

CARRIZO OIL & GAS INC
Form 424B5
November 08, 2013
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Filed pursuant to Rule 424(b)(5)
Registration Statement No. 333-173821

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered(1)	Maximum offering price per share	Maximum aggregate offering price	Amount of registration fee(2)
Common Stock	5,175,000	\$44.00	\$227,700,000	\$29,327.76

- (1) Includes shares subject to an option granted by the Registrant to the underwriters.
(2) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT

(To Prospectus Dated April 29, 2011)

4,500,000 Shares

Carrizo Oil & Gas, Inc.

Common Stock

We are offering 4,500,000 shares of our common stock.

Our common stock is listed on the NASDAQ Global Select Market under the symbol CRZO. On November 6, 2013, the last reported sale price of our common stock on the NASDAQ Global Select Market was \$44.80 per share.

Investing in our common stock involves risks. See Risk Factors on page S-11 of this prospectus supplement and on page 2 of the accompanying prospectus.

	Per Share	Total
Public offering price	\$ 44.00	\$ 198,000,000
Underwriting discount	\$ 1.76	\$ 7,920,000
Proceeds, before expenses, to us	\$ 42.24	\$ 190,080,000

We have granted the underwriters a 30-day option to purchase up to 675,000 additional shares of common stock at \$42.24 per share.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares of common stock are expected to be ready for delivery in New York, New York on or about November 13, 2013.

Book-Running Managers

RBC Capital Markets

Wells Fargo Securities

Global Hunter Securities

Senior Co-Managers

Johnson Rice & Company L.L.C.

Stephens Inc.

Co-Managers

Capital One Securities

SunTrust Robinson Humphrey

Miller Tabak

KeyBanc Capital Markets

Scotiabank / Howard Weil

Heikkinen Energy Advisors

Northland Capital Markets

November 6, 2013.

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Information

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of our common stock. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of common stock. If the information varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. We refer to the prospectus supplement and the accompanying prospectus, taken together, as the prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus or in any free writing prospectus made available by us. We have not authorized any other person to provide you with different information. If anyone provides you with different information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume the information appearing in this prospectus is accurate only as of the date on the cover of this prospectus and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since that date.

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FORWARD LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus, including the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, contain statements concerning our expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not historical facts. These statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among others, statements regarding:

our schedule, targets, estimates or results of future drilling, including the number, timing and results of wells, budgeted wells, increases in wells, and the timing and risk involved in drilling follow-up wells;

timing and amounts of production;

expected working or net revenue interests;

planned expenditures;

prospects budgeted and other future capital expenditures;

risk profile of oil and gas exploration;

acquisition of 3-D seismic data (including number, timing and size of projects);

capital expenditure plans;

planned evaluation of prospects;

probability of prospects having oil and gas;

expected production or reserves;

pipeline connections;

increases in reserves;

acreage;

working capital requirements;

commodity price risk management activities and the impact on our average realized prices;

the availability of expected sources of liquidity to implement our business strategies;

accessibility of borrowings under our credit facilities;

future exploration activity;

drilling, completion and fracturing of wells;

land acquisitions;

production rates;

forecasted production;

growth in production;

development of new drilling programs;

participation of our industry partners;

exploration and development expenditures;

the impact of our business strategies;

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the benefits, results, effects, availability of and results of new and existing joint ventures and sales transactions;

receipt of receivables, drilling carry, proceeds from sales, and all and any other statements regarding future operations, financial results, business plans and cash needs; and

the effects of any acquisitions, dispositions or other transactions.

You generally can identify our forward-looking statements by the words anticipate, believe, budgeted, continue, could, estimate, expect, forecast, goal, intend, may, objective, plan, potential, predict, project, or other similar words. Such statements involve risks and uncertainties, including, but not limited to, those relating to worldwide economic conditions, purchase price and other adjustments and indemnities, availability of financing, our dependence on our exploratory drilling activities, the volatility of and changes in oil and gas prices, the need to replace reserves depleted by production, operating risks of oil and gas operations, our dependence on our key personnel, factors that affect our ability to manage our growth and achieve our business strategy, results, delays and uncertainties that may be encountered in drilling, development or production, interpretations and impact of oil and gas reserve estimation and disclosure requirements, activities and approvals of our partners and parties with whom we have alliances, technological changes, capital requirements, borrowing base determinations and availability under our credit facility, evaluations of us by lenders under our credit facility, the potential impact of government regulations, including current and proposed legislation and regulations related to hydraulic fracturing, oil and natural gas drilling, air emissions and climate change, regulatory determinations, litigation, competition, the uncertainty of reserve information and future net revenue estimates, property acquisition risks, availability of equipment and crews, actions by our midstream and other industry partners, weather, availability of financing, actions by lenders, our ability to obtain permits and licenses, the results of audits and assessments, the failure to obtain certain bank and lease consents, the existence and resolution of title defects, new taxes and impact fees, delays, costs and difficulties relating to our joint ventures, actions by joint venture partners, results of exploration activities, the availability and completion of land acquisitions, completion and connection of wells and other factors detailed in this prospectus and in our filings with the SEC.

We have based our forward-looking statements on our management's beliefs and assumptions based on information available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions and projections about future events may and often do vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

Some of the factors that could cause actual results to differ from those expressed or implied in forward-looking statements are described under "Risk Factors" and in other sections of this prospectus and described under "Risk Factors" and elsewhere in the documents that we incorporate by reference into this prospectus, including our Annual Report on Form 10-K for the year ended December 31, 2012, our subsequent Quarterly Reports on Form 10-Q and current reports on Form 8-K, and all other documents incorporated by reference into this prospectus, as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on our forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and, except as required by law, we undertake no duty to update or revise any forward-looking statement.

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SUMMARY

This summary highlights selected information about us but does not contain all the information that may be important to you. This prospectus supplement includes specific terms of the offering and information about our business and financial data. You should read carefully this prospectus supplement and the accompanying prospectus, including the matters set forth under the caption Risk Factors, and the information incorporated by reference in this prospectus supplement and the accompanying prospectus before making an investment decision. In this prospectus, references to Carrizo, the Company, we and us refer to Carrizo Oil & Gas, Inc. and its subsidiaries.

For more information about the industry terms used in this prospectus supplement, please read Glossary of Certain Industry Terms in our Annual Report on Form 10-K for the year ended December 31, 2012.

Our Company

Carrizo Oil & Gas, Inc. is a Houston-based independent energy company which, together with its subsidiaries, is actively engaged in the exploration, development, and production of oil and gas primarily from resource plays located in the United States. Our current operations are principally focused in proven, producing oil and gas plays primarily in the Eagle Ford Shale in South Texas, the Niobrara Formation in Colorado, the Marcellus Shale in Pennsylvania, and the Utica Shale in Ohio.

Our Business Strategy

Our objective is to increase value through the execution of a business strategy focused on organic growth through the drillbit. Key elements of our business strategy include:

Grow Primarily Through Drilling. We pursue a technology-driven exploration drilling program. We generate exploration prospects through geological and geophysical analysis of 3-D seismic and other data. Our ability to successfully define and drill exploratory prospects is demonstrated by our historical 99% apparent drilling success rate in the Eagle Ford Shale, Marcellus Shale, Niobrara Formation and, previously, the Barnett Shale plays since our entrance into such plays. We have shown consistent success in rapidly growing oil and gas reserves and production in our oil and gas focused resource plays. Additionally, we believe our success and ability to execute our growth strategy is demonstrated by our ability to attract joint venture partners in our existing acreage in the Eagle Ford, Marcellus and Utica Shales and the Niobrara Formation.

Pursue Growth in Crude Oil and Liquids-Rich Plays. Since April 2010, we have pursued a growth strategy in crude oil and liquids-rich plays driven by the attractive economics associated with those commodities. By focusing on and implementing this strategy, our crude oil and condensate revenue as a percentage of total revenues has increased significantly from 10% for the year ended December 31, 2010 to 78% for the year ended December 31, 2012 to 82% for the nine months ended September 30, 2013, and pro forma for the sale of our Barnett Shale acreage, as discussed below, was 86% for such period. Additionally, over 67% of our 2013 U.S. drilling and completion capital expenditure plan is directed towards opportunities that we believe are predominantly prospective for crude oil and liquids development. With the recently closed sale of our remaining Barnett Shale acreage and the purchase of additional acreage in the Utica Shale, we have further increased our

exposure to and emphasis on oil and liquids-rich plays, while maintaining an impactful gas option in the Marcellus Shale. Please see Recent Developments below for a description of the acquisition and the disposition. We

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continue to focus our exploration effort and capital program on resource plays where individual wells tend to have lower risk, such as our operations in the Eagle Ford Shale, Utica Shale and the Niobrara Formation.

Utilize Our Experience as a Technical Advantage. We believe we have developed a technical advantage from our extensive experience drilling over 580 horizontal wells in various resource plays, including the Eagle Ford, Marcellus and Barnett Shales and the Niobrara Formation, which has allowed our management, technical staff and field operations teams to gain significant experience in resource plays. We are now leveraging this advantage in our existing and other shale trends, including the Utica Shale. We plan to focus substantially all of our capital expenditures in these core areas, where we have acquired, or are acquiring significant acreage positions and a large prospect inventory.

Control Operating and Capital Costs. We emphasize efficiencies to lower our costs to find, develop and produce our oil and gas reserves. This includes concentrating on our core areas, which allows us to optimize drilling and completion techniques as well as benefit from economies of scale. In addition, as we operate a significant percentage of our properties, the majority of our capital expenditure plan is discretionary allowing us the ability to reduce or reallocate our spending in response to changes in market conditions. For example, our discretionary capital spending has been strategically redeployed to pursue growth in crude oil and liquids-rich plays.

Manage Risk Exposure. We seek to limit our financial risks, in part by seeking well-funded partners to ensure that we are able to move forward on projects in a timely manner. We also attempt to limit our exposure to reductions in commodity prices by actively hedging production of both crude oil and natural gas. Our current long-term strategy is to manage exposure for a substantial, but varying, portion of forecasted production up to 60 months.

Maintain Our Financial Flexibility. We are committed to preserving our financial flexibility. We have historically funded our capital program with a combination of cash generated from operations, proceeds from the sale of assets, proceeds from sales of securities, proceeds, payments or carried interest from our joint ventures and borrowings under our senior secured revolving credit facility.

Expand Utica Shale Focus. We plan to significantly increase the emphasis on our Utica Shale operations. We recently drilled our first well in this play and fracking operations on this well are ongoing. We currently anticipate bringing a rig into the play full time in the second quarter of 2014. We now own approximately 34,700 gross (21,700 net) acres in the play as a result of completing the acquisition of approximately 5,900 net acres from our joint venture partner in the Utica Shale ACP III Utica LLC (ACP III), an affiliate of Avista Capital Partners, LP (Avista Capital Partners LP together with its affiliates Avista).

Our Competitive Strengths

We believe we have the following competitive strengths that will support our efforts to successfully execute our business strategy:

Large inventory of oil-focused drilling locations. We have developed a significant inventory of future drilling locations, primarily in our well-established position in LaSalle and McMullen counties, Texas in the Eagle Ford Shale and Weld and Adams counties, Colorado in the Niobrara Formation and Guernsey county, Ohio in the Utica Shale. At September 30, 2013, we had a substantial inventory of already drilled wells that were waiting on completion, including 32.0 gross (24.1 net) wells in the Eagle Ford Shale, 8.0 gross (2.3 net) wells in the Niobrara

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Formation and one well in the Utica Shale. Approximately 54% of our estimated U.S. proved reserves at December 31, 2012 were undeveloped. Our crude oil revenue as a percentage of total revenues was 82% for the nine months ended September 30, 2013 and pro forma for the sale of our Barnett Shale acreage, as discussed below, was 86% for such period.

Successful drilling history. We follow a disciplined approach to drilling wells by applying proven horizontal drilling and hydraulic-fracturing technology. Additionally, we rely on advanced technologies such as 3-D seismic and microseismic analysis to better define geologic risk and enhance the results of our drilling efforts. This disciplined approach and technological expertise have enabled us to drill over 580 horizontal wells in various resource plays with a 99% apparent success rate.

Experienced management and professional workforce. We have an experienced staff of oil and gas professionals, including geophysicists, petrophysicists, geologists, petroleum engineers and production and reservoir engineers and technical support staff and will celebrate our company's 20th year of continuous operations next month. We believe our experience and expertise, particularly as they relate to successfully identifying and developing resource plays, is a competitive advantage.

