

FORM  
38  
Rev  
1/10

State of Colorado  
Oil and Gas Conservation Commission  
1120 Lincoln street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

FOR OFFICIAL USE ONLY  
RECEIVED  
SEP 22 2015  
COGCC

**PAYMENT OF PROCEEDS HEARING REQUEST**

ORIGINAL

This form may be submitted only by a payee legally entitled to payment from proceeds derived from the sale of oil, gas, or associated products from a well in Colorado. The payee is to complete this form (one form per well), attach required documentation and mail to: COGCC, 1120 Lincoln Street, Suite 801, Denver, Colorado 80203 or fax to: (303) 894-2109. COGCC will investigate the report and determine what action, if any, should be taken.

**PAYEE INFORMATION**

NAME OF PAYEE: Incline Resources, LLC      PHONE NO: (214) 274-3800  
ADDRESS: 5019 N. Central Expy.      FAX:  
CITY: Dallas      STATE: TX      ZIP: 75205      E-MAIL: william@inclineresources.com  
PAYEE NUMBER:

**MINERAL INFORMATION**

WELL NAME: Bringelson 2-32-9-58      COUNTY: Weld  
QTR/QTR    SEC:    TOWNSHIP:    RANGE:  
SWSE Sec. 32-9N-58W      API NUMBER: 05-123-36625

**NON-COMPLIANCE ISSUES NOT RESOLVED**  
**(PLEASE CHECK ALL THAT APPLY)**

Required checkstub detail not provided:   
Late payment   
Non payment   
No interest paid on late payment   
No response to Form 37 inquiry

All pertinent documentation must be attached. This includes: completed copy of operator contact Form 37, proof of mailing, response (if received from operator), redacted checkstub detail and any other documentation necessary.

# HAMPTON AND MILLIGAN

## ATTORNEYS AT LAW

119 NORTH ROBINSON AVE., SUITE 225  
OKLABOMA CITY, OKLAHOMA 73102-4601  
(405) 235-5620

J. DAVID HAMPTON<sup>OK</sup>  
DANIEL A. MILLIGAN<sup>OK, TX, PA</sup>

State abbreviations show jurisdiction(s)  
in which attorney is licensed

JAMES D. McBRIDE<sup>OK</sup>  
CRAIG K. LARSON<sup>MO</sup>  
KATIE WEINLAEDER<sup>MO, ND</sup>  
GREGORY L. COLE<sup>MO</sup>  
AARON F. W. MEEK<sup>OK</sup>  
BRENT RASMUSSEN<sup>MT, CA, ND</sup>  
MATTHEW R. RISON<sup>OK, TX</sup>

Of Counsel:  
BABAK FADAIEPOUR<sup>TX, CO, WY</sup>

July 8, 2014

**Via Electronic Mail & Certified Mail**

Phillip Corey  
Carrizo Oil & Gas, Inc.  
500 Dallas Street, Suite 2300  
Houston, Texas 77002

Re: Incline Resources, LLC, a Texas limited liability company's ("Incline") participation in that certain A.A.P.L. Form 610-1989 Model Form Operating Agreement (the "Agreement"), dated January 7, 2013, among Carrizo Oil & Gas, Inc. ("Carrizo"), et al., and executed by Incline as a working interest owner on November 10, 2014, covering Section 32, T9N, R58W (the "Contract Area").

Dear Mr. Corey:

This firm represents Incline with regards to the above-referenced matter. On behalf of Incline, we request the following:

**Information Request**

Pursuant to those certain emails from Incline to you and Graham Steely of Carrizo (1) dated June 25, 2015 at 4:57 p.m., (2) dated July 1, 2015 at 11:04 a.m., and (3) dated July 2, 2015 at 3:05 p.m. – Incline requested the following documentation (the "Requested Documentation") in accordance with the terms and conditions of the Agreement:

- (a) Drilling and Division Order Title Opinion dated December 3, 2012;
- (b) Abstract of Title provided by Ironhorse Resources, LLC covering all of the Contract Area, and which dates from inception to September 12, 2012 (including that certain runsheet associated with this Abstract of Title);
- (c) Drilling and Division Order Title Opinion dated December 26, 2013;

Carrizo Oil & Gas, Inc.  
July 8, 2015  
Page 2

- (d) Any other title opinions associated with the wellbore produced by Burleson;  
and
- (e) Any other abstracts of title (and associated runsheets) produced by Ironhorse Resources, LLC (or any other party), which cover the Contract Area.<sup>1</sup>

In an email dated July 2, 2015 at 1:09 p.m., Merc Pittinos, of Burns, Figa & Will, provided Incline with the following explanation as to why such documentation request was being denied:

"It is our understanding that you have a complete copy of the title opinion.

It appears to us that you are attempting to conduct discovery for Armstrong Minerals, which we do not believe is appropriate. Please have your attorney contact me if you have questions."

As Mr. Pittinos correctly alluded to in his email, Armstrong Minerals, LLC, a Colorado limited liability company ("Armstrong") is a party to that certain Case 2015 CV 30518 (the "Case"). However, Incline is a not party to the Case, and pursuant to the terms and conditions of the Agreement, including Article IV.A. of the Agreement, which states that "[c]opies of all title opinions shall be furnished to each Drilling Party," – Incline, as a Drilling Party to the Agreement, is entitled to the Requested Documentation. Therefore, on behalf of Incline, we request copies of such Requested Documentation, and any other related title information that has been drafted, furnished, produced or otherwise procured pursuant to the terms and conditions of the Agreement, including, but not limited to, any and all title opinions, mineral ownership reports and abstracts of title (and any related runsheets).

