

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)	Cause No. 535
CARRIZO (NIOBRARA) LLC FOR AN)	
ORDER TO AFFIRM AND APPLY ORDER)	Docket No.
NO. 535-650 TO ADDITIONAL PARTIES)	
)	TYPE: POOLING

APPLICATION

Carrizo (Niobrara) LLC ("Applicant"),¹ by and through its attorneys, Holland & Hart LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to affirm and apply Order Nos. 535-254 and 535-650 as to a working interest owner who has failed to agree to bear its proportionate share of the costs and risks of drilling and operating the drilled Bringelson 1-32-9-58 Well (API No. 05-123-33960) and the drilled Bringelson 2-32-9-58 Well (API No. 05-123-36625)("Wells"). Order Nos. 535-254 and 535-650 pooled all interests for the development of the Niobrara Formation in the following drilling and spacing unit:

Township 9 North, Range 58 West, 6th P.M.
Section 32: ALL

Weld County, Colorado (the "Application Lands").

In support of its Application, Applicant states and alleges as follows:

1. Applicant, Operator No. 10439, is a limited liability company duly authorized to conduct business in the State of Colorado and is an operator in good standing with the Commission.
2. Applicant owns a leasehold interest in the Application Lands.
3. On February 22, 2011, the Commission entered Order No. 535-3 which established various approximate 640-acre drilling and spacing units, including the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and approved one horizontal well within each unit, with the initial perforation of Niobrara Formation and ultimate bottom hole location no closer than 600 feet from the boundaries of the unit.
4. On January 7, 2013, the Commission entered Order No. 535-238 which approved up to 6 horizontal wells in various approximate 640-acre drilling and spacing units, including the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be located no closer than 600 feet from the unit boundaries and no closer than 600 feet from the treated interval of any other wellbore located in the unit, without exception being granted by the Director.

¹ Carrizo (Niobrara) LLC is a subsidiary of Carrizo Oil & Gas, Inc.

5. On January 7, 2013, the Commission entered Order No. 535-254 which pooled all interests in the approximate 640-acre drilling and spacing unit established for the Application Lands, for the development and operation of the Niobrara Formation, to accommodate the Bringelson 1-32-9-58 Well.

6. On December 16, 2013, the Commission entered Order No. 535-446 which approved up to 15 horizontal wells in the approximate 640-acre drilling and spacing unit established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the productive interval of the wellbore to be located no closer than 600 feet from the north, west, and south section lines which are adjacent to a section containing federal minerals and no closer than 300 feet from the east section line, and no closer than 300 feet from the productive interval of any other wellbore located in the unit, without exception being granted by the Director, with the wells located on no more than one well pad per quarter section within the drilling and spacing unit.

7. On December 15, 2014, the Commission entered Order No. 535-586 which approved up to 16 horizontal wells in the approximate 640-acre drilling and spacing unit established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the productive interval of the wellbore to be located no closer than 300 feet from the unit boundaries, and no closer than 300 feet from the treated interval of any other wellbore located in the unit, without exception being granted by the Director, with the wells located on no more than four well pads within the drilling and spacing unit, without exception being granted by the Director.

8. On April 13, 2015, the Commission entered Order No. 535-650 which pooled all interests in the approximate 640-acre drilling and spacing unit established for the Application Lands, for the development and operation of the Niobrara Formation, to accommodate the Bringelson 2-32-9-58, Bringelson 3-32-9-58, Bringelson 4-32-9-58, Bringelson 5-32-9-58, and Bringelson 6-32-9-58 Well.

9. Applicant sent a well proposal to SKV, LLC ("SKV"), a working interest owner in the Wells, on October 3, 2012 for the Bringelson 2-32-9-58 Well and October 31, 2012 for the Bringelson 1-32-9-58 Well. SKV signed the well proposals on October 12, 2012, however, has since failed to enter into a Joint Operating Agreement with Applicant and failed to bear any of the costs and risks of drilling and operating the Wells.