Operational control. As of December 31, 2012, we operated approximately 81% of the wells in which we held an interest. Of those wells we operate, we hold an average interest of approximately 73%. Our significant operational control provides us with the flexibility to align capital expenditures with cash flow and control our costs as we are generally able to adjust drilling plans in response to changes in commodity prices.

Financial flexibility to fund expansion. We maintain a financial profile that provides operational flexibility, and our capital structure provides us with the ability to execute our business plan. At September 30, 2013, on an adjusted basis, after giving effect to the Barnett and Marcellus divestitures and the related use of proceeds described below and the Utica acquisition described below and the completion of this offering, we expect to have approximately \$245.3 million of cash and cash equivalents and no amounts drawn under our revolving credit facility with a \$470 million borrowing base. We believe that we have the liquidity and financial flexibility to fund the planned development of our assets through 2014.

Recent Developments

Recent Acquisitions

On October 31, 2013, we completed the acquisition of approximately 5,900 acres located primarily in Guernsey and Noble counties, Ohio from an affiliate of our Utica Shale joint venture partner, Avista (the Avista Acquisition). The transaction had an effective date of July 1, 2013, and we paid Avista approximately \$73.2 million in cash. The agreement provides for post-closing price and acreage adjustments and indemnities. We had an equal ownership interest in all of the properties acquired from Avista and are therefore familiar with this play and the assets acquired. The Avista Acquisition was initially funded with proceeds from the sale of substantially all of our remaining properties in the Barnett Shale, as described below. We expect to fund the 2013 exploration and development of the properties subject to the Avista Acquisition in part with a portion of the proceeds of this offering. Following the

Avista Acquisition, we remain working interest partners with Avista in approximately 10,000 acres net to Carrizo in the Utica Shale.

Steven A. Webster, Chairman of our Board of Directors, serves as Co-Managing Partner and President of Avista Capital Holdings, LP, which entity has the ability to control Avista and its affiliates. As previously

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disclosed, we have been a party to prior arrangements with affiliates of Avista Capital Holdings LP. A special committee of disinterested members of the board of directors approved the transaction. See *Avista Transaction* in Part II Item 5 of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, which is incorporated by reference in this prospectus, for additional information regarding the transaction.

Recent Sales of Select Assets

On October 31, 2013, we completed the sale of substantially all of our remaining Barnett Shale properties (the *Barnett Shale Transaction*) to affiliates of EnerVest, Ltd. for approximately \$188.9 million in cash. In addition, as a consequence of certain post-closing adjustments and holdbacks, we could receive up to an additional \$20.2 million in cash proceeds. The purchaser also agreed to assume certain liabilities and contractual obligations. The divestiture includes year-end 2012 proved reserves of 303.5 Bcf. Net production from the assets was approximately 44 MMcf/d for the month of September 2013. The net proceeds from this sale were used to repay borrowings under our revolving credit facility, initially fund the Avista Acquisition and to partially fund the remainder of our 2013 capital expenditures plan. In connection with the Barnett Shale Transaction, we entered into derivative instruments on behalf of the purchaser that were novated to the purchaser at closing. These instruments had a fair market value of \$0.5 million as of September 30, 2013.

See *The Barnett Shale Transaction* in Part II Item 5 of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, including the related pro forma financials included therein, which is incorporated by reference in this prospectus, for additional information regarding the transaction.

On September 6, 2013, we completed the sale of substantially all of our interests in non-core assets in East Texas (the *East Texas Transaction*). The properties included in the divestiture had proved reserves of approximately 1.0 MMBbl as of December 31, 2012. On October 30, 2013, we also completed the sale of certain undeveloped acreage in the Marcellus Shale (the *Marcellus Shale Transaction*). The Marcellus Shale divestiture primarily includes 2,850 net undeveloped acres in non-core areas of the play. The East Texas and Marcellus Shale Transactions resulted in cash proceeds of approximately \$29.5 million. In addition, as a consequence of certain post-closing adjustments and holdbacks, we could receive up to an additional \$3.6 million in proceeds related to such sales.

Amendment to Credit Agreement

On October 9, 2013, we amended our senior secured revolving credit facility to, among other things, extend the maturity date to 2018, increase the lenders' maximum credit commitments (subject to borrowing base availability), decrease the applicable interest rate, eliminate certain financial covenants and decrease our borrowing base from \$530 million to \$470 million after giving effect to the Barnett Shale Transaction.

Increase in Capital Expenditures Plan

As a result of our recently completed acquisitions and dispositions and the expected completion of this offering, we recently increased our 2013 capital expenditures plan to include \$550.0 to \$560.0 million for drilling and completion and \$240 million for leasehold and seismic. For 2014, our expected capital expenditures plan (which remains subject to our Board's approval) includes \$600.0 to \$620.0 million for drilling and completion and \$75 million for leasehold and seismic.

Corporate Information

Our principal executive offices are located at 500 Dallas Street, Suite 2300, Houston, Texas 77002, and our telephone number at that location is (713) 328-1000. Information contained on our website, <http://www.crzo.net>, is not part of this prospectus.

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The Offering

Common Stock Offered by Us 4,500,000 shares.

Common Stock Outstanding After the Offering Before 45,421,395 shares^(a).
Exercise of the Underwriters' Option to purchase
additional shares

Common Stock Outstanding After the Offering 46,096,395 shares^(a).
Including Full Exercise of the Underwriters' option to
purchase additional shares

Use of Proceeds We expect to use the net proceeds from this offering, and any proceeds from the exercise of the underwriters' option to purchase additional shares, to fund in part our increased capital expenditure plan that takes into account our recently completed Utica Shale acreage acquisition, the second half 2013 development of our expanded position in the Utica Shale and the accelerated fracking of a portion of our existing inventory of Eagle Ford wells and for other general corporate purposes. See Use of Proceeds.

Nasdaq Global Select Market Symbol CRZO

Risk Factors You should consider carefully the Risk Factors beginning on page S-11 of this prospectus supplement and page 2 of the accompanying prospectus and in our other filings with the SEC before making an investment in our common stock.

(a) Based on shares outstanding as of November 1, 2013.

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The summary historical consolidated financial data set forth below as of December 31, 2012 and 2011 and for each of the three years ended December 31, 2012, 2011 and 2010 have been derived from our audited consolidated financial statements incorporated by reference herein. The summary consolidated financial data set forth below as of September 30, 2013 and for each of the nine months ended September 30, 2013 and 2012 have been derived from our unaudited consolidated financial statements incorporated by reference herein. The summary consolidated balance sheets from operations data set forth below as of December 31, 2010 and September 30, 2012 have been derived from our consolidated financial statements not incorporated by reference herein. The summary consolidated financial data are qualified in their entirety by and should be read in conjunction with our consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2012, and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, each of which is incorporated by reference into this prospectus supplement. Historical results are not necessarily indicative of results that may be expected for any future period.

	Year Ended December 31,			Nine Months	
	2012	2011	2010	Ended September 30,	2012
	(In thousands, except per share amounts)				
Statements of Income from Continuing Operations Data:					
Oil and gas revenues	\$368,180	\$202,167	\$138,123	\$390,454	\$260,730
Costs and expenses:					
Operating expenses	54,826	37,636	31,014	56,461	40,513
Depreciation, depletion and amortization	165,621	84,606	47,030	151,232	121,459
General and administrative	48,708	41,539	35,906	53,722	36,974
Accretion related to asset retirement obligations	372	235	216	355	280
Total costs and expenses	269,527	164,016	114,166	261,770	199,226
Operating income (loss)	98,653	38,151	23,957	128,684	61,504
Gain (loss) on derivative instruments, net	31,371	48,423	47,782	(16,486)	26,975
Loss on extinguishment of debt	-	(897)	(31,023)	-	-
Interest expense, net of amounts capitalized	(48,158)	(27,629)	(22,518)	(42,367)	(33,347)
Other income (expense), net	267	97	212	95	254
Income (loss) from continuing operations before income taxes	82,133	58,145	18,410	69,926	55,386
Income tax (expense) benefit	(30,956)	(25,611)	(6,685)	(25,853)	(20,972)

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Net income from continuing operations	\$51,177	\$32,534	\$11,725	\$44,073	\$34,414
Basic net income (loss) from continuing operations per common share	\$1.29	\$0.83	\$0.34	\$1.10	\$0.87

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Diluted net income (loss) from continuing operations per common share	\$1.28	\$0.82	\$0.34	\$1.09	\$0.86
Basic weighted average common shares outstanding	39,591	39,077	33,861	40,083	39,559
Diluted weighted average common shares outstanding	40,026	39,668	34,305	40,601	39,992

Statements of Cash Flow From Continuing Operations Data:

Net cash provided by operating activities - continuing operations	\$253,071	\$155,511	\$94,416	\$310,253	\$176,639
Net cash used in investing activities - continuing operations	(465,151)	(250,068)	(264,115)	(503,401)	(436,220)
Net cash provided by financing activities - continuing operations	237,778	116,826	169,990	17,439	247,069

Other Continuing Operations Data:

Capital expenditures - oil and gas properties	\$(735,711)	\$(516,004)	\$(340,784)	\$(571,069)	\$(575,971)
Proceeds from sales of oil and gas properties, net	341,597	167,265	54,217	20,753	207,250
Proceeds from (repayments of) debt	244,772	126,401	(7,021)	17,675	253,000
Proceeds from common stock offerings, net of offering costs	-	-	188,534	-	-
Adjusted EBITDA(1)	319,056	172,308	162,054	310,777	226,085

Balance Sheet from Continuing Operations Data (at end of period):

Working capital (deficit)	\$(43,432)	\$(150,559)	\$(58,672)	\$(206,229)	\$(93,661)
Total property and equipment, net	1,487,674	1,240,917	960,393	1,901,072	1,502,283
Total assets	1,749,488	1,445,075	1,121,470	2,071,995	1,742,314
Total long-term debt, net of debt discount	967,808	711,486	558,254	987,074	966,963
Total shareholders equity	585,016	509,855	456,636	668,078	561,624

(1) Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA is defined and reconciled to its most directly comparable GAAP measure, net income from continuing operations under Non-GAAP Financial Measure below.

Summary Pro Forma Condensed Consolidated Financial Statements

The summary unaudited pro forma consolidated financial data is derived from the unaudited pro forma condensed consolidated financial statements that have been included in Exhibit 99.1 to our Form 10-Q for the quarter ended September 30, 2013 (the Barnett Shale Transaction Pro Forma Financial Statements) and is presented to illustrate the effects of the Barnett Shale Transaction, as described under Recent Developments Recent Sales of Select Assets, on our historical operating results. The summary unaudited pro forma balance sheet as of September 30, 2013 is based on

our historical financial statements as of September 30, 2013 after giving effect to the Barnett Shale Transaction as if the disposition had occurred on September 30, 2013. The summary unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2012 and the nine months ended September 30, 2013 are based on our historical financial statements after giving effect to the Barnett Shale Transaction as if the disposition had occurred on January 1, 2012. The summary unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2012 also gives effect to the sale of a significant portion of our Barnett Shale properties to Atlas Resource Partners, L.P. that closed in the second quarter of 2012, as if the disposition had occurred on January 1, 2012. The summary unaudited pro forma information should be read in conjunction with our historical consolidated financial statements and notes thereto contained in our 2012 Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013.

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We currently expect that the Barnett Shale Transaction will result in a loss on the sale in the fourth quarter of 2013 as the proved reserves attributable to the Barnett Shale Transaction represent 40% of the Company's proved reserves as of September 30, 2013 and therefore the sale is expected to significantly alter the relationship between capitalized costs and proved reserves of oil and gas attributable to our U.S. cost center. Additionally, we currently anticipate that the Barnett Shale Transaction will result in an increase in our future depreciation, depletion and amortization rate, and therefore will negatively affect our future reported earnings.

The summary unaudited pro forma consolidated financial data is provided for illustrative purposes only and does not purport to represent what the actual results of operations would have been had the transaction occurred on the respective dates assumed, nor is it necessarily indicative of our future operating results. However, the pro forma adjustments reflected in the Barnett Shale Transaction Pro Forma Financial Statements reflect estimates and assumptions that we believe to be reasonable.

