

# Verdad Oil & Gas Corporation

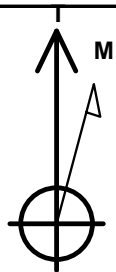
Well Name: **Johnson 01N-65W-30-1C**

Surface Location: Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W  
North American Datum 1983 , US State Plane 1983 , Colorado Northern Zone  
Ground Elevation: 5000.0

| +N/-S   | +E/-W | Northing   | Easting    | Latitude  | Longitude   | Slot |
|---|-------|------------|------------|-----------|-------------|------|
| 0.0   | 0.0   | 1249518.88 | 3221278.95 | 40.015610 | -104.709960 |      |
| Original Well Elev WELL @ 5013.0ft (Original Well Elev) |       |            |            |           |             |      |

## WELLBORE TARGET DETAILS

| Name                   | TVD    | +N/-S  | +E/-W   | Shape                  |
|------------------------|--------|--------|---------|------------------------|
| 460' Setback BHL       | 1.0    | 4619.2 | -1200.0 | Polygon                |
| 460' Setback SHL       | 1.0    | 255.0  | -1200.0 | Polygon                |
| Sectionline            | 1.0    | -205.0 | -1200.0 | Polygon                |
| SHL 205'FSL & 1734'FWL | 1.0    | 0.0    | 0.0     | Point                  |
| Lehl 1 300' Circle     | 7.0    | 1453.2 | -727.4  | Circle (Radius: 300.0) |
| BHL 460'FNL & 660'FWL  | 7483.0 | 4619.2 | -1053.0 | Point                  |



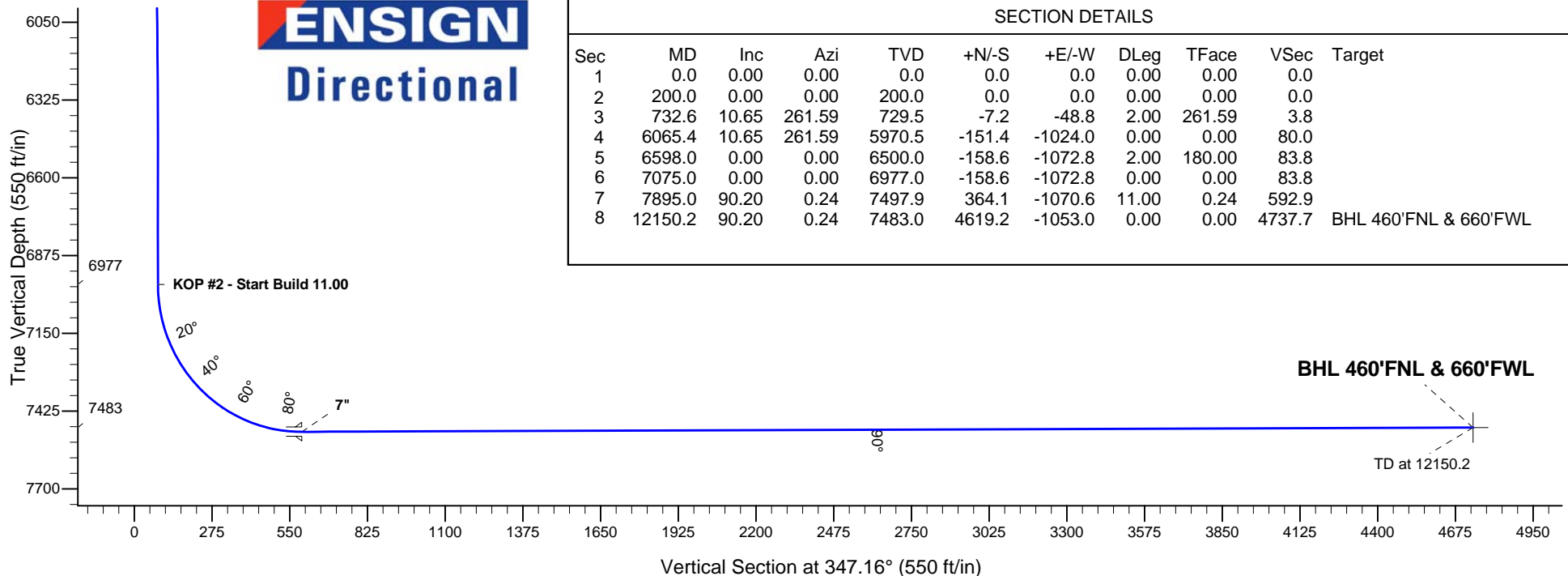
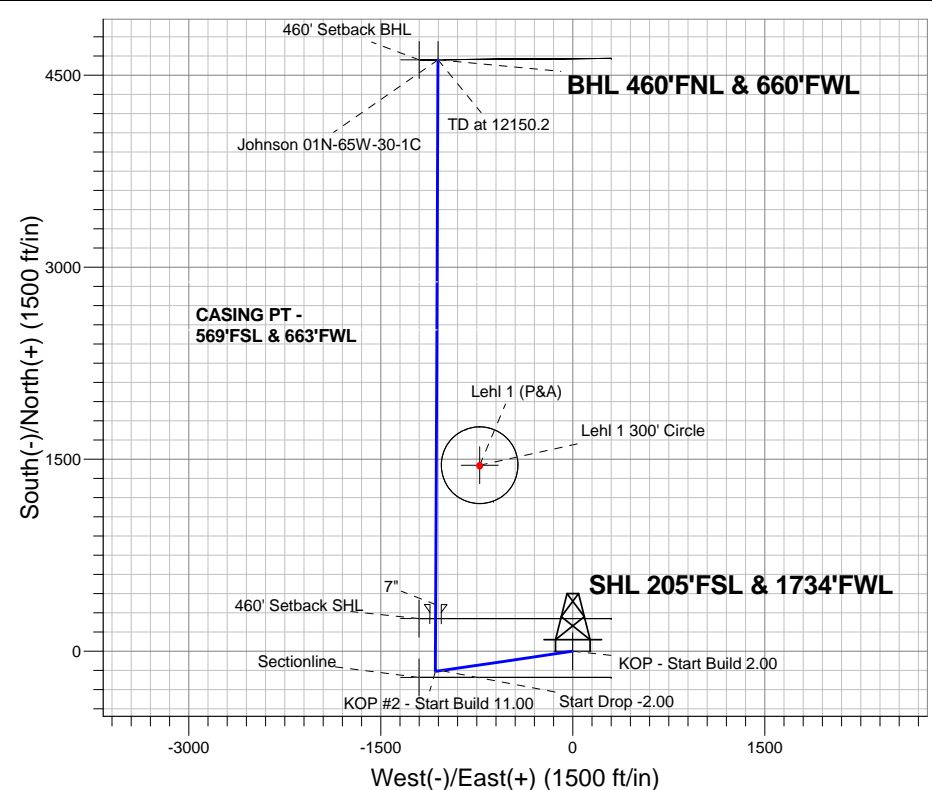
Azimuths to True North  
Magnetic North: 8.38°