#### Pay Status Request

It is our understanding that after numerous requests, including by those certain emails from Incline to you, Ashley Butte and/or Graham Steely of Carrizo (and/or Merc Pittinos) (1) dated June 12, 2015 at 10:23 a.m. (re-sent due to wrong address on June 15, 2015 at 4:00 p.m.), (2) dated July 2, 2015 at 7:58 p.m., and (3) dated July 7, 2015 at 3:32 p.m. – Incline has been unsuccessful in obtaining information as to why Incline, *with respect to its working interest subject to the Agreement*, has not been placed into "pay status on all pay & JIB decks pertaining to our interests on the attached schedule in bold that don't currently have any title issues."<sup>2</sup>

<sup>1</sup> See all three (3) emails referenced above.

<sup>2</sup> See Email, dated June 12, 2015 at 10:23 a.m. (re-sent due to wrong address on June 15, 2015 at 4:00 p.m.), from Incline to you and Ashley Butte of Carrizo.

Carrizo Oil & Gas, Inc.  
July 8, 2015  
Page 3

On behalf of Incline, we request the following: (1) any working interest owned by Incline that is not subject to a valid title defect be placed into pay status, and that such interest be credited with any applicable accrued interest owed; and (2) if all or part of Incline's working interest is not in pay status, information regarding (a) the amount of Incline's interest that is not in pay status, (b) the specific reason that such interest is not in pay status, and (c) if a title defect is alleged, copies of all documents, reports and correspondence related to the alleged title defect.

Sincerely,



Babak D. Fadaiepour

cc: Incline Resources, LLC



William Francis &lt;william@inclineresources.com&gt;

---

## Bringelson 2 Interests

---

William Francis &lt;william@inclineresources.com&gt;

Mon, Jun 15, 2015 at 3:49 PM

To: ashley.butte@carrizo.com

Cc: Phillip Corey &lt;Phillip.Corey@crzo.net&gt;

Ashley,

Please see my original email below that I just realized got kicked back for putting in a bad email for you.

Any help would be greatly appreciated.

Thanks,

William Francis  
Managing Partner  
Incline Resources, LLC  
5019 N. Central Expy  
Dallas, TX 75205  
(214) 274-3800

[www.inclineresources.com](http://www.inclineresources.com)

----- Forwarded message -----

From: William Francis &lt;william@inclineresources.com&gt;

Date: Fri, Jun 12, 2015 at 10:23 AM

Subject: Bringelson 2 Interests

To: Ashley.Butte@crzo.net

Cc: Phillip Corey &lt;Phillip.Corey@crzo.net&gt;

After speaking with Ross Wardlaw and Philip Corey on May 6th, I was under the impression that Incline Resources, LLC was going to be placed into pay status on all pay & JIB decks pertaining to our interests on the attached schedule in bold that don't currently have any title issues.

If you or Philip could get me an update on why these interests haven't been switched over yet, I'd very much appreciate it.

The one title issue pertaining to the three heirs of Donald R. Dyrenforth, Jr. (tracts in red font) is in the process of being resolved and we should have a mineral deed out of the probated estates and into each of the three siblings within the next week or so. I believe we're going above and beyond to accomplish this curative requirement since their cousin's, who own an identical interest were placed into pay status with only having to file an affidavit of heirship.

I've also attached a letter that's being placed in the mail today asking that the revenue that Carrizo is currently retaining start accruing interest, per our rights through Colorado State Statutes.

Thanks,

William Francis  
Managing Member  
Incline Resources, LLC  
Armstrong Minerals, LLC

9/21/2015

Incline Resources, LLC Mail - Bringelson 2 Interests

5019 N. Central Expy  
Dallas, TX 75205  
(214) 274-3800

[www.inclineresources.com](http://www.inclineresources.com)

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**2 attachments**



**Carrizo Interest Payments 6-12-2015.pdf**  
134K



**Bringelson Unit Lease Schedule 4-30-15 (32-9N-58W) CRZO.xlsx**  
16K



June 12, 2015

Sent via FedEx Tracking #: 8082 5520 2003

Attn: Ashley Butte  
Carrizo Oil & Gas, Inc.  
500 Dallas Street, Ste 2300  
Houston, TX 77002

**Re: Bringelson interest payments due on withheld revenue**

Ms. Butte,

As per our rights stipulated by the Revised Colorado State Statutes, Incline Resources, LLC ("Incline") is requesting that all revenue owed to Incline that is currently being withheld by Carrizo, in the well(s) detailed below, start collecting interest at a rate equal to two times the discount rate at the federal reserve bank of Kansas City as such rate existed on the first day of the calendar year or years in which proceeds were withheld, which is more clearly detailed in §34-60-118.5.

Weld County, Colorado wellbore(s) with revenue being withheld by Carrizo:

Bringelson 2-32-9-58 (API: 05-123-36625)

Incline believes the leasehold interests which are not encumbered by curative title issues and are therefore privy to this request are detailed (but not limited to) below:

Lease	Lessee	Net AC	Effective Date	Inst. #	Royalty	Interest Derived From
Blackriver, LLC	Incline Resources, LLC	3.5	3/24/2015	4100058	0.19	John Leon Hartsfield
Blackriver Niobrara Partners, LLC	Incline Resources, LLC	1.75	3/24/2015	4100059	0.19	John Leon Hartsfield
Linda Hendee Eagan	Incline Resources, LLC	1	12/3/2014	4069727	0.166667	Frank Chester Hendee
Cynthia Ann Henry	Incline Resources, LLC	1	12/3/2014	4069728	0.166667	Frank Chester Hendee
Dennis Hoffman	Incline Resources, LLC	0.0625	6/9/2014	4032661	0.1875	Priscilla Harrington
Deanna Hoffman Nelson	Incline Resources, LLC	0.0625	6/9/2014	4032660	0.1875	Priscilla Harrington
Lola M. Jaegers	Incline Resources, LLC	0.0625	4/21/2014	4015479	0.1875	Priscilla Harrington

Respectfully,

William Francis  
Managing Partner  
Incline Resources, LLC  
(214) 274-3800  
[William@inclineresources.com](mailto:William@inclineresources.com)



William Francis &lt;william@inclineresources.com&gt;

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## Bringelson 2 Interests

---

William Francis &lt;william@inclineresources.com&gt;

Thu, Jul 2, 2015 at 7:57 PM

To: ashley.boutte@carrizo.com

Cc: Phillip Corey &lt;Phillip.Corey@crzo.net&gt;, Merc Pittinos &lt;mpittinos@bflaw.com&gt;

Hi Ashley,

Incline never received a response from the letter referenced in the previous email, addressed to you and dated June 12, 2015.