Carrizo Oil & Gas, Inc.**Unaudited Pro Forma Condensed Consolidated Balance Sheet**

	September 30, 2013		
	Historical	Pro Forma Adjustments (In thousands)	Pro Forma
Assets			
Current Assets			
Cash and cash equivalents	\$5,728	\$101,930	\$107,658
Accounts receivable, net and other current assets	131,437	15,837	147,274
Total current assets	137,165	117,767	254,932
Total Property and Equipment, Net	1,901,072	(249,495)	1,651,577
Other Assets	33,758	-	33,758
Total Assets	\$2,071,995	\$(131,728)	\$1,940,267
Liabilities and Shareholders' Equity			
Current Liabilities			
Long-Term Debt, Net of Debt Discount	354,064	-	354,064
Asset Retirement Obligations	987,074	(87,000)	900,074
Deferred Income Taxes	6,341	(445)	5,896
Other Liabilities	32,796	(15,499)	17,297
Commitments and Contingencies	23,642	-	23,642
Shareholders' Equity	668,078	(28,784)	639,294
Total Liabilities and Shareholders' Equity	\$2,071,995	\$(131,728)	\$1,940,267

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	Pro Forma Year Ended December 31, 2012	Pro Forma Nine Months Ended September 30, 2013
	(In thousands, except per share amounts)	
Pro Forma Condensed Consolidated Statements of Operations Data:		
Oil and gas revenues	\$326,962	\$359,830
Costs and expenses:		
Lease operating	18,247	29,277
Production tax	12,938	14,184
Ad valorem tax	6,587	6,550
Depreciation, depletion and amortization	164,831	158,805
General and administrative	48,708	53,722
Accretion related to asset retirement obligations	304	324
Total costs and expenses	251,615	262,862
Operating income	75,347	96,968
Gain (loss) on derivative instruments, net	31,371	(16,486)
Interest expense	(70,144)	(63,631)
Capitalized interest	21,072	19,030
Other income (expense), net	267	95
Income from continuing operations before income taxes	57,913	35,976
Income tax expense	(22,479)	(13,970)
Net income from continuing operations	\$35,434	\$22,006
Basic net income from continuing operations per common share	\$0.90	\$0.55
Diluted net income from continuing operations per common share	\$0.89	\$0.54
Basic weighted average shares outstanding	39,591	40,083
Diluted weighted average shares outstanding	40,026	40,601

Table of Contents**Non-GAAP Financial Measure**

We define Adjusted EBITDA as net income before income tax expense, interest expense, depreciation, depletion, and amortization expense and certain other items management believes affect the comparability of operating results. The U.S. generally accepted accounting principles (GAAP) measure most directly comparable to Adjusted EBITDA is net income from continuing operations. We believe that Adjusted EBITDA may provide additional information about our ability to meet our future requirements for debt service, capital expenditures and working capital. Adjusted EBITDA is a financial measure commonly used in the oil and gas industry and should not be considered in isolation or as a substitute for net income from continuing operations, operating income, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP or as a measure of a company s profitability or liquidity. Adjusted EBITDA includes the effect of distributions from a joint venture partner for the periods indicated, although such distributions are recognized as a reduction of proved oil and gas properties under the full cost method of accounting and are accordingly not included in net income from continuing operations. Because Adjusted EBITDA excludes some, but not all, items that affect net income from continuing operations and includes certain items that affect net income from continuing operations, the Adjusted EBITDA presented in the table below may not be comparable to similarly titled measures of other companies. The most comparable GAAP financial measure, net income from continuing operations, and information reconciling the GAAP and non-GAAP measures are included below.

	Year Ended December 31,			Nine Months Ended September 30,	
	2012	2011	2010	2013	2012
	(In thousands, except per share data)				
Net income from continuing operations	\$51,177	\$32,534	\$11,725	\$44,073	\$34,414
Income tax expense	30,956	25,611	6,685	25,853	20,972
Income from continuing operations before income taxes	82,133	58,145	18,410	69,926	55,386
Depreciation, depletion and amortization	165,621	84,606	47,030	151,232	121,459
Interest expense, net of amounts capitalized	48,158	27,629	22,518	42,367	33,347
Accretion related to asset retirement obligations	372	235	216	355	280
Unrealized (gain) loss on derivative instruments, net	7,504	(17,132)	(12,914)	26,769	2,276
Stock-based compensation expense, net of amounts capitalized	11,689	11,864	16,608	19,338	10,622
Non-cash general and administrative expense	3,620	2,748	485	859	2,742
Non-cash reclassification of Cash Distributions-Related Party to oil and gas property costs	-	3,333	38,839	-	-

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Loss on extinguishment of debt	-	897	31,023	-	-
Interest income and other, net	(41)	(17)	(161)	(69)	(27)
Adjusted EBITDA From Continuing Operations	\$319,056	\$172,308	\$162,054	\$310,777	\$226,085

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RISK FACTORS

*You should consider carefully the risks described under **Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2012 which are incorporated by reference in this prospectus supplement and the accompanying prospectus, as they may be amended, supplemented or superseded from time to time by other reports that we subsequently file with the SEC and in our other filings with the SEC before making a decision whether to invest in our common stock. Additional risks not presently known to us or that we currently deem immaterial individually or in the aggregate may also materially impair our business operations. Additional risks and uncertainties described elsewhere in this prospectus supplement or in the documents incorporated by reference in this prospectus supplement may also adversely affect our business, operating results, financial condition and prospects, as well as the value of an investment in our common stock.*

If any of the risks actually were to occur, our business, financial condition, results of operations or cash flow could be affected materially and adversely. In that case, you could lose all or part of your investment in our common stock.

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USE OF PROCEEDS

We expect to receive net proceeds from this offering of 4,500,000 shares of common stock offered by this prospectus, after deducting underwriting discounts and commissions but before paying offering expenses, of approximately \$190.1 million (or approximately \$218.6 million assuming full exercise of the underwriters' option to purchase additional shares). We expect to use the net proceeds from this offering, and any proceeds from the exercise of the underwriters' option to purchase additional shares, to fund in part our increased capital expenditure plan that takes into account our recently completed Utica Shale acreage acquisition, the second half 2013 development of our expanded position in the Utica Shale and the accelerated fracking of a portion of our existing inventory of Eagle Ford wells and for other general corporate purposes.

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The following table sets forth our unaudited cash and capitalization as of September 30, 2013:

on an historical basis;

on an as-adjusted basis to give effect to the Barnett Shale Transaction and Marcellus Shale Transaction and the use of \$73.2 million of cash proceeds of such transactions to make the closing payments for the Avista Acquisition and the repayment of outstanding balances under our senior secured revolving credit facility; and

on an as further adjusted basis to give effect to the sale of the common stock in this offering and the application of the net proceeds from this offering as described in Use of Proceeds.

You should read this table in conjunction with our consolidated financial statements and related notes and the sections entitled Management's Discussion and Analysis of Financial Condition and Results of Operations included in our annual report on Form 10-K for the year ended December 31, 2012 and our quarterly report on Form 10-Q for the quarter ended September 30, 2013 and the Barnett Shale Transaction Pro Forma Financial Statements that are incorporated by reference in this prospectus supplement.

	As of September 30, 2013		
		As	Further
	Historical	As Adjusted	Adjusted
	(In thousands, except share amounts)		
Cash and cash equivalents(1)	\$5,728	\$55,261	\$245,341
Debt(2)			
Senior secured revolving credit facility due 2018(3)	87,000	-	-
8.625% senior notes due 2018	600,000	600,000	600,000
7.50% senior notes due 2020	300,000	300,000	300,000
4.375% convertible senior notes due 2028	4,425	4,425	4,425
Total long-term debt	\$ 991,425	\$904,425	\$904,425
Shareholders' equity			
Common stock (par value \$0.01 per share; 90,000,000 shares authorized (historical, as adjusted and as further adjusted)	409	409	454

40,878,690 issued and outstanding (historical and as adjusted); 45,378,690 issued and outstanding (as further adjusted))

Additional paid-in capital	682,479	682,479	872,514
Accumulated deficit	(14,810)	(14,810)	(14,810)
Total shareholders' equity	668,078	668,078	858,158
Total capitalization	\$1,659,503	\$1,572,503	\$1,762,583

(1) As a consequence of certain post-closing adjustments and holdbacks relating to the recent sale of non-core assets, we could receive up to an additional \$23.8 million in proceeds related to such sales.

(2) Excludes debt discount.

(3) As of September 30, 2013, we had approximately \$87 million of borrowings outstanding under our senior secured revolving credit facility.

Table of Contents**PRICE RANGE OF COMMON STOCK**

On November 1, 2013, we had 40,921,395 shares of common stock outstanding, held of record by approximately 193 record holders. Our common stock is listed on the Nasdaq Global Select Market under the symbol CRZO.

The closing price of our common stock on November 6, 2013 as reported on the Nasdaq Global Select Market was \$44.80 per share. The following table shows the high and low intraday sales prices of our common stock during each quarter in 2011, 2012, and 2013 through November 6, 2013.

	Price Ranges	
	Low	High
Fiscal Year 2013		
October 1, 2013 through November 6, 2013	\$37.42	\$47.87
September 30, 2013	28.39	37.52
June 30, 2013	22.90	29.89
March 31, 2013	19.49	27.33
Fiscal Year 2012		
December 31, 2012	\$19.47	\$27.30
September 30, 2012	22.09	29.50
June 30, 2012	19.04	31.32
March 31, 2012	22.79	31.62
Fiscal Year 2011		
December 31, 2011	\$18.02	\$30.00
September 30, 2011	20.95	44.17
June 30, 2011	32.47	42.72
March 31, 2011	28.71	39.34

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Under the terms and subject to the conditions contained in an underwriting agreement dated November 6, 2013, we have agreed to sell to the underwriters named below, for whom RBC Capital Markets, LLC, Wells Fargo Securities, LLC and Global Hunter Securities, LLC are acting as representatives (the Representatives), the following respective numbers of shares of common stock:

Underwriter	Number of Shares
RBC Capital Markets, LLC	1,575,000
Wells Fargo Securities, LLC	1,035,000
Global Hunter Securities, LLC	405,000
Johnson Rice & Company L.L.C.	288,000
Stephens Inc.	288,000
Capital One Securities, Inc.	193,500
SunTrust Robinson Humphrey, Inc.	144,000
Miller Tabak + Co., LLC	144,000
KeyBanc Capital Markets Inc.	144,000
Scotia Capital (USA) Inc.	94,500
CDH Securities LLC	94,500
Northland Capital Markets	94,500
Total	4,500,000

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

Option to Purchase Additional Common Stock

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to 675,000 additional shares at the offering price less the underwriting discounts.

Underwriting Discounts and Expenses

The underwriters propose to offer the shares of common stock directly to the public at the offering price on the cover page of this prospectus supplement and to selling group members at that price less a selling concession of \$1.06 per share. After the offering, the Representatives may change the offering price and concession and discount to broker/dealers. The underwriters and selling group members may allow a discount of \$0.35 per share on sales to other broker/dealers. All compensation received by the underwriters in connection with this offering will not exceed 8% of the gross offering proceeds.

The following table summarizes the compensation we will pay:

	Full	
	No Exercise	Exercise
Per Share	\$ 1.76	\$ 1.76
Total	\$ 7,920,000	\$ 9,108,000

The expenses of the offering that are payable by us are estimated to be \$350,000 (exclusive of underwriting discounts).

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Lock-Up Agreements

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement or amendment to a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of RBC Capital Markets, LLC, Wells Fargo Securities, LLC, and Global Hunter Securities, LLC for a period of 45 days after the date of this prospectus supplement, except (i) issuances pursuant to the exercise of options outstanding on the date hereof, (ii) grants of employee stock options, restricted stock, restricted stock units and stock-settled stock appreciation rights and other securities issuances pursuant to the terms of a plan in effect on the date hereof, (iii) issuances pursuant to the exercise or vesting of such options, restricted stock units, stock appreciation rights and other securities, (iv) issuances to our employees under the terms of the employee stock purchase plan in effect on the date hereof, (v) issuances pursuant to our 401(k) plan, (vi) issuances to directors pursuant to the incentive plan in effect on the date hereof, (vii) the filing of registration statements on Form S-8 and amendments thereto in connection with those securities and plans, (viii) the filing of amendments to our currently effective shelf registration statement, (ix) issuances pursuant to the exercise or conversion of our convertible notes, (x) issuances of warrants, shares and shares underlying warrants pursuant to the Land Agreement described in our Annual Report on Form 10-K for the year ended December 31, 2012 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, and (xi) the taking of any of the foregoing actions in connection with the issuance of shares or other securities as consideration for acquisitions or the issuance of securities in private placements by us.

