{\circ} 42' 13''$ W 485.78 feet to a $\frac{5}{8}$ " iron rod at the Southwest corner of said Chris Harris Tract, and being located in the East boundary line of the remainder of the tract of land, originally conveyed to John Bratton, by the deed recorded in Volume 35, Page 529 of the Deed Records of Tarrant County, Texas;

THENCE N $27^{\circ} 01' 14''$ E 801.32 feet along the Northwest boundary line of said Chris Harris Tract to a $\frac{1}{2}$ " iron rod at a fence corner at the South corner of the tract of land conveyed to Charles Skyles, and Wife, by the deed recorded in Volume 1291, Page 391 of the Deed Records of Tarrant County, Texas;

THENCE N $61^{\circ} 03' 30''$ E 213.74 feet along the Southeast boundary line of said Skyles Tract to a fencepost at the East corner thereof;

THENCE N $29^{\circ} 50' 51''$ W 149.90 feet along the Northeast boundary line of said Skyles Tract to a $\frac{5}{8}$ " iron rod at the North corner thereof, being located 19.20 feet Southeast of a 1" iron pipe and the South corner of the tract of land conveyed to Brenda K. Hawkins, by the deed recorded in Volume 5734, Page 474 of the Deed Records of Tarrant County, Texas;

THENCE N $60^{\circ} 01' 38''$ E 310.51 feet along the Northwest boundary line of said Chris Harris Tract to a railroad tie fencepost in the Southwest boundary line of aforesaid Jimmie D. and Margaret A. Comer Tract, said fencepost also being the Southeast corner of the tract of land conveyed to Mary Britton;

THENCE S $30^{\circ} 08' 18''$ E 636.64 feet along the Northeast boundary line of said Chris Harris Tract and the Southwest boundary line of said Comer Tract to THE PLACE OF BEGINNING, containing 14.737 acres (641,949 square feet) of land.

BID FORM

December 1, 2005

This bid is hereby tendered solely for the following property: Tr. 46, App. 24.40 ac.,
665 W. Broad Street, Thomas J. Hanks Survey, A-644, Tr. 13H

Minimum Standards of the Bid:

1. A primary term of not more than two (2) years from date of execution. (If less than two years, specify: _____)
2. A royalty to lessor not less than 22% of all oil and gas produced from said land. (If greater than 22%, please specify: 25%)
3. Bonus money as specified by bidder, with a minimum of one thousand dollars (\$1,000) per net mineral acre.
24.40 acres X \$ 1,260.00 = total bonus money: \$30,744.00
4. **THIS BID IS TENDERED FOR A NO-DRILL LEASE. NO SURFACE DRILLING/DRILL SITES SHALL OCCUR ON THE LEASED PREMISES.**
5. This bid is tendered with the understanding that an oil and gas lease will be negotiated once the successful bidder is selected.
6. By submitting a bid, the bidder agrees to **waive** and does hereby **waive** any claim the bidder has or may have against the City of Mansfield, Texas, and the City's respective officers, employees and representatives for the award of attorney fees, arising out of or in connection with the administration, evaluation, or recommendation of any Bid, waiver of any requirements under the Bid Documents, or the Lease Documents, acceptance or rejection of any Bids, and award of the Bid. By submitting a Bid, the bidder specifically waives any right to recover or be paid attorney's fees from the City of Mansfield, Texas, or any of the City's officers, employees and representatives under any of the provisions of the Texas Uniform Declaratory Judgments Act (Texas Civil Practice and Remedies Code, Section 37.001, et. seq., as amended).
7. The bidder agrees that this is the intentional relinquishment of a presently existing known right.
8. By execution and submission of this Bid, the bidder hereby represents and warrants to the City of Mansfield that the bidder has read and understands the Bid Documents and this Bid is made in accordance with the Bid Documents. Bidder acknowledges that it understands all terms within the Bid Documents which include the waiver provisions, and that it had the right to consult with counsel regarding all of the above documents.

Woodstone Resources, L.L.C.
7500 SAN FELIPE STREET, SUITE 475
HOUSTON, TX 77063
PH (713) 706-3090 FAX (713) 706-3490

FILE COPY

December 13, 2006

Via Priority Mail

City of Mansfield
1200 E. Broad Street
Mansfield, Texas 76063

Attn: Shelly Lanners

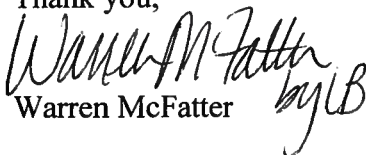
Re: Lease Bonus Payment

Dear Ms. Lanners:

Please find enclosed check 285943464 in the amount of \$24,678.36 and check 285943470 in the amount of \$3,731.20 representing the bonus consideration paid to acquire the oil & gas leases covering 23.106 net acres the T.J. Hanks Survey, A-644.

If you need further assistance, please contact me at the number above.

Thank you,


Warren McFatter

Enclosure(s)

COG Operating Account

CARRIZO OIL & GAS, INC.
 1000 LOUISIANA STREET
 SUITE 1500
 HOUSTON TX 77002
 713-328-1000

JP MORGAN CHASE BANK, N.A.
 LOUISVILLE, KY

32-61
 1110

Check No	Check Date	Check Amount
0000005633	02/22/2007	*****\$2,298.24

PAY *Two Thousand Two Hundred Ninety Eight Dollars and Twenty Four Cents*

TO THE ORDER OF
 CITY OF MANSFIELD
 1200 E BROAD STREET
 MANSFIELD TX 76063

SIGNATURE HAS A COLORED BACKGROUND - YOUR ORDER CONTAINS MICROPRINTING

⑈0000005633⑈ ⑆111000614⑆ 719533143⑈

PLEASE DETACH AT PERFORATION ABOVE

PLEASE DETACH AT PERFORATION ABOVE

CARRIZO OIL & GAS, INC.
 1000 LOUISIANA STREET
 SUITE 1500
 HOUSTON TX 77002



Check Number 0000005633

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
CKREQ20070214	02/14/2007	BONUS CONSIDERATION: 1.824 ACRES IN THE TJ HANKS SURVEY, A-644 (BEING PART OF LEASE #2094, MCCLENDON PARK, 21.41 NMA, TOTAL BONUS \$26,976.60, PREVIOUSLY PAID \$24,678.36)	2,298.24	0.00	2,298.24