I was under the impression after speaking with you and Philip that Carrizo was going to get these interest into pay status this pay period. This does not appear to be the case. As Carrizo has yet to provide Incline Resources with any evidence, or even a full accounting of all the applicable DOTOs, that any of Incline's current leasehold has title issues which would warrant payments being withheld from any of the leasehold interests that Incline owns, I am yet again reiterating that Carrizo shall start accruing interest into Incline's joint account for all of the interest that is not currently in pay status.

If you could confirm that Carrizo is properly following the rules and regulations as set forth by C.R.S. §34-60-118.5, it would be greatly appreciated. If you cannot confirm this, I'm going to assume that there might be something wrong with what Incline is requesting here, and would therefore ask that you provide me with what remedies Incline needs to undertake in order to get our interests into pay status.

Just a reminder, the Bringelson 2 has been producing oil and gas for 26 months.

Thanks,

William Francis  
Managing Partner  
Incline Resources, LLC  
5019 N. Central Expy  
Dallas, TX 75205  
(214) 274-3800

[www.inclineresources.com](http://www.inclineresources.com)

On Mon, Jun 15, 2015 at 4:00 PM, William Francis <william@inclineresources.com> wrote:

Please see my original email below that I just realized got kicked back for putting in a bad email for you.

Any help would be greatly appreciated.

Thanks,

William Francis  
Managing Partner  
Incline Resources, LLC  
5019 N. Central Expy  
Dallas, TX 75205  
(214) 274-3800

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———— Forwarded message ————



From: **William Francis** <[william@inclineresources.com](mailto:william@inclineresources.com)>  
Date: Fri, Jun 12, 2015 at 10:23 AM  
Subject: Bringelson 2 Interests  
To: [Ashley.Butte@crzo.net](mailto:Ashley.Butte@crzo.net)  
Cc: Phillip Corey <[Phillip.Corey@crzo.net](mailto:Phillip.Corey@crzo.net)>

After speaking with Ross Wardlaw and Philip Corey on May 6th, I was under the impression that Incline Resources, LLC was going to be placed into pay status on all pay & JIB decks pertaining to our interests on the attached schedule in bold that don't currently have any title issues.

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I've also attached a letter that's being placed in the mail today asking that the revenue that Carrizo is currently retaining start accruing interest, per our rights through Colorado State Statutes.

Thanks,

William Francis  
Managing Member  
Incline Resources, LLC  
Armstrong Minerals, LLC  
5019 N. Central Expy  
Dallas, TX 75205  
(214) 274-3800

[www.inclineresources.com](http://www.inclineresources.com)



William Francis &lt;william@inclineresources.com&gt;

---

## Bringelson 2 Interests

---

William Francis &lt;william@inclineresources.com&gt;

Tue, Jul 7, 2015 at 3:32 PM

To: Ashley Boutte &lt;Ashley.Boutte@crzo.net&gt;

Cc: Graham Steely &lt;Graham.Steely@crzo.net&gt;, Phillip Corey &lt;Phillip.Corey@crzo.net&gt;, Merc Pittinos &lt;mpittinos@bflaw.com&gt;

Just tried Graham at his office. Any update on when he might be back in the office and be capable of addressing my concerns?

Thanks,

William Francis  
Managing Partner  
Incline Resources, LLC  
5019 N. Central Expy  
Dallas, TX 75205  
[\(214\) 274-3800](tel:(214)274-3800)

[www.inclineresources.com](http://www.inclineresources.com)

On Mon, Jul 6, 2015 at 7:55 AM, Ashley Boutte <Ashley.Boutte@crzo.net> wrote:

William,

Graham is out of the office but he will contact you when he returns.

Thanks

Ashley

**From:** William Francis [mailto:[william@inclineresources.com](mailto:william@inclineresources.com)]

**Sent:** Thursday, July 02, 2015 7:58 PM

**To:** Ashley Boutte

**Cc:** Phillip Corey; Merc Pittinos

**Subject:** Re: Bringelson 2 Interests

Hi Ashley,

Incline never received a response from the letter referenced in the previous email, addressed to you and dated June 12, 2015.

I was under the impression after speaking with you and Philip that Carrizo was going to get these interest into pay status this pay period. This does not appear to be the case. As Carrizo has yet to provide Incline Resources with any evidence, or even a full accounting of all the applicable DOTOs, that any of Incline's current leasehold has title issues which would warrant payments being withheld from any of the leasehold interests that Incline owns, I am yet again reiterating that Carrizo shall start accruing interest into Incline's joint account for all of the interest that is not currently in pay status.

If you could confirm that Carrizo is properly following the rules and regulations as set forth by C.R.S. §34-60-118.5, it would be greatly appreciated. If you cannot confirm this, I'm going to assume that there might be something wrong with what Incline is requesting here, and would therefore ask that you provide me with what remedies Incline needs to undertake in order to get our interests into pay status.

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5019 N. Central Expy  
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(214) 274-3800

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On Mon, Jun 15, 2015 at 4:00 PM, William Francis <[william@inclineresources.com](mailto:william@inclineresources.com)> wrote:

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Any help would be greatly appreciated.