Our executive officers and directors that we have determined are subject to Section 16 of the Exchange Act have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any of these transactions are to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of RBC Capital Markets, LLC, Wells Fargo Securities, LLC, and Global Hunter Securities, LLC for a period of 45 days after the date of this prospectus supplement, provided, however, that the foregoing shall not apply to (a) bona fide gifts, provided the recipient thereof agrees to be bound by the lock-up, (b) dispositions to any personal or family trust, provided that the trust agrees to be bound by the lock-up, (c) bona fide pledges of securities either existing on the date of this prospectus or subsequently entered, if in the latter case the pledgee of such securities agrees to be bound by the lock-up agreement, (d) any sales or exercises of options or stock appreciation rights pursuant to Rule 10b5-1 trading plans in effect as of the date of this prospectus, (e) a number of shares of common stock equal to 50% of the number of shares of restricted stock or restricted stock units granted to such officer or director that vest during the lock-up period, (f) sales of shares of common stock under any Rule 10b5-1 trading plan to provide funds for the satisfaction of anticipated tax liabilities in contemplation of the vesting of restricted stock or restricted stock units during the 70 days following the date of this prospectus or (g) the execution and delivery of a Rule 10b5-1 plan or amendment to an existing plan provided that the effective date for the first sales under such plan does not occur during the lock-up period.

Listing

Our common stock is listed on the NASDAQ Global Select Market under the symbol CRZO.

Price Stabilization, Short Positions and Penalty Bids

In connection with the offering, the Representatives, on behalf of the underwriters, may purchase and sell shares of common stock in the open market. These transactions may include short sales, syndicate covering transactions and stabilizing transactions. Short sales involve syndicate sales of shares of common stock in excess of the number of shares to be purchased by the underwriters in the offering, which creates a syndicate short

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position. Covered short sales are sales of shares of common stock made in an amount up to the number of shares represented by the underwriters' option to purchase additional shares. In determining the source of shares to close out the covered syndicate short position, the underwriters will consider, among other things, the price of common stock available for purchase in the open market as compared to the price at which they may purchase shares through the option to purchase additional shares. Transactions to close out the covered syndicate short position involve either purchases of common stock in the open market after the distribution has been completed or exercise of the option to purchase additional shares. The underwriters may also make naked short sales of common stock in excess of the option to purchase additional shares. The underwriters must close out any naked short position by purchasing common stock in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of bids for or purchases of common stock in the open market while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the Representatives repurchases shares of common stock originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Any of these activities may have the effect of preventing or retarding a decline in the market price of the common stock. They may also cause the price of our common stock to be higher than the price that would otherwise exist in the open market in the absence of these transactions. These transactions may be effected on the New York Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

Conflicts of Interest/Relationships

In the ordinary course of business, certain of the underwriters and their affiliates have provided and may in the future provide financial advisory, investment banking and general financing and banking services for us and our affiliates for customary fees.

Northland Capital Markets is the trade name for certain capital markets and investment banking services of Northland Securities, Inc., member FINRA/SIPC.

Electronic Distribution

This prospectus supplement and the accompanying prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters. The underwriters may agree to allocate a number of shares for sale to their online brokerage account holders. The shares will be allocated to underwriters that may make internet distributions on the same basis as other allocations. In addition, shares may be sold by the underwriters to securities dealers who resell shares to online brokerage account holders.

Other than this prospectus supplement and the accompanying prospectus in electronic format, information contained in any website maintained by an underwriter is not part of this prospectus supplement or the accompanying prospectus or registration statement of which the accompanying prospectus forms a part, has not been endorsed by us and should not be relied on by investors in deciding whether to purchase shares. The underwriters are not responsible for information contained in websites that they do not maintain.

Indemnification

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in that respect.

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Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of shares described in this prospectus supplement may not be made to the public in that relevant member state other than:

to any legal entity which is a qualified investor as defined in the Prospectus Directive;

to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of securities to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe for the shares, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state) and includes any relevant implementing measure in the relevant member state. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

The sellers of the shares have not authorized and do not authorize the making of any offer of shares through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the shares as contemplated in this prospectus supplement. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of the shares on behalf of the sellers or the underwriters.

Notice to Prospective Investors in the United Kingdom

This prospectus supplement and the accompanying prospectus are only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a relevant person). This prospectus supplement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Residents of Canada

The securities may be sold only to purchasers purchasing as principal that are both accredited investors as defined in National Instrument 45-106 Prospectus and Registration Exemptions and permitted clients as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from the prospectus requirements and in compliance with the registration requirements of applicable securities laws.

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LEGAL MATTERS

The validity of the issuance of the common stock and certain other legal matters in connection with the issuance of the common stock will be passed upon for us by Baker Botts L.L.P., Houston, Texas, and Gerald A. Morton, our General Counsel and Vice President Business Development. Certain legal matters with respect to the common stock will be passed upon for the underwriters by Vinson & Elkins L.L.P., Houston, Texas.

EXPERTS

The consolidated financial statements of Carrizo Oil & Gas, Inc. and subsidiaries as of December 31, 2012 and 2011, and for each of the years in the three-year period ended December 31, 2012, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2012 have been incorporated by reference herein and in the accompanying prospectus in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The letter reports of LaRoche Petroleum Consultants, Ltd. and Ryder Scott Company, each independent consulting petroleum engineers, and information with respect to our oil and gas reserves derived from such reports, have been incorporated by reference into this prospectus supplement and the accompanying prospectus upon the authority of each such firm as experts with respect to such matters covered in such reports and in giving such reports.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any documents we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public at the SEC's Internet site at <http://www.sec.gov> and our website at <http://www.crzo.net>. In addition, copies of these reports, proxy statements and other information concerning us can also be inspected at the offices of the NASDAQ Stock Market LLC, which are located at 1735 K Street N.W., Washington, D.C. 20006. Information on our website or any other website is not incorporated by reference in this prospectus and does not constitute part of this prospectus.

This prospectus is part of a registration statement and, as permitted by SEC rules, does not contain all of the information included in the registration statement. Whenever a reference is made in this prospectus to any of our contracts or other documents, the reference may not be complete and, for a copy of the contract or document, you should refer to the exhibits that are part of or incorporated by reference into the registration statement.

The SEC allows us to incorporate by reference into this prospectus the information we file with it, which means that we can disclose important information to you by referring you to the documents containing such information. Information incorporated by reference is considered to be part of this prospectus. Any statement contained in this prospectus or a document incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or any other document subsequently filed with the SEC that is incorporated by reference in this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. We incorporate by reference the documents listed below and future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act until this offering is completed or terminated, excluding any information furnished but not filed unless we specifically provide that such furnished information is to be incorporated by reference:

our annual report on Form 10-K for the year ended December 31, 2012;

our quarterly reports on Form 10-Q for the quarters ended March 31, 2013, June 30, 2013 and September 30, 2013; and

our current reports on Form 8-K filed on January 3, 2013 (Item 8.01 only), May 3, 2013, June 17, 2013, September 4, 2013 and October 11, 2013.

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We will provide a copy of any and all of the information that is incorporated by reference in this prospectus to any person, including a beneficial owner, to whom a prospectus is delivered, without charge, upon written or oral request. You may obtain a copy of these filings by writing or telephoning:

Carrizo Oil & Gas, Inc.

Attention: Investor Relations

500 Dallas Street, Suite 2300

Houston, Texas 77002

(713) 328-1000

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Prospectus

Carrizo Oil & Gas, Inc.

Senior Debt Securities

Subordinated Debt Securities

Common Stock

Preferred Stock

Warrants

We may offer from time to time senior debt securities, subordinated debt securities, common stock, preferred stock or warrants. We may offer the securities separately or together, in separate series or classes and in amounts, at prices and on terms described in one or more offerings. We will provide the specific terms of the securities in supplements to this prospectus. In addition, selling shareholders to be named in a prospectus supplement may offer and sell from time to time shares of our common stock in such amounts as set forth in a prospectus supplement. Unless otherwise set forth in a prospectus supplement, we will not receive any proceeds from the sale of shares of our common stock by any selling shareholders. You should read this prospectus and any prospectus supplement carefully before you invest.

Our common stock is listed on the Nasdaq Global Select Market under the symbol CRZO.

You should consider carefully the risk factors beginning on page 2 of this prospectus and in any applicable prospectus supplement before purchasing any of our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 29, 2011.

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About This Prospectus

This prospectus is part of a registration statement that we have filed with the U.S. Securities and Exchange Commission (SEC) using a shelf registration process. Using this process, we may offer any combination of the securities described in this prospectus, and the selling shareholders may offer common stock, in one or more offerings. This prospectus provides you with a general description of the securities that may be offered. Each time securities are offered pursuant to this prospectus, we will provide a prospectus supplement that will describe the specific terms of the offering. The prospectus supplement may also add to, update or change the information contained in this prospectus. If there is any inconsistency between the information in this prospectus and the prospectus supplement, you should rely on the information in the prospectus supplement. Please carefully read this prospectus and the prospectus supplement, in addition to the information contained in the documents we refer to under the heading Where You Can Find More Information.

You should rely only on the information contained in or incorporated by reference into this prospectus and the prospectus supplement. Neither we nor the selling shareholders have authorized anyone to provide you with different information. You should assume that the information appearing in or incorporated by reference into this prospectus and the prospectus supplement is accurate only as of the date on its cover page and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since such dates.

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Carrizo Oil & Gas, Inc.

In this prospectus and any prospectus supplement, unless indicated otherwise, references to Carrizo, the Company, we and us refer to Carrizo Oil & Gas, Inc. and its subsidiaries.

Our Company

Carrizo Oil & Gas, Inc. is a Houston-based independent energy company which, together with its subsidiaries, is actively engaged in the exploration, development, and production of oil and gas in the United States and United Kingdom. Our current operations are principally focused in proven, producing oil and gas plays primarily in the Barnett Shale in North Texas, the Marcellus Shale in Appalachia, the Eagle Ford Shale in South Texas, the Niobrara Formation in the Denver-Julesberg Basin in Colorado and the UK North Sea where our Huntington field discovery is currently under development. We control significant prospective acreage blocks and utilize advanced drilling and completion technology along with sophisticated 3-D seismic techniques to identify potential oil and gas drilling opportunities and to optimize reserve recovery.

Corporate Information

Our principal executive offices are located at 1000 Louisiana Street, Suite 1500, Houston, Texas 77002, and our telephone number at that location is (713) 328-1000. Information contained on our website, <http://www.crzo.net>, is not part of this prospectus.

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Risk Factors

*An investment in our securities involves risks. You should carefully consider all of the information contained in or incorporated by reference in this prospectus and other information which may be incorporated by reference in this prospectus or any prospectus supplement as provided under **Where You Can Find More Information**, including our most recent Annual Report on Form 10-K, any subsequent Quarterly Reports on Form 10-Q or current reports on Form 8-K, and all other documents incorporated by reference into this prospectus or any prospectus supplement, as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended (the **Exchange Act**). This prospectus also contains forward-looking statements that involve risks and uncertainties. Please read **Forward-Looking Statements**. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors, including the risks described elsewhere in this prospectus or any prospectus supplement and in the documents incorporated by reference into this prospectus or any prospectus supplement. If any of these risks occur, our business, financial condition or results of operations could be adversely affected. Additional risks not currently known to us or that we currently deem immaterial may also have a material adverse effect on us.*

Risks Related to Our Common Stock

The market price of our common stock is volatile.

The trading price of our common stock and the price at which we may sell common stock in the future are subject to large fluctuations in response to any of the following:

limited trading volume in our common stock;

quarterly variations in operating results;

our involvement in litigation;

general financial market conditions;

the prices of oil and gas;

announcements by us and our competitors;

our liquidity;

our ability to raise additional funds;

changes in government regulations; and

other events.

We do not anticipate paying dividends on our common stock in the near future.

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We have not paid any dividends on our common stock in the past and do not intend to pay cash dividends on our common stock in the foreseeable future. We currently intend to retain any earnings for the future operation and development of our business, including exploration, development and acquisition activities. Any future dividend payments will be restricted by the terms of our credit facility.

Certain anti-takeover provisions may affect your rights as a shareholder.

Our articles of incorporation authorize our board of directors to set the terms of and issue preferred stock without shareholder approval. Our board of directors could use the preferred stock as a means to delay, defer or prevent a takeover attempt that a shareholder might consider to be in our best interest. In addition, our credit facility contains terms that may restrict our ability to enter into change of control transactions, including requirements to repay borrowings under our credit facility on a change in control. These provisions, along with

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specified provisions of the Texas Business Organizations Code and our articles of incorporation and bylaws, may discourage or impede transactions involving actual or potential changes in our control, including transactions that otherwise could involve payment of a premium over prevailing market prices to holders of our common stock.