Magnetic Field  
Strength: 52604.0snT  
Dip Angle: 66.64°  
Date: 8/1/2014  
Model: IGRF2010

Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W  
Johnson 01N-65W-30-1C  
Plan #2 (8-5-14)

## ANNOTATIONS

| TVD    | MD      | Annotation                 |
|--------|---------|----------------------------|
| 200.0  | 200.0   | KOP - Start Build 2.00     |
| 5970.5 | 6065.4  | Start Drop -2.00           |
| 6977.0 | 7075.0  | KOP #2 - Start Build 11.00 |
| 7483.0 | 12150.2 | TD at 12150.2              |





# **Verdad Oil & Gas Corporation**

**SEC.30-T1N-R65W**

**Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W**

**Johnson 01N-65W-30-1C**

**Wellbore #1**

**Plan: Plan #2 (8-5-14)**

## **Standard Planning Report**

**05 August, 2014**

|                  |  |                                     |                                      |
|------------------|--|-------------------------------------|--------------------------------------|
| <b>Database:</b> | landmark                                     | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Company:</b>  | Verdad Oil & Gas Corporation                 | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Project:</b>  | SEC.30-T1N-R65W                              | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site:</b>     | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>North Reference:</b>             | True                                 |
| <b>Well:</b>     | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Wellbore:</b> | Wellbore #1                                  |                                     |                                      |
| <b>Design:</b>   | Plan #2 (8-5-14)                             |                                     |                                      |

|                    |                                  |                      |                             |
|--------------------|----------------------------------|----------------------|-----------------------------|
| <b>Project</b>     | SEC.30-T1N-R65W, Weld County, CO |                      |                             |
| <b>Map System:</b> | US State Plane 1983              | <b>System Datum:</b> | Mean Sea Level              |
| <b>Geo Datum:</b>  | North American Datum 1983        |                      | Using Well Reference Point  |
| <b>Map Zone:</b>   | Colorado Northern Zone           |                      | Using geodetic scale factor |

|                              |   |                          |                 |
|------------------------------|---|--------------------------|-----------------|
| <b>Site</b>                  | Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W |                          |                 |
| <b>Site Position:</b>        |   | <b>Northing:</b>         | 1,249,518.89 ft |
| <b>From:</b>                 | Lat/Long                                  | <b>Easting:</b>          | 3,221,278.95 ft |
| <b>Position Uncertainty:</b> | 0.0 ft                                    | <b>Slot Radius:</b>      | "               |
|                              |   | <b>Latitude:</b>         | 40.015610       |
|                              |   | <b>Longitude:</b>        | -104.709960     |
|                              |   | <b>Grid Convergence:</b> | 0.51 °          |

|                             |                       |        |                            |
|-----------------------------|-----------------------|--------|----------------------------|
| <b>Well</b>                 | Johnson 01N-65W-30-1C |        |                            |
| <b>Well Position</b>        | <b>+N/-S</b>          | 0.0 ft | <b>Northing:</b>           |
|                             | <b>+E/-W</b>          | 0.0 ft | <b>Easting:</b>            |
| <b>Position Uncertainty</b> |                       | 0.0 ft | <b>Wellhead Elevation:</b> |
|                             |                       |        | <b>Latitude:</b>           |
|                             |                       |        | <b>Longitude:</b>          |
|                             |                       |        | <b>Ground Level:</b>       |

|                  |                   |                    |                        |                      |                            |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | Wellbore #1       |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | IGRF2010          | 8/1/2014           | 8.38                   | 66.64                | 52,604                     |

|                          |                              |                   |                      |                      |
|--------------------------|------------------------------|-------------------|----------------------|----------------------|
| <b>Design</b>            | Plan #2 (8-5-14)             |                   |                      |                      |
| <b>Audit Notes:</b>      |                              |                   |                      |                      |
| <b>Version:</b>          | <b>Phase:</b>                | PROTOTYPE         | <b>Tie On Depth:</b> | 0.0                  |
| <b>Vertical Section:</b> | <b>Depth From (TVD) (ft)</b> | <b>+N/-S (ft)</b> | <b>+E/-W (ft)</b>    | <b>Direction (°)</b> |
|                          | 0.0                          | 0.0               | 0.0                  | 347.16               |