10. Applicant has repeatedly requested payment from SKV for the costs of drilling and operating the Wells and on June 4, 2015, sent a formal written demand for payment for past due joint interest billings owed by SKV. SKV has failed to remit any of the costs incurred by Applicant for drilling and operating the Wells.

11. Applicant therefore respectfully requests an Order affirming and applying Order Nos. 535-254 and 535-650 to SKV and providing that consenting owners in the unit be reimbursed for the drilling and operation costs of the Wells out of SKV's share of the production from the unit as provided by C.R.S. § 34-60-116(7)(a), effective as of the earlier of the date of the Application, or the date that any of the costs specified in C.R.S. §34-60-116(7)(b)(II) were first incurred for the drilling of the Wells.

12. Applicant also requests an Order affirming and applying the cost recovery penalties of Order Nos. 535-254 and 535-650 to SKV as provided by § 34-60-116(7)(b), effective as of the earlier of the date of the Application, or the date that any of the costs

specified in C.R.S. §34-60-116(7)(b)(II) were first incurred for the drilling of the Wells.

13. Applicant certifies that copies of this Application will be served on SKV within seven days of the date hereof, as required by Rule 507(b)(2), and that at least 35 days prior to the hearing on this matter, SKV will again be offered the opportunity to participate in the drilling of the Wells, and will again be provided with the information required by Rule 530.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, notice be given as required by law and that upon such hearing this Commission enter its order:

A. Affirming and applying Order Nos. 535-254 and 535-650 to SKV and providing that consenting owners in the unit be reimbursed for the drilling and operation costs of the Wells out of SKV's share of the production from the unit as provided by C.R.S. § 34-60-116(7)(a), effective as of the earlier of the date of the Application, or the date that any of the costs specified in C.R.S. §34-60-116(7)(b)(II) were first incurred for the drilling of the Wells.

B. Affirming and applying the cost recovery penalties of Order Nos. 535-254 and 535-650 to SKV as provided by § 34-60-116(7)(b), effective as of the earlier of the date of the Application, or the date that any of the costs specified in C.R.S. §34-60-116(7)(b)(II) were first incurred for the drilling of the Wells

C. For such other findings and orders as the Commission may deem proper or advisable in the matter.

Dated: July 16, 2015

By



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Address of Applicant

Carrizo (Niobrara) LLC
Attn: Craig Wiest
500 Dallas Street, 2300
Houston, TX 77002

VERIFICATION

STATE OF TEXAS)
)
COUNTY OF HARRIS) ss.

Ross D. Wardlaw, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for Carrizo Oil and Gas, Inc., sole member of Carrizo (Niobrara) LLC, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

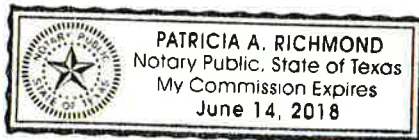


Ross D. Wardlaw

Subscribed and sworn to before me this 16th day of July, 2015.

Witness my hand and official seal.

My commission expires: 6/14/2018





Notary Public

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF) Cause No. 535
CARRIZO (NIOBRARA) LLC FOR AN ORDER)
TO AFFIRM AND APPLY ORDER NO. 535-650) Docket No.
TO ADDITIONAL PARTIES)

AFFIDAVIT OF MAILING

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

Elizabeth Y. Spencer, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is an attorney for Carrizo (Niobrara) LLC, and that on or before July 16, 2015, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the party listed below:

SKV, LLC
325 Vine Street
Denver, CO 80206-4129

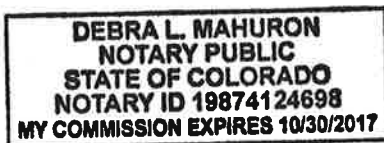
SKV, LLC
PO Box 300687
Denver, CO 80218


Elizabeth Y. Spencer

Subscribed and sworn to before me July 16, 2015.

Witness my hand and official seal.

My commission expires: 10/30/2017.




Notary Public