Sales of substantial amounts of shares of our common stock could cause the price of our common stock to decrease.

This prospectus covers the issuance and sale by us of a substantial number of shares of our common stock. Our stock price may decrease due to the additional amount of shares available in the market as a result of sales under this prospectus.

Risks Related to Our Debt Securities

A holder's right to receive payments on the debt securities is effectively subordinate to the rights of our existing and future secured creditors. Further, the guarantees of senior debt securities by the subsidiary guarantors are effectively subordinated to the subsidiary guarantors' existing and future secured indebtedness.

Holders of our secured indebtedness and the secured indebtedness of the subsidiary guarantors will have claims that are prior to the claims of holders of senior debt securities to the extent of the value of the assets securing that other indebtedness. Notably, we are party to a senior credit facility, which is secured by liens on substantially all of our assets and guaranteed by our subsidiaries Bandelier Pipeline Holding, LLC, Carrizo (Marcellus) LLC, Carrizo (Marcellus) WV LLC, Carrizo Marcellus Holding Inc., CCBM, Inc., Chama Pipeline Holding LLC, CLLR, Inc., Hondo Pipeline, Inc. and Mescalero Pipeline, LLC. The senior debt securities will be effectively subordinated to that secured indebtedness. In the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy proceeding, holders of secured indebtedness will have prior claim to our assets that constitute their collateral. Holders of the senior debt securities will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the senior debt securities, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the senior debt securities. As a result, holders of senior debt securities may receive less, ratably, than holders of secured indebtedness.

Holders of debt securities may be structurally subordinated to the creditors of our subsidiaries.

Most of our interests are held through our wholly-owned subsidiaries. Contractual provisions or laws, as well as our subsidiaries' financial condition and operating requirements, may limit our ability to obtain cash from our subsidiaries that we use to pay our debt service obligations, including payments on the debt securities. In addition, holders of the debt securities will have a junior position to the claims of creditors, including trade creditors and tort claimants, of our subsidiaries to the extent that our subsidiaries do not guarantee such debt securities. The debt securities will be obligations exclusively of the Company and not of its subsidiaries, except to the extent such debt securities are guaranteed by one or more of our subsidiaries.

A holder's right to receive payments on the debt securities could be adversely affected if any of our subsidiaries is not a guarantor of the debt securities and declares bankruptcy, liquidates or reorganizes.

If any of our subsidiaries is not a guarantor of the debt securities and declares bankruptcy, liquidates or reorganizes, holders of such subsidiary's indebtedness and its trade creditors will generally be entitled to payment of their claims from the assets of the subsidiary before any assets are made available for distribution to us.

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Changes in our credit ratings or the debt markets may adversely affect the market price of our debt securities.

The market price for our debt securities will depend on a number of factors, including:

our credit ratings with major credit rating agencies;

the prevailing interest rates being paid by other companies similar to us;

the market price of our common stock;

our financial condition, operating performance and future prospects; and

the overall condition of the financial markets and global and domestic economies.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the market price of our debt securities. In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. The credit rating agencies also evaluate the industries in which we operate as a whole and may change their credit rating for us based on their overall view of such industries. A negative change in our rating could have an adverse effect on the market price of our debt securities.

A subsidiary guarantee could be voided if it constitutes a fraudulent transfer under U.S. bankruptcy or similar state law, which would prevent the holders of our debt securities from relying on that subsidiary to satisfy claims.

Under U.S. bankruptcy law and comparable provisions of state fraudulent transfer laws, our subsidiary guarantees can be voided, or claims under the subsidiary guarantees may be subordinated to all other debts of that subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its guarantee or, in some states, when payments become due under the guarantee, received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee and:

was insolvent or rendered insolvent by reason of such incurrence;

was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

Our subsidiary guarantees may also be voided, without regard to the above factors, if a court finds that the subsidiary guarantor entered into the guarantee with the actual intent to hinder, delay or defraud its creditors.

A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee if the subsidiary guarantor did not substantially benefit directly or indirectly from the issuance of the guarantees. If a court were to void a subsidiary guarantee, you would no longer have a claim against the subsidiary guarantor. Sufficient funds to repay our debt securities may not be available from other sources, including the remaining subsidiary guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from the subsidiary guarantor.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law. Generally, a subsidiary guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all its assets;

the present fair saleable value of its assets is less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

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Each subsidiary guarantee contains a provision intended to limit the subsidiary guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its subsidiary guarantee to be a fraudulent transfer. Such provision may not be effective to protect the subsidiary guarantees from being voided under fraudulent transfer law.

Our ability to obtain cash from our subsidiaries to make payments on our debt securities may be limited.

Most of our interests are conducted through our wholly-owned subsidiaries. Contractual provisions or laws, as well as our subsidiaries' financial condition and operating requirements, may limit our ability to obtain cash from our subsidiaries that we use to pay our debt service obligations.

We may incur additional debt ranking equal to the debt securities.

If we incur additional debt that ranks equally with the debt securities, the holders of that debt will be entitled to share ratably with the holders of the debt securities in any proceeds distributed in connection with any insolvency liquidation, reorganization, dissolution and other winding-up of us. This may have the effect of reducing the amount of proceeds paid to holders of debt securities.

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Forward-Looking Statements

This prospectus, including the documents incorporated by reference in this prospectus, contains statements concerning our expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not historical facts. These statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among others, statements regarding:

our growth strategies;

our ability to explore for and develop natural gas and oil resources successfully and economically;

our estimates of the timing and number of wells we expect to drill and other exploration activities;

our estimates regarding timing and levels of production;

anticipated trends in our business;

the effects of competition on us;

our future results of operations;

our liquidity and our ability to finance our exploration and development activities;

our capital expenditure plan;

plans regarding our North Sea assets;

future market conditions in the oil and gas industry;

our ability to make, integrate and develop acquisitions; and

the impact of governmental regulation, taxes, market changes and world events.

You generally can identify our forward-looking statements by the words anticipate, believe, budgeted, continue, could, estimate, expect, forecast, goal, intend, may, objective, plan, potential, predict, projection, scheduled, should, or other similar words. Such risks and uncertainties, including, but not limited to, those relating to the worldwide economic downturn, availability of financing, our dependence on our exploratory drilling activities, the volatility of and changes in oil and gas prices, the need to replace reserves depleted by production, operating risks of oil and gas operations, our dependence on our key personnel, factors that affect our ability to manage our growth and achieve our business strategy, results, delays and uncertainties that may be encountered in drilling, development or production,

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interpretations and impact of new oil and gas reserve estimation and disclosure requirements, activities and approvals of our partners and parties with whom we have alliances, technological changes, capital requirements, borrowing base determinations and availability under our senior credit facility, evaluations of the Company by lenders under our senior credit facility, the potential impact of government regulations, including current and proposed legislation and regulations related to hydraulic fracturing, air emissions and climate change, regulatory determinations, litigation, competition, the uncertainty of reserve information and future net revenue estimates, property acquisition risks, availability of equipment, actions by our midstream and other industry partners, weather, availability of financing, actions by lenders, our ability to obtain permits and licenses, the results of audits and assessments, the failure to obtain certain bank and lease consents, the existence of title defects, delays, costs and difficulties relating to our joint ventures, actions by joint venture partners, results of exploration activities and other factors detailed in this prospectus and our other filings with the SEC.

We have based our forward-looking statements on our management's beliefs and assumptions based on information available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions and projections about future events may and often do vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

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Some of the factors that could cause actual results to differ from those expressed or implied in forward-looking statements are described under Risk Factors and in other sections of this prospectus and described under Risk Factors and elsewhere in the documents that we incorporate by reference into this prospectus, including our most recent Annual Report on Form 10-K, any subsequent Quarterly Reports on Form 10-Q or current reports on Form 8-K, and all other documents incorporated by reference into this prospectus, as updated by our subsequent filings under the Exchange Act. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on our forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and, except as required by law, we undertake no duty to update any forward-looking statement.

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Unless we inform you otherwise in the prospectus supplement, the net proceeds from the sale of the securities will be used for general corporate purposes, including:

repayment or refinancing of debt,

acquisitions,

working capital,

capital expenditures, and

repurchases and redemptions of securities.

Pending any specific application, we may initially invest funds in short-term marketable securities or apply them to the reduction of other short-term indebtedness.

Ratio of Earnings to Fixed Charges and Earnings to**Combined Fixed Charges and Preferred Stock Dividends**

The following table presents our historical ratio of earnings to fixed charges and historical ratio of earnings to combined fixed charges and preferred stock dividends for each of the years in the five-year period ended December 31, 2010.

	Year Ended December 31,				
	2010	2009	2008	2007	2006
Ratio of Earnings to Fixed Charges	0.89x			1.47x	1.94x
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	0.89x			1.47x	1.94x

For purposes of this table, earnings consist of pre-tax income from continuing operations before adjustment for income or loss from equity investees, plus fixed charges, plus amortization of capitalized interest, plus distributed income of equity investees, plus our share of pre-tax losses of equity investees for which charges arising from guarantees are included in fixed charges. Fixed charges consist of interest expensed and capitalized, amortized premiums, discounts and capitalized expenses related to indebtedness and an estimate of the interest within rental expense.

For the years ended December 31, 2009 and 2008, earnings were insufficient to cover fixed charges by \$298.3 million and \$54.5 million, respectively, due to non-cash impairment charges of \$338.9 million and \$178.5 million, respectively.

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Description of Debt Securities

Our debt securities covered by this prospectus will be our general unsecured obligations. We will issue senior debt securities on a senior unsecured basis under an indenture dated as of May 28, 2008, as amended or supplemented from time to time, among us, our subsidiaries Bandelier Pipeline Holding, LLC, Carrizo (Marcellus) LLC, Carrizo (Marcellus) WV LLC, Carrizo Marcellus Holding Inc., CCBM, Inc., Chama Pipeline Holding LLC, CLLR, Inc., Hondo Pipeline, Inc. and Mescalero Pipeline, LLC (the *Subsidiary Guarantors*), and Wells Fargo Bank, National Association, as trustee. We refer to this indenture as the senior indenture. We will issue subordinated debt securities under one or more separate indentures between us, the *Subsidiary Guarantors*, if applicable, and a trustee that we will name in the prospectus supplement. We refer to any such indenture as a subordinated indenture. We refer to the senior indenture and the subordinated indentures collectively as the *indentures*. The senior indenture and the subordinated indentures will be substantially identical, except for provisions relating to subordination. The senior debt securities will constitute senior debt and will rank equally with all of our unsecured and unsubordinated debt. The subordinated debt securities will be subordinated to, and thus have a junior position to, our senior debt (as defined with respect to the series of subordinated debt securities) and may rank equally with or senior or junior to our other subordinated debt that may be outstanding from time to time.

We have summarized material provisions of the indentures, the debt securities and the guarantees below. This summary is not complete. We have filed the senior indenture and the form of subordinated indenture with the SEC as exhibits to the registration statement of which this prospectus is a part, and you should read the indentures for provisions that may be important to you. Please read *Where You Can Find More Information*.

In this summary description of the debt securities, unless we state otherwise or the context clearly indicates otherwise, all references to *us* or *we* mean Carrizo Oil & Gas, Inc. only.

Provisions Applicable to Each Indenture

General. The indentures do not limit the amount of debt securities that may be issued under each indenture, and do not limit the amount of other unsecured debt or securities that we may issue. We may issue debt securities under the indentures from time to time in one or more series, each in an amount authorized prior to issuance. The indentures also give us the ability to reopen a previous issue of a series of debt securities and issue additional debt securities of that series.

As of December 31, 2010, we had approximately \$93.5 million of secured indebtedness, consisting of borrowings outstanding under our credit facility at the time, and \$473.8 million of senior unsecured debt securities outstanding under the senior indenture, comprised of our 4.375% Senior Convertible Notes due 2028 (our *Convertible Notes*) and our 8.625% Senior Notes due 2018 (our *Senior Notes*). The *Subsidiary Guarantors* guaranteed our senior secured revolving credit facility and our Senior Notes. In addition, subsequent to December 31, 2010, our subsidiary Carrizo UK Huntington Ltd. was the borrower under our Huntington Field project development credit facility.

The indentures do not contain any covenants or other provisions designed to protect holders of the debt securities in the event we participate in a highly leveraged transaction or upon a change of control. The indentures also do not contain provisions that give holders the right to require us to repurchase their securities in the event of a decline in our credit ratings for any reason, including as a result of a takeover, recapitalization or similar restructuring or otherwise.