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----- Forwarded message -----

From: **William Francis** <[william@inclineresources.com](mailto:william@inclineresources.com)>

Date: Fri, Jun 12, 2015 at 10:23 AM

Subject: Bringelson 2 Interests

To: [Ashley.Butte@crzo.net](mailto:Ashley.Butte@crzo.net)

Cc: Phillip Corey <[Phillip.Corey@crzo.net](mailto:Phillip.Corey@crzo.net)>

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Thanks,

William Francis

Managing Member

Incline Resources, LLC  
Armstrong Minerals, LLC

5019 N. Central Expy

Dallas, TX 75205  
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[www.inclineresources.com](http://www.inclineresources.com)



# HAMPTON AND MILLIGAN

## ATTORNEYS AT LAW

119 NORTH ROBINSON AVE., SUITE 225  
OKLAHOMA CITY, OKLAHOMA 73102-4601  
(405) 235-5620

J. DAVID HAMPTON <sup>OK</sup>  
DANIEL A. MILLIGAN <sup>OK, TX, PA</sup>

State abbreviations show jurisdiction(s)  
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MATTHEW R. RISON <sup>OK, TX</sup>

Of Counsel:  
BABAK FADAIEPOUR <sup>TX, CO, WY</sup>

July 15, 2015

### Via Electronic Mail & Certified Mail


Phillip Corey  
Carrizo Oil & Gas, Inc.  
500 Dallas Street, Suite 2300  
Houston, Texas 77002

Re: Incline Resources, LLC, a Texas limited liability company's ("Incline") participation in that certain A.A.P.L. Form 610-1989 Model Form Operating Agreement (the "Agreement"), dated January 7, 2013, among Carrizo Oil & Gas, Inc. ("Carrizo"), et al., and executed by Incline as a working interest owner on November 10, 2014, covering Section 32, T9N, R58W (the "Contract Area").

Dear Mr. Corey:

This firm represents Incline with regards to the above-referenced matter. Due to the lack of response to that certain July 8, 2015 letter (the "Letter", *see enclosed*),<sup>1</sup> from the undersigned to you – on behalf of Incline, we are hereby submitting to Carrizo the enclosed Form 37. Per Colorado statutory law, Carrizo has sixty (60) days to respond to our Form 37 request, and if Carrizo fails to adequately respond, on behalf of Incline, we will file a Form 38 with the Colorado Oil & Gas Conservation Commission ("COGCC").

Sincerely,



Babak D. Fadaiepour

cc: Incline Resources, LLC

<sup>1</sup> The date on page 1 of the Letter reads "July 8, 2014" – however, the actual date of Letter is July 8, 2015, and all other documentation confirms this fact, including (1) the date on page 2 of the Letter, (2) the July 8<sup>th</sup>, 2015 email from the undersigned to you, Graham Steely and Ashley Boutte, of Carrizo, with the Letter attached, and (3) the July 8<sup>th</sup>, 2015 FedEx sent from the undersigned to you with the Letter enclosed.

FORM  
37  
Rev  
01/10

**State of Colorado  
Oil and Gas Conservation Commission**  
1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2100

FOR OFFICIAL USE ONLY

**PAYMENT OF PROCEEDS - SALES VOLUME RECONCILIATION  
PAYOR CONTACT FORM**

This form may be submitted only by a payee legally entitled to payment from proceeds derived from the sale of oil, gas, or associated products from a well in Colorado. The payee is to complete this form (one form per well) and submit it to the payor issuing the payment. Operator addresses may be found at the COGCC website [cogcc.state.co.us](http://cogcc.state.co.us) at DATABASE under the category NAME, ADDRESS AND FINANCIAL ASSURANCE. This form must be submitted to the payor via certified mail. Using this form to request information will not replace the need for a financial audit.

**PAYEE INFORMATION**

NAME OF PAYEE: INCLINE RESOURCES, LLC		PHONE NO: 214-274-3800	
ADDRESS: 5019 N. CENTRAL EXPRESSWAY		FAX:	
CITY: DALLAS	STATE: TX	ZIP: 75205	E-MAIL: WILLIAM@INCLINERESOURCE.COM
SIGNATURE: <i>[Signature]</i>		PAYEE NUMBER: 074050	

**MINERAL INFORMATION**

WELL NAME: BRINGELSON 2-32-9-58	COUNTY: WELD COUNTY
QTR/QTR SEC: TOWNSHIP: RANGE:	API NUMBER: 05-123-36625
ALL - 32-9N-58W	

**REQUEST FOR PAYMENT OF PROCEEDS INFORMATION**

Payee should mark appropriate entries to show missing information required by CRS 34-60-118.5. (Payee should also attach a copy of the checkstub with all applicable non-compliance details noted.)

- The name, number, or a combination of name and number that identifies the lease, property, unit or well for which payment is being made. X
- The month and year during which the sale occurred. X
- The total quantity of product sold attributable to such payment, including the units of measurement. X
- The price received per unit of measurement. (Price per barrel in the case of oil and price per thousand cubic feet (MCF) or price per million British Thermal Units ("MMBTU") in the case of gas.) X
- The total amount of severance taxes and any other production taxes or levies applied to the sale. X
- The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place. X
- The payee's share of the sale before any deductions or adjustments made by the payor or identified with the payment. X
- The payee's share of the sale after any deductions or adjustments made by the payor or identified with the payment. X
- An address and telephone number from which additional information may be obtained and questions answered. \_\_\_\_\_

**Additional Information Requested**

*(Note: This section asks for the additional information payee may request under 118(2.5) as amended by HB 1180.)*  
**Written explanation of deductions or adjustments over which payor has control or information, (whether or not identified with the payment), regarding:**  
Payor refuses to tender proceeds or identify its reasoning for withholding