|                            |                        |                    |                            |                   |                   |                              |                             |                            |                |                   |
|----------------------------|------------------------|--------------------|----------------------------|-------------------|-------------------|------------------------------|-----------------------------|----------------------------|----------------|-------------------|
| <b>Plan Sections</b>       |                        |                    |                            |                   |                   |                              |                             |                            |                |                   |
| <b>Measured Depth (ft)</b> | <b>Inclination (°)</b> | <b>Azimuth (°)</b> | <b>Vertical Depth (ft)</b> | <b>+N/-S (ft)</b> | <b>+E/-W (ft)</b> | <b>Dogleg Rate (°/100ft)</b> | <b>Build Rate (°/100ft)</b> | <b>Turn Rate (°/100ft)</b> | <b>TFO (°)</b> | <b>Target</b>     |
| 0.0                        | 0.00                   | 0.00               | 0.0                        | 0.0               | 0.0               | 0.00                         | 0.00                        | 0.00                       | 0.00           |                   |
| 200.0                      | 0.00                   | 0.00               | 200.0                      | 0.0               | 0.0               | 0.00                         | 0.00                        | 0.00                       | 0.00           |                   |
| 732.6                      | 10.65                  | 261.59             | 729.5                      | -7.2              | -48.8             | 2.00                         | 2.00                        | 0.00                       | 261.59         |                   |
| 6,065.4                    | 10.65                  | 261.59             | 5,970.5                    | -151.4            | -1,024.0          | 0.00                         | 0.00                        | 0.00                       | 0.00           |                   |
| 6,598.0                    | 0.00                   | 0.00               | 6,500.0                    | -158.6            | -1,072.8          | 2.00                         | -2.00                       | 0.00                       | 180.00         |                   |
| 7,075.0                    | 0.00                   | 0.00               | 6,977.0                    | -158.6            | -1,072.8          | 0.00                         | 0.00                        | 0.00                       | 0.00           |                   |
| 7,895.0                    | 90.20                  | 0.24               | 7,497.9                    | 364.1             | -1,070.6          | 11.00                        | 11.00                       | 0.00                       | 0.24           |                   |
| 12,150.2                   | 90.20                  | 0.24               | 7,483.0                    | 4,619.2           | -1,053.0          | 0.00                         | 0.00                        | 0.00                       | 0.00           | BHL 460'FNL & 66C |

|                  |  |                                     |                                      |
|------------------|--|-------------------------------------|--------------------------------------|
| <b>Database:</b> | landmark                                     | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Company:</b>  | Verdad Oil & Gas Corporation                 | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Project:</b>  | SEC.30-T1N-R65W                              | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site:</b>     | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>North Reference:</b>             | True                                 |
| <b>Well:</b>     | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Wellbore:</b> | Wellbore #1                                  |                                     |                                      |
| <b>Design:</b>   | Plan #2 (8-5-14)                             |                                     |                                      |