Terms. The prospectus supplement relating to any series of debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

whether the debt securities will be senior or subordinated debt securities;

the title of the debt securities;

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the total principal amount of the debt securities;

whether the debt securities will be issued in individual certificates to each holder or in the form of temporary or permanent global debt securities held by a depository on behalf of holders;

the date or dates on which the principal of, and any premium on, the debt securities will be payable;

any interest rate, the date from which interest will accrue, interest payment dates and record dates for interest payments;

any right to extend or defer the interest payment periods and the duration of the extension;

whether and under what circumstances any additional amounts with respect to the debt securities will be payable;

whether debt securities are entitled to a guarantee of any Subsidiary Guarantors;

the place or places where payments on the debt securities will be payable;

any provisions for optional redemption or early repayment;

any sinking fund or other provisions that would require the redemption, purchase or repayment of debt securities;

the denominations in which the debt securities will be issued, if other than denominations of \$1,000 and integral multiples thereof;

whether payments on the debt securities will be payable in foreign currency or currency units or another form and whether payments will be payable by reference to any index or formula;

the portion of the principal amount of debt securities that will be payable if the maturity is accelerated, if other than the entire principal amount;

any additional means of defeasance of the debt securities, any additional conditions or limitations to defeasance of the debt securities or any changes to those conditions or limitations;

any changes or additions to the events of default or covenants described in this prospectus;

any restrictions or other provisions relating to the transfer or exchange of debt securities;

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any terms for the conversion or exchange of the debt securities for other securities of ours or any other entity;

with respect to any subordinated indenture, any changes to the subordination provisions for the subordinated debt securities; and

any other terms of the debt securities not prohibited by the applicable indenture.

We may sell the debt securities at a discount, which may be substantial, below their stated principal amount. These debt securities may bear no interest or interest at a rate that at the time of issuance is below market rates. If we sell these debt securities, we will describe in the prospectus supplement any material United States federal income tax consequences and other special considerations.

If we sell any of the debt securities for any foreign currency or currency unit or if payments on the debt securities are payable in any foreign currency or currency unit, we will describe in the prospectus supplement the restrictions, elections, tax consequences, specific terms and other information relating to those debt securities and the foreign currency or currency unit.

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Consolidation, Merger and Sale of Assets. We and the Subsidiary Guarantors may not consolidate with or merge into any entity or sell, lease, convey, transfer or otherwise dispose of all or substantially all of our assets to any entity unless:

immediately after giving effect to the transaction, no default or event of default would occur and be continuing or would result from the transaction; and

if we or the Subsidiary Guarantor, as the case may be, are not the continuing entity, the resulting entity or transferee assumes the due and punctual payments on the debt securities and the performance of our covenants and obligations under the indenture and the debt securities.

Upon any such consolidation or merger in which we are not the continuing entity or any such asset sale, lease, conveyance, transfer or disposition involving us, the resulting entity or transferee will be substituted for us under the applicable indenture and debt securities. In the case of an asset sale, conveyance, transfer or disposition other than a lease, we will be released from the applicable indenture.

Events of Default. Unless we inform you otherwise in the prospectus supplement, the following are events of default with respect to a series of debt securities:

failure to pay interest when due on that series of debt securities for 30 days;

failure to pay principal of or any premium on that series of debt securities when due;

failure to make any sinking fund payment when required for that series for 30 days;

failure to comply with any covenant or agreement in that series of debt securities or the applicable indenture (other than an agreement or covenant that has been included in the indenture solely for the benefit of one or more other series of debt securities) for 90 days after written notice by the trustee or by the holders of at least 25% in principal amount of each series of debt securities issued under that indenture that are affected by that failure;

specified events involving bankruptcy, insolvency or reorganization of Carrizo Oil & Gas, Inc. or any Subsidiary Guarantor, if it is a guarantor with respect to that series of debt securities and it is a significant subsidiary as defined in Rule 1-02 of Regulation S-X promulgated under the Securities Act;

specified events involving the guarantees; and

any other event of default provided for in that series of debt securities.

A default under one series of debt securities will not necessarily be a default under another series. The indentures provide that the trustee generally must mail notice of a default or event of default of which it has actual knowledge to the registered holders of the applicable debt securities within 90 days of occurrence. However, the trustee may withhold notice to the holders of the debt securities of any default or event of default (except in any payment on the debt securities) if the trustee considers it in the interest of the holders of the debt securities to do so.

If an event of default relating to certain events of bankruptcy, insolvency or reorganization occurs, the principal of and interest on all the debt securities issued under the applicable indenture will become immediately due and payable without any action on the part of the trustee or any holder. If any other event of default for any series of debt securities occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of the series affected by the default may declare the principal of and all accrued and unpaid

interest on those debt securities immediately due and payable. The holders of a majority in principal amount of the outstanding debt securities of the series affected by the event of default may in some cases rescind this accelerated payment requirement.

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A holder of a debt security of any series issued under an indenture may pursue any remedy under that indenture only if:

the holder gives the trustee written notice of a continuing event of default for that series;

the holders of at least 25% in principal amount of the outstanding debt securities of that series make a written request to the trustee to pursue the remedy;

the holders offer to the trustee indemnity satisfactory to the trustee;

the trustee fails to act for a period of 60 days after receipt of the request and offer of indemnity; and

during that 60-day period, the holders of a majority in principal amount of the debt securities of that series do not give the trustee a direction inconsistent with the request.

This provision does not, however, affect the right of a holder of a debt security to sue for enforcement of any overdue payment.

In most cases, holders of a majority in principal amount of the outstanding debt securities of a series may direct the time, method and place of:

with respect to debt securities of a series, the conducting of any proceeding for any remedy available to the trustee and exercising any trust or power conferred on the trustee relating to or arising as a result of specified events of default; or

with respect to all debt securities issued under the applicable indenture that are affected, the conducting of any proceeding for any remedy available to the trustee and exercising any trust or power conferred on the trustee relating to or arising other than as a result of such specified events of default.

The trustee, however, may refuse to follow any such direction that conflicts with law or the indentures, is unduly prejudicial to the rights of other holders of the debt securities, or would involve the trustee in personal liability. In addition, prior to acting at the direction of holders, the trustee will be entitled to be indemnified by those holders against any loss and expenses caused thereby.

The indentures require us to file each year with the trustee a written statement as to our compliance with the covenants contained in the applicable indenture.

Modification and Waiver. Each indenture may be amended or supplemented if the holders of a majority in principal amount of the outstanding debt securities of each series issued under that indenture that are affected by the amendment or supplement consent to it. Without the consent of the holder of each debt security issued under the indenture and affected, however, no modification to that indenture may:

reduce the amount of debt securities whose holders must consent to an amendment, supplement or waiver;

reduce the rate of or change the time for payment of interest on the debt security;

reduce the principal of, any premium on or any mandatory sinking bond payment with respect to, or change the stated maturity of, the debt security, or reduce the amount of the principal of an original issue discount security that would be due and payable upon a

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declaration of acceleration of the maturity of such debt security;

reduce any premium payable on the redemption of the debt security or change the time at which the debt security may or must be redeemed;

change any obligation to pay additional amounts on the debt security;

make payments on the debt security payable in currency other than as originally stated in the debt security;

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impair the holder's right to institute suit for the enforcement of any payment on the debt security;

make any change in the percentage of principal amount of debt securities necessary to waive compliance with certain provisions of the indenture or to make any change in the provision related to modification;

with respect to the subordinated indenture, modify the provisions relating to the subordination of any subordinated debt security in a manner adverse to the holder of that security; or

waive a continuing default or event of default regarding any payment on the debt securities.

Each indenture may be amended or supplemented or any provision of that indenture may be waived without the consent of any holders of debt securities issued under that indenture in certain circumstances, including:

to cure any ambiguity, omission, defect or inconsistency;

to provide for the assumption of our obligations under the indenture by a successor upon any merger or consolidation or asset sale, lease, conveyance, transfer or other disposition of all or substantially all of our assets, in each case as permitted under the indenture;

to provide for uncertificated debt securities in addition to or in place of certificated debt securities or to provide for bearer debt securities;

to provide any security for, any guarantees of or any additional obligors on any series of debt securities;

to comply with any requirement to effect or maintain the qualification of that indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

to add covenants that would benefit the holders of any debt securities or to surrender any rights we have under the indenture;

to add events of default with respect to any debt securities;

to make any change that does not adversely affect any outstanding debt securities of any series issued under that indenture in any material respect; provided, that any change made solely to conform the provisions of the indenture to a description of debt securities in a prospectus supplement will not be deemed to adversely affect any outstanding debt securities of that series issued in any material respect; and

to supplement the provisions of an indenture to permit or facilitate defeasance or discharge of securities that does not adversely affect any outstanding debt securities of any series issued under that indenture in any material respect.

The holders of a majority in principal amount of the outstanding debt securities of any series may waive any existing or past default or event of default with respect to those debt securities. Those holders may not, however, waive any default or event of default in any payment on any debt security or compliance with a provision that cannot be amended or supplemented without the consent of each holder affected.

Defeasance. When we use the term defeasance, we mean discharge from some or all of our obligations under an indenture. If any combination of funds or government securities are deposited with the trustee under an indenture sufficient to make payments on the debt securities of a series issued under that indenture on the dates those payments are due and payable, then, at our option, either of the following will occur:

we and any Subsidiary Guarantors will be discharged from our obligations with respect to the debt securities of that series (legal defeasance); or

we and any Subsidiary Guarantors will no longer have any obligation to comply with the consolidation, merger and sale of assets covenant and other specified covenants relating to the debt securities of that series, and the related events of default will no longer apply (covenant defeasance).

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If a series of debt securities is defeased, the holders of the debt securities of the series affected will not be entitled to the benefits of the applicable indenture, except for obligations to register the transfer or exchange of debt securities, replace stolen, lost or mutilated debt securities or maintain paying agencies and hold moneys for payment in trust. In the case of covenant defeasance, our obligation to pay principal, premium and interest on the debt securities and, if applicable, a Subsidiary Guarantor's guarantee of the payments, will also survive.

Unless we inform you otherwise in the prospectus supplement, we will be required to deliver to the trustee an opinion of counsel that the deposit and related defeasance would not cause the holders of the debt securities to recognize income, gain or loss for U.S. federal income tax purposes. If we elect legal defeasance, that opinion of counsel must be based upon a ruling from the U.S. Internal Revenue Service or a change in law to that effect.

Governing Law. New York law will govern the indentures, the debt securities and the guarantees.

Trustee. Wells Fargo Bank, National Association, acts as trustee under the senior indenture. Unless we inform you otherwise in a prospectus supplement, Wells Fargo Bank, National Association, will act as trustee with respect to the senior debt securities described in such prospectus supplement. We will name the trustee under a subordinated indenture in the prospectus supplement.

If an event of default occurs under an indenture and is continuing, the trustee under that indenture will be required to use the degree of care and skill of a prudent person in the conduct of that person's own affairs. The trustee will become obligated to exercise any of its powers under that indenture at the request of any of the holders of any debt securities issued under that indenture only after those holders have offered the trustee indemnity satisfactory to it.

Each indenture contains limitations on the right of the trustee, if it becomes our creditor or, if applicable, a creditor of any Subsidiary Guarantor, to obtain payment of claims or to realize on certain property received for any such claim, as security or otherwise. The trustee is permitted to engage in other transactions with us or, if applicable, any Subsidiary Guarantor. If, however, it acquires any conflicting interest, it must eliminate that conflict or resign within 90 days after ascertaining that it has a conflicting interest and after the occurrence of a default under the applicable indenture, unless the default has been cured, waived or otherwise eliminated within the 90-day period.

Form, Exchange, Registration and Transfer. The debt securities will be issued in registered form, without interest coupons. There will be no service charge for any registration of transfer or exchange of the debt securities. However, payment of any transfer tax or similar governmental charge payable for that registration may be required.

Debt securities of any series will be exchangeable for other debt securities of the same series, the same total principal amount and the same terms but in different authorized denominations in accordance with the applicable indenture. Holders may present debt securities for registration of transfer at the office of the security registrar or any transfer agent we designate. The security registrar or transfer agent will effect the transfer or exchange if its requirements and the requirements of the applicable indenture are met.

The trustee will be appointed as security registrar for the debt securities. If a prospectus supplement refers to any transfer agents we initially designate, we may at any time rescind that designation or approve a change in the location through which any transfer agent acts. We are required to maintain an office or agency for transfers and exchanges in each place of payment. We may at any time designate additional transfer agents for any series of debt securities.