Meter calibration testing records X      Production reporting records X

**PAYMENT OF PROCEEDS - PAYOR RESPONSE**

The payor, \_\_\_\_\_, responded to this request on \_\_\_\_\_ (date) as required by CRS 34-60-118.5(2.5). (The payor must respond within 60 days.) If we could not provide information concerning \_\_\_\_\_ for the following reasons:

Name

Contact Phone Number



William Francis <william@inclineresources.com>

---

## Letter - Incline to Carrizo

---

Michael Jewell <mjewell@bflaw.com>

Thu, Sep 3, 2015 at 3:54 PM

To: "william@inclineresources.com" <william@inclineresources.com>, "fadaiepour@hampton-milligan.com" <fadaiepour@hampton-milligan.com>

Cc: Merc Pittinos <mpittinos@bflaw.com>, Pasha Oleksiuk <poleksiuk@bflaw.com>

Mr. Fadaiepour –

Please see the attached documents related to your Form 37 information request. Please direct any follow-up questions to me on this specific issue, and I will be happy to address further where appropriate. We agree that a Form 38 will not be necessary.

Thank you and have a good weekend,

MJ

[Quoted text hidden]



**Revenue Documents - 9.3.15.pdf**

269K



Filter  
 Print  
 Show Details  
 Show Overview

Account No: 0000000000  
 Account Name: 0000000000  
 Account Type: 0000000000  
 Account Sub: 0000000000

Paid Date Range: 0000-00-00 to 0000-00-00

Account No	Account Name	Account Type	Account Sub	Account No	Account Name	Account Type	Account Sub	Account No	Account Name	Account Type	Account Sub
0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000
0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000
0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000	0000000000



# Revenue Suspense Summary by Owner

Owner	Payor Corp	Address	State	Susp.	Net
	01	CARRIZO OIL & GAS, INC.			
	073848	ARMSTRONG MINERALS LLC	00001 TX		8,784.45
		Total CARRIZO OIL & GAS, INC.			8,784.45
		Report Total			8,784.45

Owner E-quals 073848 ARMSTRONG  
MINERALS LLC

Deposit Inquiry

Deposits

Deposit Detail

Deposit Item First Screen

Deposit / A/R Reason

Filter Applied  
 Include unfiltered Deposits

Search for text: \_\_\_\_\_  
 Deposit Date Range: From: 07/28/16 To: \_\_\_\_\_  
 Deposit Type List: From: \_\_\_\_\_ To: \_\_\_\_\_  
 Deposit Date Range: Between: \_\_\_\_\_  
 Print Date Range: Between: \_\_\_\_\_

Deposit No	Deposit Date	Remit Code	Remit Name	Address	Print No	Print Date	Print Amount	Currency	Currency Desc	Item From Name	Deposit Type	Deposit Date
00000001	07/28/16	ARMSTRONG MINERALS LLC	ARMSTRONG MINERALS LLC	00001 1164	1164	04/21/2016	22,538.52	USD	U.S. DOLLARS (\$)	ARMSTRONG	JIB-57	Joint Interest Billing Receipts
00000002	07/28/16	ARMSTRONG MINERALS LLC	ARMSTRONG MINERALS LLC	00001 1164	1164	02/28/2016	1,915.95	USD	U.S. DOLLARS (\$)	ARMSTRONG	JIB-57	Joint Interest Billing Receipts

Corporation: 01

Filter: 01

CR002615.BB 0:00:00 1-247 22 5:30 52

073848 - ARMSTRONG MINERALS LLC Remit F 248 24,514.18

Total Shown: 24,514.18

ID	Code	Name	Code	Name	Account No.	Location	Sub	Zone	Loc	Loc	Time	Date	Invoice	Page	Share	
1339571	01	CARRIZO OIL & GAS INC. Balance	073943	ARMSTRONG MINERALS LLC NET	Medical Revenue	01/31/2015	-27,352,850	S2015021000069	Wide	2613	Bengolan	2-32-9-58	312237	Bengolan	2-32-9-58	02/000
1339571	01	CARRIZO OIL & GAS INC. Balance	073943	ARMSTRONG MINERALS LLC NET	Medical Revenue	01/31/2015	-27,352,850	S2015021000069	Wide	2613	Bengolan	2-32-9-58	312237	Bengolan	2-32-9-58	02/000
1339571	01	CARRIZO OIL & GAS INC. Balance	073943	ARMSTRONG MINERALS LLC NET	Medical Revenue	01/31/2015	-27,352,850	S2015021000069	Wide	2613	Bengolan	2-32-9-58	312237	Bengolan	2-32-9-58	02/000
1339571	01	CARRIZO OIL & GAS INC. Balance	073943	ARMSTRONG MINERALS LLC NET	Medical Revenue	01/31/2015	-27,352,850	S2015021000069	Wide	2613	Bengolan	2-32-9-58	312237	Bengolan	2-32-9-58	02/000
1339571	01	CARRIZO OIL & GAS INC. Balance	073943	ARMSTRONG MINERALS LLC NET	Medical Revenue	01/31/2015	-27,352,850	S2015021000069	Wide	2613	Bengolan	2-32-9-58	312237	Bengolan	2-32-9-58	02/000
1339571	01	CARRIZO OIL & GAS INC. Balance	073943	ARMSTRONG MINERALS LLC NET	Medical Revenue	01/31/2015	-27,352,850	S2015021000069	Wide	2613	Bengolan	2-32-9-58	312237	Bengolan	2-32-9-58	02/000
1339571	01	CARRIZO OIL & GAS INC. Balance	073943	ARMSTRONG MINERALS LLC NET	Medical Revenue	01/31/2015	-27,352,850	S2015021000069	Wide	2613	Bengolan	2-32-9-58	312237	Bengolan	2-32-9-58	02/000
1339571	01	CARRIZO OIL & GAS INC. Balance	073943	ARMSTRONG MINERALS LLC NET	Medical Revenue	01/31/2015	-27,352,850	S2015021000069	Wide	2613	Bengolan	2-32-9-58	312237	Bengolan	2-32-9-58	02/000
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1339571	01	CARRIZO OIL & GAS INC. Balance	073943	ARMSTRONG MINERALS LLC NET	Medical Revenue	01/31/2015	-27,352,850	S2015021000069	Wide	2613	Bengolan	2-32-9-58	312237	Bengolan	2-32-9-58	02/000