| Planned Survey                |                 |             |                     |            |            |                       |                       |                      |                     |
|-------------------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| Measured Depth (ft)           | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 0.0                           | 0.00            | 0.00        | 0.0                 | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | 0.00                |
| 100.0                         | 0.00            | 0.00        | 100.0               | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | 0.00                |
| 200.0                         | 0.00            | 0.00        | 200.0               | 0.0        | 0.0        | 0.0                   | 0.00                  | 0.00                 | 0.00                |
| <b>KOP - Start Build 2.00</b> |                 |             |                     |            |            |                       |                       |                      |                     |
| 300.0                         | 2.00            | 261.59      | 300.0               | -0.3       | -1.7       | 0.1                   | 2.00                  | 2.00                 | 0.00                |
| 400.0                         | 4.00            | 261.59      | 399.8               | -1.0       | -6.9       | 0.5                   | 2.00                  | 2.00                 | 0.00                |
| 500.0                         | 6.00            | 261.59      | 499.5               | -2.3       | -15.5      | 1.2                   | 2.00                  | 2.00                 | 0.00                |
| 600.0                         | 8.00            | 261.59      | 598.7               | -4.1       | -27.6      | 2.2                   | 2.00                  | 2.00                 | 0.00                |
| 700.0                         | 10.00           | 261.59      | 697.5               | -6.4       | -43.1      | 3.4                   | 2.00                  | 2.00                 | 0.00                |
| 732.6                         | 10.65           | 261.59      | 729.5               | -7.2       | -48.8      | 3.8                   | 2.00                  | 2.00                 | 0.00                |
| 800.0                         | 10.65           | 261.59      | 795.8               | -9.0       | -61.2      | 4.8                   | 0.00                  | 0.00                 | 0.00                |
| 900.0                         | 10.65           | 261.59      | 894.1               | -11.7      | -79.4      | 6.2                   | 0.00                  | 0.00                 | 0.00                |
| 1,000.0                       | 10.65           | 261.59      | 992.3               | -14.4      | -97.7      | 7.6                   | 0.00                  | 0.00                 | 0.00                |
| 1,100.0                       | 10.65           | 261.59      | 1,090.6             | -17.2      | -116.0     | 9.1                   | 0.00                  | 0.00                 | 0.00                |
| 1,200.0                       | 10.65           | 261.59      | 1,188.9             | -19.9      | -134.3     | 10.5                  | 0.00                  | 0.00                 | 0.00                |
| 1,300.0                       | 10.65           | 261.59      | 1,287.2             | -22.6      | -152.6     | 11.9                  | 0.00                  | 0.00                 | 0.00                |
| 1,400.0                       | 10.65           | 261.59      | 1,385.4             | -25.3      | -170.9     | 13.3                  | 0.00                  | 0.00                 | 0.00                |
| 1,500.0                       | 10.65           | 261.59      | 1,483.7             | -28.0      | -189.2     | 14.8                  | 0.00                  | 0.00                 | 0.00                |
| 1,600.0                       | 10.65           | 261.59      | 1,582.0             | -30.7      | -207.4     | 16.2                  | 0.00                  | 0.00                 | 0.00                |
| 1,700.0                       | 10.65           | 261.59      | 1,680.3             | -33.4      | -225.7     | 17.6                  | 0.00                  | 0.00                 | 0.00                |
| 1,800.0                       | 10.65           | 261.59      | 1,778.5             | -36.1      | -244.0     | 19.1                  | 0.00                  | 0.00                 | 0.00                |
| 1,900.0                       | 10.65           | 261.59      | 1,876.8             | -38.8      | -262.3     | 20.5                  | 0.00                  | 0.00                 | 0.00                |
| 2,000.0                       | 10.65           | 261.59      | 1,975.1             | -41.5      | -280.6     | 21.9                  | 0.00                  | 0.00                 | 0.00                |
| 2,100.0                       | 10.65           | 261.59      | 2,073.4             | -44.2      | -298.9     | 23.3                  | 0.00                  | 0.00                 | 0.00                |
| 2,200.0                       | 10.65           | 261.59      | 2,171.7             | -46.9      | -317.2     | 24.8                  | 0.00                  | 0.00                 | 0.00                |
| 2,300.0                       | 10.65           | 261.59      | 2,269.9             | -49.6      | -335.4     | 26.2                  | 0.00                  | 0.00                 | 0.00                |
| 2,400.0                       | 10.65           | 261.59      | 2,368.2             | -52.3      | -353.7     | 27.6                  | 0.00                  | 0.00                 | 0.00                |
| 2,500.0                       | 10.65           | 261.59      | 2,466.5             | -55.0      | -372.0     | 29.0                  | 0.00                  | 0.00                 | 0.00                |
| 2,600.0                       | 10.65           | 261.59      | 2,564.8             | -57.7      | -390.3     | 30.5                  | 0.00                  | 0.00                 | 0.00                |
| 2,700.0                       | 10.65           | 261.59      | 2,663.0             | -60.4      | -408.6     | 31.9                  | 0.00                  | 0.00                 | 0.00                |
| 2,800.0                       | 10.65           | 261.59      | 2,761.3             | -63.1      | -426.9     | 33.3                  | 0.00                  | 0.00                 | 0.00                |
| 2,900.0                       | 10.65           | 261.59      | 2,859.6             | -65.8      | -445.2     | 34.8                  | 0.00                  | 0.00                 | 0.00                |
| 3,000.0                       | 10.65           | 261.59      | 2,957.9             | -68.5      | -463.4     | 36.2                  | 0.00                  | 0.00                 | 0.00                |
| 3,100.0                       | 10.65           | 261.59      | 3,056.1             | -71.2      | -481.7     | 37.6                  | 0.00                  | 0.00                 | 0.00                |
| 3,200.0                       | 10.65           | 261.59      | 3,154.4             | -73.9      | -500.0     | 39.0                  | 0.00                  | 0.00                 | 0.00                |
| 3,300.0                       | 10.65           | 261.59      | 3,252.7             | -76.6      | -518.3     | 40.5                  | 0.00                  | 0.00                 | 0.00                |
| 3,400.0                       | 10.65           | 261.59      | 3,351.0             | -79.3      | -536.6     | 41.9                  | 0.00                  | 0.00                 | 0.00                |
| 3,500.0                       | 10.65           | 261.59      | 3,449.3             | -82.0      | -554.9     | 43.3                  | 0.00                  | 0.00                 | 0.00                |
| 3,600.0                       | 10.65           | 261.59      | 3,547.5             | -84.7      | -573.2     | 44.8                  | 0.00                  | 0.00                 | 0.00                |
| 3,700.0                       | 10.65           | 261.59      | 3,645.8             | -87.4      | -591.4     | 46.2                  | 0.00                  | 0.00                 | 0.00                |
| 3,800.0                       | 10.65           | 261.59      | 3,744.1             | -90.1      | -609.7     | 47.6                  | 0.00                  | 0.00                 | 0.00                |
| 3,900.0                       | 10.65           | 261.59      | 3,842.4             | -92.8      | -628.0     | 49.0                  | 0.00                  | 0.00                 | 0.00                |
| 4,000.0                       | 10.65           | 261.59      | 3,940.6             | -95.5      | -646.3     | 50.5                  | 0.00                  | 0.00                 | 0.00                |
| 4,100.0                       | 10.65           | 261.59      | 4,038.9             | -98.2      | -664.6     | 51.9                  | 0.00                  | 0.00                 | 0.00                |
| 4,200.0                       | 10.65           | 261.59      | 4,137.2             | -101.0     | -682.9     | 53.3                  | 0.00                  | 0.00                 | 0.00                |
| 4,300.0                       | 10.65           | 261.59      | 4,235.5             | -103.7     | -701.2     | 54.7                  | 0.00                  | 0.00                 | 0.00                |
| 4,400.0                       | 10.65           | 261.59      | 4,333.7             | -106.4     | -719.4     | 56.2                  | 0.00                  | 0.00                 | 0.00                |
| 4,500.0                       | 10.65           | 261.59      | 4,432.0             | -109.1     | -737.7     | 57.6                  | 0.00                  | 0.00                 | 0.00                |
| 4,600.0                       | 10.65           | 261.59      | 4,530.3             | -111.8     | -756.0     | 59.0                  | 0.00                  | 0.00                 | 0.00                |
| 4,700.0                       | 10.65           | 261.59      | 4,628.6             | -114.5     | -774.3     | 60.5                  | 0.00                  | 0.00                 | 0.00                |
| 4,800.0                       | 10.65           | 261.59      | 4,726.8             | -117.2     | -792.6     | 61.9                  | 0.00                  | 0.00                 | 0.00                |
| 4,900.0                       | 10.65           | 261.59      | 4,825.1             | -119.9     | -810.9     | 63.3                  | 0.00                  | 0.00                 | 0.00                |
| 5,000.0                       | 10.65           | 261.59      | 4,923.4             | -122.6     | -829.1     | 64.7                  | 0.00                  | 0.00                 | 0.00                |