In the case of any redemption, we will not be required to register the transfer or exchange of:

any debt security during a period beginning 15 business days prior to the mailing of any notice of redemption or mandatory offer to repurchase and ending on the close of business on the day of mailing of such notice; or

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any debt security that has been called for redemption in whole or in part, except the unredeemed portion of any debt security being redeemed in part.

Payment and Paying Agent. Unless we inform you otherwise in the prospectus supplement, payments on the debt securities will be made in U.S. dollars at the office of the trustee and any paying agent. At our option, however, payments may be made by wire transfer for global debt securities or by check mailed to the address of the person entitled to the payment as it appears in the security register. Unless we inform you otherwise in the prospectus supplement, interest payments will be made to the person in whose name the debt security is registered at the close of business on the record date for the interest payment.

Unless we inform you otherwise in the prospectus supplement, the trustee under the applicable indenture will be designated as the paying agent for payments on debt securities issued under that indenture. We may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts.

If the principal of or any premium or interest on debt securities of a series is payable on a day that is not a business day, the payment will be made on the next succeeding business day as if made on the date that the payment was due and no interest will accrue on that payment for the period from and after the due date to the date of that payment on the next succeeding business date. For these purposes, unless we inform you otherwise in the prospectus supplement, a business day is any day that is not a Saturday, a Sunday or a day on which banking institutions in any of New York, New York or Houston, Texas or a place of payment on the debt securities of that series is authorized or obligated by law, regulation or executive order to remain closed.

Subject to the requirements of any applicable abandoned property laws, the trustee and paying agent will pay to us upon written request any money held by them for payments on the debt securities that remains unclaimed for two years after the date upon which that payment has become due. After payment to us, holders entitled to the money must look to us for payment. In that case, all liability of the trustee or paying agent with respect to that money will cease.

Notices. Any notice required by the indentures to be provided to holders of the debt securities will be given by mail to the registered holders at the addresses as they appear in the security register.

Replacement of Debt Securities. We will replace any debt securities that become mutilated, destroyed, stolen or lost at the expense of the holder upon delivery to the trustee of the mutilated debt securities or evidence of the loss, theft or destruction satisfactory to us and the trustee. In the case of a lost, stolen or destroyed debt security, indemnity satisfactory to the trustee and us may be required at the expense of the holder of the debt securities before a replacement debt security will be issued.

Book-Entry Debt Securities. The debt securities of a series may be issued in the form of one or more global debt securities that would be deposited with a depository or its nominee identified in the prospectus supplement. Global debt securities may be issued in either temporary or permanent form. We will describe in the prospectus supplement the terms of any depository arrangement and the rights and limitations of owners of beneficial interests in any global debt security.

Provisions Applicable Solely to Subordinated Debt Securities

Subordination. Under the subordinated indenture, payment of the principal of and any premium and interest on the subordinated debt securities will generally be subordinated and junior in right of payment to the prior payment in full of all Senior Debt, as defined below. Unless we inform you otherwise in the prospectus supplement, we may not make any payment of principal of, or any premium or interest on, the subordinated debt securities if we fail to pay the principal, interest, premium or any other amounts on any Senior Debt when due.

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The subordination does not affect our obligation, which is absolute and unconditional, to pay, when due, the principal of and any premium and interest on the subordinated debt securities. In addition, the subordination does not prevent the occurrence of any default under the subordinated indenture.

The subordinated indenture does not limit the amount of Senior Debt that we may incur. As a result of the subordination of the subordinated debt securities, if we become insolvent, holders of subordinated debt securities may receive less on a proportionate basis than other creditors.

Unless we inform you otherwise in the prospectus supplement, Senior Debt will mean all debt, including guarantees, of ours, unless the debt states that it is not senior to the subordinated debt securities or our other junior debt. Senior Debt with respect to a series of subordinated debt securities could include other series of debt securities issued under a subordinated indenture.

Guarantee

The Subsidiary Guarantors may fully and unconditionally guarantee on an unsecured basis the full and prompt payment of the principal of and any premium and interest on the debt securities issued by us when and as the payment becomes due and payable, whether at maturity or otherwise. The guarantee provides that in the event of a default in the payment of principal of or any premium or interest on a debt security, the holder of that debt security may institute legal proceedings directly against the applicable Subsidiary Guarantor to enforce the guarantee without first proceeding against us. If senior debt securities are so guaranteed, the guarantee will rank equally with all of the Subsidiary Guarantor's other unsecured and unsubordinated debt from time to time outstanding and senior to any subordinated debt of the Subsidiary Guarantor. If subordinated debt securities are so guaranteed, the guarantee will be subordinated to all of the Subsidiary Guarantor's other unsecured and unsubordinated debt from time to time outstanding.

The obligations of any Subsidiary Guarantor under the guarantee will be limited to the maximum amount that will not result in the obligations of the Subsidiary Guarantor under the guarantee constituting a fraudulent conveyance or fraudulent transfer under federal or state law, after giving effect to any other contingent and fixed liabilities of the Subsidiary Guarantor.

The guarantee may be released under certain circumstances. If we exercise our legal or covenant defeasance option with respect to debt securities of a particular series as described above in Defeasance, then any Subsidiary Guarantor will be released with respect to that series. Further, if no default has occurred and is continuing under the indentures, and to the extent not otherwise prohibited by the indentures, any Subsidiary Guarantor will be unconditionally released and discharged from the guarantee:

automatically upon any sale, exchange or transfer, whether by way of merger or otherwise, to any person that is not our affiliate, of all of our equity interests in the Subsidiary Guarantor;

automatically upon the merger of the Subsidiary Guarantor into us or any other Subsidiary Guarantor or the liquidation and dissolution of the Subsidiary Guarantor; or

following delivery of a written notice by us to the trustee, upon the release of all guarantees by the Subsidiary Guarantor of any debt of ours for borrowed money, except for any series of debt securities.

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Description of Capital Stock

The description of our capital stock contained herein is a summary and is not intended to be complete. For a complete description of our capital stock, please read our amended and restated articles of incorporation and our amended and restated bylaws, which have been filed with the SEC.

General

Our authorized capital stock consists of (1) 90,000,000 shares of common stock, par value \$0.01 per share, and (2) 10,000,000 shares of preferred stock, par value \$0.01 per share. 38,921,709 shares of our common stock and no shares of preferred stock were outstanding as of March 31, 2011.

Common Stock

The holders of our common stock are entitled to one vote per share on all matters on which such shareholders are permitted to vote. The holders of our common stock have no preemptive rights to purchase or subscribe for our securities, and our common stock is not convertible or subject to redemption by us.

Subject to the rights of the holders of any class of our capital stock having any preference or priority over our common stock, the holders of our common stock are entitled to dividends in such amounts as may be declared by our board of directors from time to time out of funds legally available for such payments and, if we are liquidated, dissolved or wound up, to a ratable share of any distribution to shareholders, after satisfaction of all our liabilities and the prior rights of any outstanding class of our preferred stock.

American Stock Transfer & Trust Company is the registrar and transfer agent for our common stock. Our common stock is listed on the Nasdaq Global Select Market under the symbol CRZO.

Preferred Stock

Our board of directors has the authority, without shareholder approval, to issue shares of preferred stock in one or more series, and to fix the number of shares and terms of each such series. We have no present plan to issue shares of preferred stock.

The prospectus supplement relating to any series of preferred stock we are offering will include specific terms relating to the offering and the name of any transfer agent for that series. We will file the form of the preferred stock with the SEC before we issue any of it, and you should read it for provisions that may be important to you. The prospectus supplement will include some or all of the following terms:

the title of the preferred stock;

the maximum number of shares of the series;

the dividend rate or the method of calculating the dividend, the date from which dividends will accrue and whether dividends will be cumulative;

any liquidation preference;

any optional redemption provisions;

any sinking fund or other provisions that would obligate us to redeem or purchase the preferred stock;

any terms for the conversion or exchange of the preferred stock for other securities of ours or any other entity;

any voting rights; and

any other preferences and relative, participating, optional or other special rights or any qualifications, limitations or restrictions on the rights of the shares.

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The issuance of shares of preferred stock could adversely affect the voting power of holders of our common stock, discourage an unsolicited acquisition proposal or make it more difficult for a third party to gain control of the Company. For instance, the issuance of a series of preferred stock might impede a business combination by including class voting rights that would enable the holder to block such a transaction or facilitate a business combination by including voting rights that would provide a required percentage vote of the shareholders. Although our board of directors is required to make any determination to issue preferred stock based on its judgment as to the best interests of our shareholders, the board could act in a manner that would discourage an acquisition attempt or other transaction that some of the shareholders might believe to be in their best interests or in which shareholders might receive a premium for their stock over the then market price of the stock. Our board of directors does not presently intend to seek shareholder approval prior to any issuance of currently authorized stock unless otherwise required by law or the rules of the NASDAQ Stock Market.

Special Meetings

Our articles of incorporation provide that special meetings of our shareholders may be called only by the chairman of our board of directors, our president, a majority of our board of directors or by shareholders holding not less than 50% of our outstanding voting stock.

Voting

Our common stock does not have cumulative voting rights. Accordingly, holders of a majority of the total votes entitled to vote in an election of directors will be able to elect all of the directors, subject to any voting rights of a specific class or series of stock.

Our articles of incorporation or Texas law requires the affirmative vote of holders of:

66 2/3% of the outstanding shares entitled to vote on the matter to approve mergers, consolidations, share exchanges, liquidations, terminations or dispositions of all or substantially all of our assets to the extent, for each of the foregoing transactions, that a shareholder vote is required under Texas law; and

a majority of the outstanding shares entitled to vote on the matter to approve any amendment to our articles of incorporation for which a shareholder vote is required.

The foregoing vote requirements are subject to the rights any class or series may have to separately vote on such matters as a class or series.

Our bylaws provide that shareholders who wish to nominate directors or to bring business before a shareholders' meeting must notify us and provide pertinent information at least 80 days before the meeting date, or within 10 days after public announcement pursuant to our bylaws of the meeting date, if the meeting date has not been publicly announced at least 90 days in advance.

Our articles of incorporation and bylaws provide that no director may be removed from office except for cause and upon the affirmative vote of the holders of a majority of the votes entitled to be cast in the election of our directors. The following events constitute cause :

the director has been convicted, or is granted immunity to testify where another has been convicted, of a felony;

the director has been found by a court or by the affirmative vote of a majority of the total number of authorized directors (whether or not any vacancies exist) to be grossly negligent or guilty of willful misconduct in the performance of duties to us;

the director is adjudicated mentally incompetent; or

the director has been found by a court or by the affirmative vote of a majority of the total number of authorized directors (whether or not any vacancies exist) to have breached his duty of loyalty to us or our shareholders or to have engaged in a transaction with us

from which the director derived an improper personal benefit.

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Texas Anti-Takeover Law

We are subject to Subchapter M (the Business Combination Law) of the Texas Business Organizations Code. In general, the Business Combination Law prevents an affiliated shareholder or its affiliates or associates from entering into or engaging in a business combination with an issuing public corporation during the three-year period immediately following the affiliated shareholder's acquisition of shares unless:

before the date the person became an affiliated shareholder, the board of directors of the issuing public corporation approved the business combination or the acquisition of shares made by the affiliated shareholder; or

not less than six months after the date the person became an affiliated shareholder, the business combination is approved by the affirmative vote of holders of at least two-thirds of the issuing public corporation's outstanding voting shares not beneficially owned by the affiliated shareholder or its affiliates or associates.

For the purposes of the Business Combination Law, an affiliated shareholder is defined generally as a person who is or was within the preceding three-year period the beneficial owner of 20% or more of a corporation's outstanding voting shares. A business combination is defined generally to include:

mergers or share exchanges;

dispositions of assets having an aggregate value equal to 10% or more of the market value of the assets or of the outstanding common stock representing 10% or more of the earning power or net income of the corporation;

certain issuances or transactions by the corporation that would increase the affiliated shareholder's number of shares of the corporation;

certain liquidations or dissolutions; and

the receipt of tax, guarantee, loan or other financial benefits by an affiliated shareholder of the corporation.

An issuing public corporation is defined generally as a Texas corporation with 100 or more shareholders, any voting shares registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, or any voting shares qualified for trading in a national market system.

The Business Combination Law does not apply to a business combination of an issuing public corporation that elects not to be governed thereby through either its original articles of incorporation or bylaws or by an amendment thereof. Our articles of incorporation and bylaws do not so provide, nor do we currently intend to make any such amendments.

The Business Combination Law may deter any potential unfriendly offers or other efforts to obtain control of us that are not approved by our board. This may deprive our shareholders of opportunities to sell shares of our common stock at a premium to the prevailing market price.