018093

← Vendor

Check Date: 02/22/2007

Check Amount →

2,298.24

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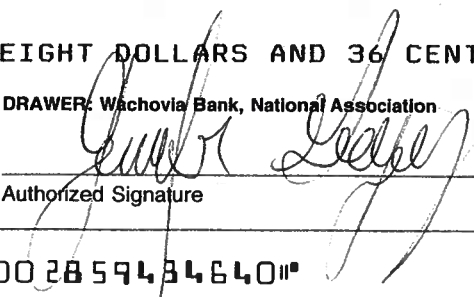

To: CITY OF MANSFIELD

Date: 11-2-06

LESSOR is hereby notified that CARRIZO OIL & GAS COMPANY, INC. ("CARRIZO"), under the terms of a certain Oil and Gas Lease by which lessor is leasing property to CARRIZO (the "Agreement"), is assigning its rights as buyer to a Qualified Intermediary in Assignment of Rights 06-08059-M4 (the "Assignment of Rights"), in order to effect a like-kind exchange of property, as provided under Section 1031 of U. S. Treasury Regulations.

This notification shall in no way be deemed to release CARRIZO or LESSOR from any of their agreements, representations, warranties and/or indemnifications set forth in the Agreement, nor shall the Assignment of Rights be deemed to enlarge the rights, duties or obligations of any party under the Agreement.

CARRIZO OIL & GAS COMPANY, INC.
1000 Louisiana Street, Suite 1500
Houston TX 77002

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK		OFFICIAL CHECK		HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK	
		AN INDEMNITY AND/OR SURETY BOND MAY BE REQUIRED PRIOR TO REPLACEMENT OR REFUND OF THIS CHECK IF LOST OR DESTROYED		23-97 1020	
1001045				285943464	
WACHOVIA				11/02/2006	
Pay To The Order Of	CITY OF MANSFIELD			\$	\$24,678.36
*TWENTY FOUR THOUSAND SIX HUNDRED SEVENTY EIGHT DOLLARS AND 36 CENTS					
WES/06-08059-M4/RPP SOUTH KENNEDALE				DRAWER: Wachovia Bank, National Association	
Remitter	Issued by Integrated Payment Systems Inc., Englewood, Colorado JPMorgan Chase Bank, N.A., Denver, Colorado		Authorized Signature		Dollars
					
					

⑈350927⑈ ⑆102000979⑆ 68002859434640⑈

FILE COPY

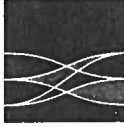
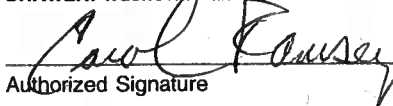
To: CITY OF MANSFIELD

Date: 11-2-06

LESSOR is hereby notified that CARRIZO OIL & GAS COMPANY, INC. ("CARRIZO"), under the terms of a certain Oil and Gas Lease by which lessor is leasing property to CARRIZO (the "Agreement"), is assigning its rights as buyer to a Qualified Intermediary in Assignment of Rights 06-08059-L4 (the "Assignment of Rights"), in order to effect a like-kind exchange of property, as provided under Section 1031 of U. S. Treasury Regulations.

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CARRIZO OIL & GAS COMPANY, INC.
1000 Louisiana Street, Suite 1500
Houston TX 77002

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK		OFFICIAL CHECK		HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK	
		AN INDEMNITY AND/OR SURETY BOND MAY BE REQUIRED PRIOR TO REPLACEMENT OR REFUND OF THIS CHECK IF LOST OR DESTROYED		23-97 1020	285943470
1001045				11/02/2006	
WACHOVIA					
Pay To The Order Of	CITY OF MANSFIELD			\$	\$3,731.20
*THREE THOUSAND SEVEN HUNDRED THIRTY ONE DOLLARS AND 20 CENTS					
Remitter WES/06-08059-L4/RPP S. KENNEDALE Issued by Integrated Payment Systems Inc., Englewood, Colorado JPMorgan Chase Bank, N.A., Denver, Colorado				DRAWER: Wachovia Bank, National Association  Authorized Signature	
MP					

⑈ 350927⑈ ⑆ 102000979⑆ 68002859434703⑈

**GENERAL FUND
MINERAL LEASE PROPERTIES
With Carrizo Oil and Gas**

Tract	Address	Primary Term	Royalty	Bonus Money/AC	Total Acres	Bonus Money for Tract
20	105 Walnut Street	2 yrs	23%	1,060.00	0.22	\$233.20
23	206 S. 1st Avenue	2 yrs	23%	1,060.00	0.26	\$275.60
28	602 Elizabeth Lane	2 yrs	23%	1,060.00	0.23	\$243.80
31	940 W. Broad Street	2 yrs	23%	1,060.00	0.13	\$137.80
42	103 S. 1st Avenue	2 yrs	23%	1,060.00	2.16	\$2,289.60
46	799 W. Broad Street	2 yrs	25%	1,260.00	24.4	\$30,744.00
52	526 Patterson Drive	2 yrs	23%	1,060.00	0.52	\$551.20
Carrizo Oil & Gas						
\$34,475.20						