|                  |                              |                                     |                                      |
|------------------|------------------------------|-------------------------------------|--------------------------------------|
| <b>Database:</b> | landmark                     | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Company:</b>  | Verdad Oil & Gas Corporation | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Project:</b>  | SEC.30-T1N-R65W              | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site:</b>     | Johnson 01N-65W-30-1C Pad    | <b>North Reference:</b>             | True                                 |
|                  | Sec.30-T1N-R65W              |                                     |                                      |
| <b>Well:</b>     | Johnson 01N-65W-30-1C        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Wellbore:</b> | Wellbore #1                  |                                     |                                      |
| <b>Design:</b>   | Plan #2 (8-5-14)             |                                     |                                      |

| Planned Survey                    |                 |             |                     |            |            |                       |                       |                      |                     |
|-----------------------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| Measured Depth (ft)               | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 5,100.0                           | 10.65           | 261.59      | 5,021.7             | -125.3     | -847.4     | 66.2                  | 0.00                  | 0.00                 | 0.00                |
| 5,200.0                           | 10.65           | 261.59      | 5,120.0             | -128.0     | -865.7     | 67.6                  | 0.00                  | 0.00                 | 0.00                |
| 5,300.0                           | 10.65           | 261.59      | 5,218.2             | -130.7     | -884.0     | 69.0                  | 0.00                  | 0.00                 | 0.00                |
| 5,400.0                           | 10.65           | 261.59      | 5,316.5             | -133.4     | -902.3     | 70.5                  | 0.00                  | 0.00                 | 0.00                |
| 5,500.0                           | 10.65           | 261.59      | 5,414.8             | -136.1     | -920.6     | 71.9                  | 0.00                  | 0.00                 | 0.00                |
| 5,600.0                           | 10.65           | 261.59      | 5,513.1             | -138.8     | -938.9     | 73.3                  | 0.00                  | 0.00                 | 0.00                |
| 5,700.0                           | 10.65           | 261.59      | 5,611.3             | -141.5     | -957.1     | 74.7                  | 0.00                  | 0.00                 | 0.00                |
| 5,800.0                           | 10.65           | 261.59      | 5,709.6             | -144.2     | -975.4     | 76.2                  | 0.00                  | 0.00                 | 0.00                |
| 5,900.0                           | 10.65           | 261.59      | 5,807.9             | -146.9     | -993.7     | 77.6                  | 0.00                  | 0.00                 | 0.00                |
| 6,000.0                           | 10.65           | 261.59      | 5,906.2             | -149.6     | -1,012.0   | 79.0                  | 0.00                  | 0.00                 | 0.00                |
| 6,065.4                           | 10.65           | 261.59      | 5,970.4             | -151.4     | -1,024.0   | 80.0                  | 0.00                  | 0.00                 | 0.00                |
| <b>Start Drop -2.00</b>           |                 |             |                     |            |            |                       |                       |                      |                     |
| 6,100.0                           | 9.96            | 261.59      | 6,004.5             | -152.3     | -1,030.1   | 80.4                  | 2.00                  | -2.00                | 0.00                |
| 6,200.0                           | 7.96            | 261.59      | 6,103.3             | -154.6     | -1,045.5   | 81.6                  | 2.00                  | -2.00                | 0.00                |
| 6,300.0                           | 5.96            | 261.59      | 6,202.5             | -156.3     | -1,057.5   | 82.6                  | 2.00                  | -2.00                | 0.00                |
| 6,400.0                           | 3.96            | 261.59      | 6,302.1             | -157.6     | -1,066.0   | 83.2                  | 2.00                  | -2.00                | 0.00                |
| 6,500.0                           | 1.96            | 261.59      | 6,402.0             | -158.4     | -1,071.1   | 83.6                  | 2.00                  | -2.00                | 0.00                |
| 6,598.0                           | 0.00            | 0.00        | 6,500.0             | -158.6     | -1,072.8   | 83.8                  | 2.00                  | -2.00                | 0.00                |
| 6,600.0                           | 0.00            | 0.00        | 6,502.0             | -158.6     | -1,072.8   | 83.8                  | 0.00                  | 0.00                 | 0.00                |
| 6,700.0                           | 0.00            | 0.00        | 6,602.0             | -158.6     | -1,072.8   | 83.8                  | 0.00                  | 0.00                 | 0.00                |
| 6,800.0                           | 0.00            | 0.00        | 6,702.0             | -158.6     | -1,072.8   | 83.8                  | 0.00                  | 0.00                 | 0.00                |
| 6,900.0                           | 0.00            | 0.00        | 6,802.0             | -158.6     | -1,072.8   | 83.8                  | 0.00                  | 0.00                 | 0.00                |
| 7,000.0                           | 0.00            | 0.00        | 6,902.0             | -158.6     | -1,072.8   | 83.8                  | 0.00                  | 0.00                 | 0.00                |
| 7,075.0                           | 0.00            | 0.00        | 6,977.0             | -158.6     | -1,072.8   | 83.8                  | 0.00                  | 0.00                 | 0.00                |
| <b>KOP #2 - Start Build 11.00</b> |                 |             |                     |            |            |                       |                       |                      |                     |