(591,400,71)

Owner Invoice List    Owner Invoice Details    Owner JIB Details    Outstanding As Of    Pre-payment List



Owner List equals 073848

ARMSTRONG MINERALS LLC

Search for text: in files related to

Add Prompt Save/Restore

- Show All
- Show Open Items
- Show Paid History

Owner Code	Name	Add	Statement #	Process Date	Beginning Balance	Adjustment	Current Invoices	PrePayments Applied	Service Charge	Ending Balance
073848	ARMSTRONG MINERALS LLC	00001	S2015081000008	08/05/2015	-2,392.33	0.00	5,352.89	0.00	0.00	2,960.56
073848	ARMSTRONG MINERALS LLC	00001	S2015071000008	07/05/2015	-5,113.96	0.00	2,751.63	0.00	0.00	12,555.33
073848	ARMSTRONG MINERALS LLC	00001	S2015061000012	06/03/2015	19,433.56	-26,483.30	1,935.72	0.00	0.00	3,112.52
073848	ARMSTRONG MINERALS LLC	00001	S2015051000012	05/05/2015	22,598.52	-4,760.17	1,595.23	0.00	0.00	19,433.56
073848	ARMSTRONG MINERALS LLC	00001	S2015041000009	04/03/2015	2,145.57	-2,145.57	22,598.52	0.00	0.00	22,598.52
073848	ARMSTRONG MINERALS LLC	00001	S2015031000008	03/04/2015	1,915.66	-1,915.66	2,145.57	0.00	0.00	2,145.57
073848	ARMSTRONG MINERALS LLC	00001	S2015021000009	02/04/2015	580,510.19	-580,510.19	1,915.66	0.00	0.00	1,915.66
073848	ARMSTRONG MINERALS LLC	00001	S2015011000009	01/07/2015	578,593.14	0.00	2,017.05	0.00	0.00	580,510.19
073848	ARMSTRONG MINERALS LLC	00001	S2014121000009	12/03/2014	577,182.54	0.00	1,410.50	0.00	0.00	578,593.14
073848	ARMSTRONG MINERALS LLC	00001	S2014111000009	11/05/2014	0.00	0.00	577,182.54	0.00	0.00	577,182.54

Enertia Information

Information  
 Selected Cells Total: 618,905.44  
 Selected Cells Count: 10  
 Selected Cells Average: 61,890.54

**TOTAL JIBS**

Print    OK



William Francis &lt;william@inclineresources.com&gt;

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**Letter - Incline to Carrizo**

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William Francis &lt;william@inclineresources.com&gt;

Thu, Sep 3, 2015 at 6:05 PM

To: Michael Jewell &lt;mjewell@bflaw.com&gt;

Cc: Merc Pittinos &lt;mpittinos@bflaw.com&gt;, Pasha Oleksiuk &lt;poleksiuk@bflaw.com&gt;, BABAK FADAIEPOUR &lt;fadaiepour@hampton-milligan.com&gt;

Please see Incline's response attached hereto.

I'll be in Denver tomorrow if you'd like to discuss these issues further.

Thanks,

William Francis  
Managing Partner  
Incline Resources, LLC  
5019 N. Central Expy  
Dallas, TX 75205  
(214) 274-3800

[www.inclineresources.com](http://www.inclineresources.com)

On Thu, Sep 3, 2015 at 3:54 PM, Michael Jewell <mjewell@bflaw.com> wrote:

Mr. Fadaiepour –

Please see the attached documents related to your Form 37 information request. Please direct any follow-up questions to me on this specific issue, and I will be happy to address further where appropriate. We agree that a Form 38 will not be necessary.

Thank you and have a good weekend,

MJ

—— Forwarded message ——

From: "William Francis" <william@inclineresources.com>

Date: Mon, Aug 31, 2015 at 5:08 AM -0700

Subject: Re: Letter - Incline to Carrizo

To: "Merc Pittinos" <mpittinos@bflaw.com>

Cc: "Ross Wardlaw" <Ross.Wardlaw@crzo.net>

Hi Merc,

Just wanted to see if you had any update on our request for payment of proceeds information. We'd obviously prefer to not have to file anything with the COGCC, but the lack of information your client has been providing to its non-op partners is leaving us with no choice but to file the Form 38 once the 60 day deadline comes due.

Thanks,

William Francis

Managing Partner

Incline Niobrara Partners, LP

5019 N. Central Expy

Dallas, TX 75205  
(214) 274-3800

[www.inclineresources.com](http://www.inclineresources.com)

On Mon, Jul 27, 2015 at 9:03 AM, BABAK FADAIEPOUR <[fadaiepour@hampton-milligan.com](mailto:fadaiepour@hampton-milligan.com)> wrote:

Merc,

I hope you had a good weekend. I wanted to follow-up on my email below, and get a status update on each request — in particular, the title opinion request because of certain timing issues with the due diligence review. Will you be able to provide electronic copies of these opinions by close of business today?