In discharging the duties of a director under Texas law, a director, in considering the best interests of the Company, may consider the long-term as well as the short-term interests of the Company and our shareholders, including the possibility that those interests may be best served by our continued independence.

Limitation of Director Liability and Indemnification Arrangements

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Our articles of incorporation contain a provision that limits the liability of our directors as permitted by the Texas Business Organizations Code. The provision eliminates the personal liability of a director to us and our shareholders for monetary damages for an act or omission in the director's capacity as a director. The provision

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does not change the liability of a director for breach of his duty of loyalty to us or to our shareholders, for an act or omission not in good faith that involves intentional misconduct or a knowing violation of law, for an act or omission for which the liability of a director is expressly provided for by an applicable statute, or in respect of any transaction from which a director received an improper personal benefit. Pursuant to our articles of incorporation, the liability of directors will be further limited or eliminated without action by shareholders if Texas law is amended to further limit or eliminate the personal liability of directors.

Our bylaws provide for the indemnification of our officers and directors, and the advancement to them of expenses in connection with proceedings and claims, to the fullest extent permitted by the Texas Business Organizations Code. We have also entered into indemnification agreements with each of our directors and some of our officers that contractually provide for indemnification and expense advancement and include related provisions meant to facilitate the indemnitee's receipt of such benefits. In addition, we have purchased directors' and officers' liability insurance policies for our directors and officers in the future. Our bylaws and these agreements with directors and officers provide for indemnification for amounts:

in respect of the deductibles for these insurance policies;

that exceed the liability limits of our insurance policies; and

that are available, were available or become available to us or are generally available to companies comparable to us but which our officers or directors determine is inadvisable for us to purchase, given the cost.

Such indemnification may be made even though our directors and officers would not otherwise be entitled to indemnification under other provisions of our bylaws or these agreements.

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Description of Warrants

We may issue warrants to purchase debt securities, common stock, preferred stock, rights or other securities of the Company or any other entity or any combination of the foregoing. We may issue warrants independently or together with other securities. Warrants sold with other securities may be attached to or separate from the other securities. We will issue warrants under one or more warrant agreements between us and a warrant agent that we will name in the prospectus supplement.

The prospectus supplement relating to any warrants we are offering will include specific terms relating to the offering. We will file the form of any warrant agreement with the SEC, and you should read the warrant agreement for provisions that may be important to you. The prospectus supplement will include some or all of the following terms:

the title of the warrants;

the aggregate number of warrants offered;

the designation, number and terms of the debt securities, common stock, preferred stock, rights or other securities purchasable upon exercise of the warrants, and procedures by which the number of securities purchasable may be adjusted;

the exercise price of the warrants;

the dates or periods during which the warrants are exercisable;

the designation and terms of any securities with which the warrants are issued;

if the warrants are issued as a unit with another security, the date, if any, on and after which the warrants and the other security will be separately transferable;

if the exercise price is not payable in U.S. dollars, the foreign currency, currency unit or composite currency in which the exercise price is denominated;

any minimum or maximum amount of warrants that may be exercised at any one time; and

any terms, procedures and limitations relating to the transferability, exchange or exercise of the warrants.

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Selling Shareholders

We may register shares of common stock covered by this prospectus for re-offers and resales by selling shareholders to be named in a prospectus supplement. We may register these shares to permit selling shareholders to resell their shares when they deem appropriate. A selling shareholder may resell all, a portion or none of such shareholder's shares at any time and from time to time. Selling shareholders may also sell, transfer or otherwise dispose of some or all of their shares of our common stock in transactions exempt from the registration requirements of the Securities Act. We do not know when or in what amounts the selling shareholders may offer shares for sale under this prospectus and any prospectus supplement. We will not receive any proceeds from any sale of shares by a selling shareholder under this prospectus and any prospectus supplement. We may pay some or all expenses incurred with respect to the registration of the shares of common stock owned by the selling shareholders, other than underwriting fees, discounts or commissions, which will be borne by the selling shareholders. We will provide you with a prospectus supplement naming the selling shareholder(s), the amount of shares to be registered and sold and any other terms of the shares of common stock being sold by the selling shareholder(s).

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Plan of Distribution

We and the selling shareholders may sell the securities in and outside the United States through underwriters or dealers, directly to purchasers or through agents. The prospectus supplement will include the following information, to the extent applicable to the offering covered by the prospectus supplement:

the terms of the offering;

the names of any underwriters or agents, and the respective amounts of securities underwritten or purchased by each of them;

the name or names of any managing underwriter or underwriters;

the name or names of any selling shareholder(s);

the purchase price of the securities from us or the selling shareholders and, if the purchase price is not payable in U.S. dollars, the currency or composite currency in which the purchase price is payable;

the net proceeds to us or the selling shareholders from the sale of the securities;

any delayed delivery arrangements;

any underwriting discounts, commissions and other items constituting underwriters' compensation;

any initial public offering price;

any discounts or concessions allowed or reallocated or paid to dealers; and

any commissions paid to agents.

Sale Through Underwriters or Dealers

If we or the selling shareholders use underwriters in the sale of securities, the underwriters will acquire the securities for their own account. The underwriters may resell the securities from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Underwriters may offer securities to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. Unless we inform you otherwise in the prospectus supplement, the obligations of the underwriters to purchase the securities will be subject to conditions, and the underwriters will be obligated to purchase all the securities if they purchase any of them. The underwriters may change from time to time any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers.

During and after an offering through underwriters, the underwriters may purchase and sell the securities in the open market. These transactions may include over-allotment and stabilizing transactions and purchases to cover syndicate short positions created in connection with the offering. The underwriters may also impose a penalty bid, whereby selling concessions allowed to syndicate members or other broker-dealers for the

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offered securities sold for their account may be reclaimed by the syndicate if such offered securities are repurchased by the syndicate in stabilizing or covering transactions. These activities may stabilize, maintain or otherwise affect the market price of the offered securities, which may be higher than the price that might otherwise prevail in the open market. If commenced, these activities may be discontinued at any time.

If we or the selling shareholders use dealers in the sale of securities, we or the selling shareholders will sell the securities to them as principals. They may then resell those securities to the public at varying prices determined by the dealers at the time of resale. The dealers participating in any sale of the securities may be deemed to be underwriters within the meaning of the Securities Act with respect to any sale of those securities. We will include in the prospectus supplement the names of the dealers and the terms of the transaction.

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Direct Sales and Sales Through Agents

We or the selling shareholders may sell the securities directly. In that event, no underwriters or agents would be involved. We or the selling shareholders may also sell the securities through agents we designate from time to time. In the prospectus supplement, we will name any agent involved in the offer or sale of the securities, and we will describe any commissions payable by us or the selling shareholders to the agent. Unless we inform you otherwise in the prospectus supplement, any agent will agree to use its reasonable best efforts to solicit purchases for the period of its appointment.

We or the selling shareholders may sell the securities directly to institutional investors or others who may be deemed to be underwriters within the meaning of the Securities Act with respect to any sale of those securities. We or the selling shareholders will describe the terms of any such sales in the prospectus supplement.

Delayed Delivery Contracts

If we so indicate in the prospectus supplement, we or the selling shareholders may authorize agents, underwriters or dealers to solicit offers from certain types of institutions to purchase securities from us at the public offering price under delayed delivery contracts. These contracts would provide for payment and delivery on a specified date in the future. The contracts would be subject only to those conditions described in the prospectus supplement. The prospectus supplement will describe the commission payable for solicitation of those contracts.

Remarketing

We may offer and sell any of the securities in connection with a remarketing upon their purchase, in accordance with a redemption or repayment by their terms or otherwise, by one or more remarketing firms acting as principals for their own accounts or as our agents. We will identify any remarketing firm, the terms of any remarketing agreement and the compensation to be paid to the remarketing firm in the prospectus supplement. Remarketing firms may be deemed underwriters under the Securities Act.

Derivative Transactions

We or the selling shareholders may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the prospectus supplement, including in short sale transactions. If so, the third parties may use securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those derivatives to close out any related open borrowings of stock.

We, the selling shareholders or one of our affiliates may loan or pledge securities to a financial institution or other third party that in turn may sell the securities using this prospectus. Such financial institution or third party may transfer its short position to investors in our securities or in connection with a simultaneous offering of other securities offered by this prospectus or otherwise.

The third parties in any of the sale transactions described above will be underwriters and will be identified in the prospectus supplement or in a post-effective amendment to the registration statement of which this prospectus forms a part.

General Information

We or the selling shareholders may have agreements with the agents, dealers and underwriters to indemnify them against civil liabilities, including liabilities under the Securities Act, or to contribute with respect to

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payments that the agents, dealers or underwriters may be required to make. Agents, dealers and underwriters may engage in transactions with us or the selling shareholders or perform services for us or the selling shareholders in the ordinary course of their businesses.

The securities may or may not be listed on a national securities exchange. We cannot assure you that there will be a market for the securities.

We cannot assure you that the selling shareholders will sell all or any part of the securities to be listed under **Selling Shareholders** in the applicable prospectus supplement.

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Legal Matters

The validity of the offered securities and other matters in connection with any offering of the securities will be passed upon for us by Baker Botts L.L.P., Houston, Texas, our outside counsel. Any underwriters will be advised about legal matters relating to any offering by their own legal counsel, which will be named in the prospectus supplement.

Experts

The consolidated financial statements of the Company as of December 31, 2010 and 2009 and for the years then ended and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2010 have been incorporated herein by reference in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated herein by reference, and upon the authority of said firm as experts in accounting and auditing.

Our consolidated financial statements as of December 31, 2008 and for the year then ended, included and incorporated by reference in this prospectus from our Annual Report on Form 10-K for the year ended December 31, 2010, have been audited by Pannell Kerr Forster of Texas, P.C., independent registered public accounting firm, to the extent indicated in their report thereon also included and incorporated by reference herein.

The letter reports of LaRoche Petroleum Consultants, Ltd., Ryder Scott Company and Fairchild & Wells, Inc., each independent consulting petroleum engineers, and information with respect to our oil and gas reserves derived from such reports, have been incorporated by reference into this prospectus upon the authority of each such firm as experts with respect to such matters covered in such reports and in giving such reports.

Where You Can Find More Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy this registration statement and any other documents we file at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public at the SEC's Internet site at <http://www.sec.gov> and our website at <http://www.crzo.net>. Copies of these reports, proxy statements and other information concerning us can also be inspected at the offices of the NASDAQ Stock Market LLC, which are located at 1735 K Street N.W., Washington, D.C. 20006. Information on our website or any other website is not incorporated by reference in this prospectus and does not constitute part of this prospectus.

This prospectus is part of a registration statement and, as permitted by SEC rules, does not contain all of the information included in the registration statement. Whenever a reference is made in this prospectus or the prospectus supplement to any of our contracts or other documents, the reference may not be complete and, for a copy of the contract or document, you should refer to the exhibits that are part of or incorporated by reference into the registration statement.

The SEC allows us to incorporate by reference into this prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. Information incorporated by reference is considered to be part of this prospectus. Any statement contained in this prospectus or a document incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus, the prospectus supplement or any other subsequently filed document that is incorporated by reference in this prospectus modifies or

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supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. We incorporate by reference the documents listed below and future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the effectiveness of this registration statement and until the termination of offerings under this prospectus, in each case excluding any information furnished but not filed, unless we specifically provide that such furnished information is to be incorporated by reference:

our annual report on Form 10-K for the year ended December 31, 2010;

our current reports on Form 8-K filed on February 2, 2011, March 31, 2011, and April 29, 2011; and

the description of our common stock in Exhibit 99.1 to our Current Report on Form 8-K filed on December 9, 2010, as we may update that description from time to time.

We will provide a copy of any and all of the information that is incorporated by reference in this prospectus to any person, including a beneficial owner, to whom a prospectus is delivered, without charge, upon written or oral request. You may obtain a copy of these filings by writing or telephoning:

Carrizo Oil & Gas, Inc.

Attention: Investor Relations

1000 Louisiana Street, Suite 1500

Houston, Texas 77002

(713) 328-1000

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Book-Running Managers

RBC Capital Markets

Wells Fargo Securities

Global Hunter Securities

Senior Co-Managers

Johnson Rice & Company L.L.C.

Stephens Inc.

Co-Managers

Capital One Securities

SunTrust Robinson Humphrey

Miller Tabak

KeyBanc Capital Markets

Scotiabank / Howard Weil

Heikkinen Energy Advisors

Northland Capital Markets