| 7,100.0                           | 2.75            | 0.24        | 7,002.0             | -158.0     | -1,072.8   | 84.3                  | 11.00                 | 11.00                | 0.00                |
| 7,200.0                           | 13.75           | 0.24        | 7,100.8             | -143.7     | -1,072.7   | 98.3                  | 11.00                 | 11.00                | 0.00                |
| 7,300.0                           | 24.75           | 0.24        | 7,195.0             | -110.8     | -1,072.6   | 130.4                 | 11.00                 | 11.00                | 0.00                |
| 7,400.0                           | 35.75           | 0.24        | 7,281.3             | -60.5      | -1,072.4   | 179.4                 | 11.00                 | 11.00                | 0.00                |
| 7,500.0                           | 46.75           | 0.24        | 7,356.4             | 5.4        | -1,072.1   | 243.5                 | 11.00                 | 11.00                | 0.00                |
| 7,600.0                           | 57.75           | 0.24        | 7,417.5             | 84.3       | -1,071.8   | 320.4                 | 11.00                 | 11.00                | 0.00                |
| 7,700.0                           | 68.75           | 0.24        | 7,462.4             | 173.5      | -1,071.4   | 407.2                 | 11.00                 | 11.00                | 0.00                |
| 7,800.0                           | 79.75           | 0.24        | 7,489.5             | 269.6      | -1,071.0   | 500.8                 | 11.00                 | 11.00                | 0.00                |
| 7,895.0                           | 90.20           | 0.24        | 7,497.9             | 364.1      | -1,070.6   | 592.9                 | 11.00                 | 11.00                | 0.00                |
| <b>7"</b>                         |                 |             |                     |            |            |                       |                       |                      |                     |
| 7,900.0                           | 90.20           | 0.24        | 7,497.8             | 369.1      | -1,070.6   | 597.8                 | 0.01                  | 0.01                 | 0.00                |
| 8,000.0                           | 90.20           | 0.24        | 7,497.5             | 469.1      | -1,070.2   | 695.2                 | 0.00                  | 0.00                 | 0.00                |
| 8,100.0                           | 90.20           | 0.24        | 7,497.1             | 569.1      | -1,069.8   | 792.6                 | 0.00                  | 0.00                 | 0.00                |
| 8,200.0                           | 90.20           | 0.24        | 7,496.8             | 669.1      | -1,069.4   | 890.0                 | 0.00                  | 0.00                 | 0.00                |
| 8,300.0                           | 90.20           | 0.24        | 7,496.4             | 769.1      | -1,069.0   | 987.4                 | 0.00                  | 0.00                 | 0.00                |
| 8,400.0                           | 90.20           | 0.24        | 7,496.1             | 869.1      | -1,068.5   | 1,084.8               | 0.00                  | 0.00                 | 0.00                |
| 8,500.0                           | 90.20           | 0.24        | 7,495.7             | 969.1      | -1,068.1   | 1,182.2               | 0.00                  | 0.00                 | 0.00                |
| 8,600.0                           | 90.20           | 0.24        | 7,495.4             | 1,069.1    | -1,067.7   | 1,279.6               | 0.00                  | 0.00                 | 0.00                |
| 8,700.0                           | 90.20           | 0.24        | 7,495.0             | 1,169.1    | -1,067.3   | 1,377.0               | 0.00                  | 0.00                 | 0.00                |
| 8,800.0                           | 90.20           | 0.24        | 7,494.7             | 1,269.1    | -1,066.9   | 1,474.4               | 0.00                  | 0.00                 | 0.00                |
| 8,900.0                           | 90.20           | 0.24        | 7,494.3             | 1,369.1    | -1,066.5   | 1,571.8               | 0.00                  | 0.00                 | 0.00                |
| 9,000.0                           | 90.20           | 0.24        | 7,494.0             | 1,469.1    | -1,066.0   | 1,669.2               | 0.00                  | 0.00                 | 0.00                |
| 9,100.0                           | 90.20           | 0.24        | 7,493.6             | 1,569.1    | -1,065.6   | 1,766.6               | 0.00                  | 0.00                 | 0.00                |
| 9,200.0                           | 90.20           | 0.24        | 7,493.3             | 1,669.1    | -1,065.2   | 1,864.0               | 0.00                  | 0.00                 | 0.00                |
| 9,300.0                           | 90.20           | 0.24        | 7,492.9             | 1,769.1    | -1,064.8   | 1,961.4               | 0.00                  | 0.00                 | 0.00                |
| 9,400.0                           | 90.20           | 0.24        | 7,492.6             | 1,869.1    | -1,064.4   | 2,058.9               | 0.00                  | 0.00                 | 0.00                |
| 9,500.0                           | 90.20           | 0.24        | 7,492.3             | 1,969.1    | -1,064.0   | 2,156.3               | 0.00                  | 0.00                 | 0.00                |
| 9,600.0                           | 90.20           | 0.24        | 7,491.9             | 2,069.1    | -1,063.6   | 2,253.7               | 0.00                  | 0.00                 | 0.00                |

|                  |  |                                     |                                      |
|------------------|--|-------------------------------------|--------------------------------------|
| <b>Database:</b> | landmark                                     | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Company:</b>  | Verdad Oil & Gas Corporation                 | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Project:</b>  | SEC.30-T1N-R65W                              | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site:</b>     | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>North Reference:</b>             | True                                 |
| <b>Well:</b>     | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Wellbore:</b> | Wellbore #1                                  |                                     |                                      |
| <b>Design:</b>   | Plan #2 (8-5-14)                             |                                     |                                      |