Thank you,

Babak Fadaiepour

Hampton & Milligan

Of Counsel

(405) 308-1752

[fadaiepour@hampton-milligan.com](mailto:fadaiepour@hampton-milligan.com)

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On Jul 23, 2015, at 10:35 AM, BABAK FADAIEPOUR <[fadaiepour@hampton-milligan.com](mailto:fadaiepour@hampton-milligan.com)> wrote:

Merc,

I hope all is well, and I'm glad we made some progress regarding the requested information yesterday:

In response to your title opinion inquiry: Incline is requesting all of the title opinions for the subject JOA because it is currently undergoing a due diligence review by a new potential equity partner. With respect to: (1) the 12/2013 Opinion, Incline was not provided a full copy of the opinion, and therefore, is requesting a full copy of such (it appear that Incline is missing at least the last 2 schedules, including the Materials Examined), and (2) the 7/2014 Opinion, Incline does have a complete copy, and therefore, does not need a new copy. Note that, as needed, Incline is making the same request to other Operators. Will you be providing electronic or hard copies of the opinions? We need the requested title opinions **as soon as possible** because of the timing of the due diligence review and upcoming closing on this.

Pay Status Request: I look forward to hearing from soon regarding this matter.

Thank you,

Babak Fadaiepour

Hampton & Milligan

Of Counsel

(405) 308-1752

[fadaiepour@hampton-milligan.com](mailto:fadaiepour@hampton-milligan.com)

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On Jul 22, 2015, at 10:06 AM, BABAK FADAIEPOUR <[fadaiepour@hampton-milligan.com](mailto:fadaiepour@hampton-milligan.com)> wrote:

Mr. Pittinos,



I hope all is well. I left you a voicemail yesterday afternoon and this morning regarding the referenced Incline & Carrizo Letter. On behalf of Incline, we would appreciate your response to our requests as soon as possible, along with all the requested information.

Regards,

Babak Fadaiepour  
(405) 308-1752  
fadaiepour@hampton-milligan.com

On Jul 16, 2015, at 10:34 AM, Merc Pittinos  
<[mpittinos@bflaw.com](mailto:mpittinos@bflaw.com)> wrote:

Mr. Fadaiepour:

We are in receipt of your letter dated July 8. I am out of the office for the remainder of the week, but we will respond to you early next week. Please direct all future correspondence on this matter to me.

Sincerely,

Merc

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**From:** BABAK FADAIEPOUR [<mailto:fadaiepour@hampton-milligan.com>]  
**Sent:** Wednesday, July 08, 2015 1:47 PM  
**To:** Phillip Corey  
**Cc:** Graham Steely; Ashley Boutte; William Francis  
**Subject:** Letter - Incline to Carrizo

Mr. Corey,

On behalf of my client, Incline Resources, please see the attached letter. A original copy of which was sent to you by FedEx earlier today. Please confirm receipt of this email and the

attached letter.

All the best,

Babak Fadaiepour

Hampton & Milligan

Of Counsel

(405) 308-1752

fadaiepour@hampton-milligan.com

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## 2 attachments



**Bringelson Form 37 Response 9-3-2015.pdf**  
130K



**Bringelson Unit Lease Schedule 4-30-15 (32-9N-58W) CRZO.xlsx**  
16K



September 3, 2015

Michael Jewell  
Burns, Figa & Will P.C.  
6400 S. Fiddlers Green Circle  
Suite 1000  
Greenwood Village, CO 80111

**Re: Form 37 Request for information of Payment of Proceeds**

Michael,

As Carrizo and your law firm are very aware, Armstrong Minerals, LLC is a completely separate entity from Incline Resources, LLC. The two separate companies have different management teams as well as different equity holders. This request for information was drafted on the behalf of and submitted by Incline Resources, LLC with no mention of Armstrong Minerals, LLC. So, I'm going to again request that your law firm and Carrizo start treating these companies as separate entities.

In response to the content of your revenue document as it pertains to Incline, it does not account for any of the leasehold interests that are highlighted in bold lettering on the attached spreadsheet. Carrizo has yet to give me any indication as to why there has been no accounting of payments of proceeds for these bolded leasehold interests to date, which was the reasoning behind us submitting the Form 37 in the first place (please see Babak's letter address to Philip Corey dated July 8, 2015).

I've continually brought this lease schedule spreadsheet and the issues surrounding it to Carrizo attention with countless phone calls and via electronic mail on 3/31/2015, 4/30/2015, 6/12/2015 & 7/2/2015. There was also a scheduled conference call with two of Carrizo's employees to discuss the spreadsheet on 5/5/2015.

The only title issue that had been brought to my attention by Carrizo has been resolved by a probate administration in the District Court of Weld County and subsequent filings at the Clerk and Recorder. I informed Carrizo of the fact that the title issue requirement had been cured on July 20, 2015 and furnished electronic copies of all the appropriate documents. I received the following response by the landman who I had always been told handled the title of the Bringelson unit:

"As I've stated before, I don't really work this area any longer. It's my understanding we are currently waiting on a revised DOTO, which will incorporate all of the newly submitted leases. Once issued, it will be placed in

queue along with the others for issuance of DO's. If you have further questions, please direct them to Graham Steeley."

The fact that Carrizo is still waiting on its sixth DOTO 29 months after first sales does not immunize it from the Colorado Revised State Statutes, specifically C.R.S. 34-60-118.5 (2)(a). This issue is further clarified in C.R.S. 34-60-118.5 (3)(b) which specifically states:

"Any delay in determining whether or not a payee is entitled to an interest in proceeds shall not affect payments to all other payees so entitled."

So while Carrizo might have some title issues it's waiting on a DOTO to render an opinion on with some other payee's interests, that in no way shelters Carrizo from abiding by the State Statutes in regards to Incline's interests.

With this being said, your response in no way satisfied our request for payment of proceeds accounting, as it addressed none of the issues that Incline was seeking clarity on (Carrizo's omission of information pertaining to the bolded leasehold interests). As such, Incline still intends to file a Form 38 should Carrizo not follow through with one of the following options for all 10 bolded leases within the original 60 day timeframe, as is our right:

- 1) Provide valid evidence for why the bolded leasehold on the attached spreadsheet have been placed in suspense in accordance with C.R.S. 34-60-118.5 (3)(a).
- 2) Full accounting of all JIB and Revenue figures associated with the bolded leases along with the additional interest payments that C.R.S. 34-60-118.5 (4) clearly states are owed to Incline.
- 3) A check in the amount of \$38,349.76 (Incline's estimate) that fully accounts for the netted revenue after JIBs that is owed to Incline for its full interest in the bolded leases.

We look forward to working with Carrizo to resolve these matters in a timely fashion so that we are not forced to file anything with the COGCC.

Respectfully,

William Francis  
Managing Partner  
Incline Resources, LLC  
[William@inclineresources.com](mailto:William@inclineresources.com)  
(214) 274-3800

Lessee	Lease	QTR	Sec	Term	Rate	Net Ac	Gross Ac	Effective Date	Instrument #	Royalty	Weighted Rt	Term Months	Term Opt.	Interest Derived From	Operator
Lessee	Incline Resources, LLC	N2	32	9N	SBW	3.5	320	3/24/2015	4100058	0.19	0.6500	0	No	John Leon Hartfield	Carrio
Bledsoe, LLC	Incline Resources, LLC	N2	32	9N	SBW	1.75	320	3/24/2015	4100059	0.19	0.3350	0	No	John Leon Hartfield	Carrio
Carol Ann Hestral	Incline Resources, LLC	N2	32	9N	SBW	0.16666667	320	3/1/2015	4094392	0.18	0.0900	36	0	Donald R. Dymally, Jr.	Carrio
Olivia Vyniosomai	Incline Resources, LLC	N2	32	9N	SBW	0.16666667	320	3/1/2015	4094393	0.18	0.0900	36	0	Donald R. Dymally, Jr.	Carrio
Adams Dymally, Jr	Incline Resources, LLC	N2	32	9N	SBW	0.16666667	320	3/1/2015	4094394	0.18	0.0900	36	0	Donald R. Dymally, Jr.	Carrio
Linda Hendee Egan	Incline Resources, LLC	N2	32	9N	SBW	1	320	12/3/2014	4069727	0.16666667	0.16667	60	0	Frank Chester Hendee	Carrio
Cynthia Ann Henry	Incline Resources, LLC	N2	32	9N	SBW	1	320	12/3/2014	4069728	0.16666667	0.16667	60	0	Frank Chester Hendee	Carrio
Dennis Hoffman	Incline Resources, LLC	N2	32	9N	SBW	0.0625	320	6/9/2014	4032661	0.1875	0.01172	60	0	Priscilla Harrington	Carrio
Deanna Hoffman Nelson	Incline Resources, LLC	N2	32	9N	SBW	0.0625	320	6/9/2014	4032660	0.1875	0.01172	60	0	Priscilla Harrington	Carrio
Levi M. Jegers	Incline Resources, LLC	N2	32	9N	SBW	0.0625	320	4/21/2014	4015479	0.1875	0.01172	36	24	Priscilla Harrington	Carrio
Dale Dewey Fuhs	Incline Resources, LLC	N2	32	9N	SBW	0.0625	320	4/21/2014	4021382	0.1875	0.01172	36	24	Priscilla Harrington	Carrio
Suzanne Andre Fuhs	Incline Resources, LLC	N2	32	9N	SBW	0.125	320	6/9/2014	4032662	0.16666667	0.02083	60	0	Priscilla Harrington	Carrio
Betsy Fuhs Campbell	Incline Resources, LLC	N2	32	9N	SBW	0.125	320	6/9/2014	4028903	0.16666667	0.02083	60	24	Priscilla Harrington	Carrio
Tim S. Fuhs	Incline Resources, LLC	N2	32	9N	SBW	0.125	320	6/9/2014	4028907	0.16666667	0.02083	60	0	Priscilla Harrington	Carrio
Estate of Susan M. Fuhs	Incline Resources, LLC	N2	32	9N	SBW	0.0625	320	8/4/2014	4064426	0.18	0.01125	60	0	Priscilla Harrington	Carrio
Rosaline Moynihan	Incline Resources, LLC	N2	32	9N	SBW	0.9375	320	4/3/2014	4028989	0.2	0.18750	60	0	Priscilla Harrington	Carrio
Nancy Finney	Incline Resources, LLC	N2	32	9N	SBW	0.9375	320	4/3/2014	4028904	0.2	0.18750	60	0	Frontier Realty	Carrio
Bruce McIntosh	Incline Resources, LLC	N2	32	9N	SBW	0.9375	320	4/3/2014	4030119	0.2	0.18750	60	0	Frontier Realty	Carrio
Michael McIntosh	Incline Resources, LLC	N2	32	9N	SBW	0.9375	320	4/3/2014	4032559	0.2	0.18750	60	0	Frontier Realty	Carrio
Barbara Downey	Incline Resources, LLC	N2	32	9N	SBW	1.875	320	2/26/2014	4009907	0.2	0.37500	60	0	Frontier Realty	Carrio
Ed Barton	Incline Resources, LLC	N2	32	9N	SBW	1.875	320	2/26/2014	4009906	0.2	0.37500	60	0	Frontier Realty	Carrio
Nancy Staff	Incline Resources, LLC	N2	32	9N	SBW	1.583333333	320	4/10/2014	4016720	0.1875	0.25688	36	0	Margaret A. Wilson	Carrio
Bishop of Pueblo	Incline Resources, LLC	N2	32	9N	SBW	5	320	3/13/2014	4015860	0.1875	0.93750	36	0	Charles Starfield	Carrio

Total NWMA 22,520,833.93  
Total Unit WI 3,518,889.8%

Average Royalty 18.986%  
Unit NRI 2.85078%

Total NWMA 7.9375  
Average that Carrio is withholding accounting of payments of proceeds for.  
Total Unit WI 1.24023%