**Planned Survey**

| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| 9,700.0             | 90.20           | 0.24        | 7,491.6             | 2,169.1    | -1,063.1   | 2,351.1               | 0.00                  | 0.00                 | 0.00                |
| 9,800.0             | 90.20           | 0.24        | 7,491.2             | 2,269.1    | -1,062.7   | 2,448.5               | 0.00                  | 0.00                 | 0.00                |
| 9,900.0             | 90.20           | 0.24        | 7,490.9             | 2,369.1    | -1,062.3   | 2,545.9               | 0.00                  | 0.00                 | 0.00                |
| 10,000.0            | 90.20           | 0.24        | 7,490.5             | 2,469.0    | -1,061.9   | 2,643.3               | 0.00                  | 0.00                 | 0.00                |
| 10,100.0            | 90.20           | 0.24        | 7,490.2             | 2,569.0    | -1,061.5   | 2,740.7               | 0.00                  | 0.00                 | 0.00                |
| 10,200.0            | 90.20           | 0.24        | 7,489.8             | 2,669.0    | -1,061.1   | 2,838.1               | 0.00                  | 0.00                 | 0.00                |
| 10,300.0            | 90.20           | 0.24        | 7,489.5             | 2,769.0    | -1,060.7   | 2,935.5               | 0.00                  | 0.00                 | 0.00                |
| 10,400.0            | 90.20           | 0.24        | 7,489.1             | 2,869.0    | -1,060.2   | 3,032.9               | 0.00                  | 0.00                 | 0.00                |
| 10,500.0            | 90.20           | 0.24        | 7,488.8             | 2,969.0    | -1,059.8   | 3,130.3               | 0.00                  | 0.00                 | 0.00                |
| 10,600.0            | 90.20           | 0.24        | 7,488.4             | 3,069.0    | -1,059.4   | 3,227.7               | 0.00                  | 0.00                 | 0.00                |
| 10,700.0            | 90.20           | 0.24        | 7,488.1             | 3,169.0    | -1,059.0   | 3,325.1               | 0.00                  | 0.00                 | 0.00                |
| 10,800.0            | 90.20           | 0.24        | 7,487.7             | 3,269.0    | -1,058.6   | 3,422.5               | 0.00                  | 0.00                 | 0.00                |
| 10,900.0            | 90.20           | 0.24        | 7,487.4             | 3,369.0    | -1,058.2   | 3,519.9               | 0.00                  | 0.00                 | 0.00                |
| 11,000.0            | 90.20           | 0.24        | 7,487.0             | 3,469.0    | -1,057.8   | 3,617.3               | 0.00                  | 0.00                 | 0.00                |
| 11,100.0            | 90.20           | 0.24        | 7,486.7             | 3,569.0    | -1,057.3   | 3,714.8               | 0.00                  | 0.00                 | 0.00                |
| 11,200.0            | 90.20           | 0.24        | 7,486.3             | 3,669.0    | -1,056.9   | 3,812.2               | 0.00                  | 0.00                 | 0.00                |
| 11,300.0            | 90.20           | 0.24        | 7,486.0             | 3,769.0    | -1,056.5   | 3,909.6               | 0.00                  | 0.00                 | 0.00                |
| 11,400.0            | 90.20           | 0.24        | 7,485.6             | 3,869.0    | -1,056.1   | 4,007.0               | 0.00                  | 0.00                 | 0.00                |
| 11,500.0            | 90.20           | 0.24        | 7,485.3             | 3,969.0    | -1,055.7   | 4,104.4               | 0.00                  | 0.00                 | 0.00                |
| 11,600.0            | 90.20           | 0.24        | 7,484.9             | 4,069.0    | -1,055.3   | 4,201.8               | 0.00                  | 0.00                 | 0.00                |
| 11,700.0            | 90.20           | 0.24        | 7,484.6             | 4,169.0    | -1,054.8   | 4,299.2               | 0.00                  | 0.00                 | 0.00                |
| 11,800.0            | 90.20           | 0.24        | 7,484.2             | 4,269.0    | -1,054.4   | 4,396.6               | 0.00                  | 0.00                 | 0.00                |
| 11,900.0            | 90.20           | 0.24        | 7,483.9             | 4,369.0    | -1,054.0   | 4,494.0               | 0.00                  | 0.00                 | 0.00                |
| 12,000.0            | 90.20           | 0.24        | 7,483.5             | 4,469.0    | -1,053.6   | 4,591.4               | 0.00                  | 0.00                 | 0.00                |
| 12,100.0            | 90.20           | 0.24        | 7,483.2             | 4,569.0    | -1,053.2   | 4,688.8               | 0.00                  | 0.00                 | 0.00                |
| 12,150.2            | 90.20           | 0.24        | 7,483.0             | 4,619.2    | -1,053.0   | 4,737.7               | 0.00                  | 0.00                 | 0.00                |

**Casing Points**

| Measured Depth (ft) | Vertical Depth (ft) | Name | Casing Diameter (") | Hole Diameter (") |
|---------------------|---------------------|------|---------------------|-------------------|
| 7,895.0             | 7,497.9             | 7"   | 7                   | 7-1/2             |

**Plan Annotations**

| Measured Depth (ft) | Vertical Depth (ft) | Local Coordinates +N/-S (ft) | +E/-W (ft) | Comment                    |
|---------------------|---------------------|------------------------------|------------|----------------------------|
| 200.0               | 200.0               | 0.0                          | 0.0        | KOP - Start Build 2.00     |
| 6,065.4             | 5,970.5             | -7.2                         | -48.8      | Start Drop -2.00           |
| 7,075.0             | 6,977.0             | -151.4                       | -1,024.0   | KOP #2 - Start Build 11.00 |
| 12,150.2            | 7,483.0             | -158.6                       | -1,072.8   | TD at 12150.2              |



# **Verdad Oil & Gas Corporation**

**SEC.30-T1N-R65W**

**Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W**

**Johnson 01N-65W-30-1C**

**Wellbore #1**

**Plan #2 (8-5-14)**

## **Anticollision Report**

**05 August, 2014**

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

|                                     |   |                       |                     |
|-------------------------------------|---|-----------------------|---------------------|
| <b>Reference</b>                    | Plan #2 (8-5-14)  |                       |                     |
| <b>Filter type:</b>                 | NO GLOBAL FILTER: Using user defined selection & filtering criteria |                       |                     |
| <b>Interpolation Method:</b>        | MD Interval 100.0ft   | <b>Error Model:</b>   | ISCWSA              |
| <b>Depth Range:</b>                 | Unlimited   | <b>Scan Method:</b>   | Closest Approach 3D |
| <b>Results Limited by:</b>          | Maximum center-center distance of 1,000.0ft                         | <b>Error Surface:</b> | Elliptical Conic    |
| <b>Warning Levels Evaluated at:</b> | 2.00 Sigma  |                       |                     |

|                            |                      |                                |                  |                    |
|----------------------------|----------------------|--------------------------------|------------------|--------------------|
| <b>Survey Tool Program</b> | <b>Date</b> 8/5/2014 |                                |                  |                    |
| <b>From (ft)</b>           | <b>To (ft)</b>       | <b>Survey (Wellbore)</b>       | <b>Tool Name</b> | <b>Description</b> |
| 0.0                        | 12,150.2             | Plan #2 (8-5-14) (Wellbore #1) | MWD              | MWD - Standard     |

| Summary  |                               |                            |                               |                       |                   |              |
|--|-------------------------------|----------------------------|-------------------------------|-----------------------|-------------------|--------------|
| Site Name  | Reference Measured Depth (ft) | Offset Measured Depth (ft) | Distance Between Centres (ft) | Between Ellipses (ft) | Separation Factor | Warning      |
| Offset Well - Wellbore - Design                        |                               |                            |                               |                       |                   |              |
| Existing Wells Sec.30-T1N-R65W                         |                               |                            |                               |                       |                   |              |
| Gilmore 1-30 (P&A) - Wellbore #1 - Wellbore #1         |                               |                            |                               |                       |                   | Out of range |
| Lehl 1 (P&A) - Wellbore #1 - Wellbore #1               | 8,985.5                       | 7,488.0                    | 338.7                         | 155.6                 | 1.849             | CC, ES       |
| Lehl 1 (P&A) - Wellbore #1 - Wellbore #1               | 9,000.0                       | 7,488.0                    | 339.0                         | 155.7                 | 1.849             | SF           |
| Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W              |                               |                            |                               |                       |                   |              |
| Johnson 01N-65W-30-2N - Wellbore #1 - Plan #1 (8-1-14) | 200.0                         | 200.0                      | 14.0                          | 13.3                  | 20.770            | CC, ES       |
| Johnson 01N-65W-30-2N - Wellbore #1 - Plan #1 (8-1-14) | 5,600.0                       | 5,604.7                    | 71.6                          | 41.8                  | 2.402             | SF           |
| Johnson 01N-65W-30-3N - Wellbore #1 - Plan #1 (8-1-14) | 200.0                         | 200.0                      | 30.8                          | 30.1                  | 45.693            | CC, ES       |
| Johnson 01N-65W-30-3N - Wellbore #1 - Plan #1 (8-1-14) | 12,150.9                      | 11,823.9                   | 386.5                         | 231.5                 | 2.494             | SF           |
| Johnson 01N-65W-30-4N - Wellbore #1 - Plan #1 (8-1-14) | 200.0                         | 200.0                      | 45.0                          | 44.3                  | 66.682            | CC, ES       |
| Johnson 01N-65W-30-4N - Wellbore #1 - Plan #1 (8-1-14) | 12,150.9                      | 11,809.0                   | 533.8                         | 366.8                 | 3.196             | SF           |
| Johnson 01N-65W-30-5C - Wellbore #1 - Plan #1 (8-1-14) | 200.0                         | 200.0                      | 61.7                          | 61.1                  | 91.546            | CC, ES       |
| Johnson 01N-65W-30-5C - Wellbore #1 - Plan #1 (8-1-14) | 12,150.9                      | 11,998.3                   | 658.1                         | 477.5                 | 3.644             | SF           |
| Johnson 01N-65W-30-6N - Wellbore #1 - Plan #1 (8-1-14) | 200.0                         | 200.0                      | 75.7                          | 75.0                  | 112.287           | CC, ES       |
| Johnson 01N-65W-30-6N - Wellbore #1 - Plan #1 (8-1-14) | 12,150.9                      | 11,784.0                   | 848.4                         | 673.5                 | 4.850             | SF           |
| Johnson 01N-65W-30-7N - Wellbore #1 - Plan #1 (8-1-14) | 200.0                         | 199.0                      | 89.7                          | 89.0                  | 133.481           | CC, ES       |
| Johnson 01N-65W-30-7N - Wellbore #1 - Plan #1 (8-1-14) | 3,800.0                       | 3,777.7                    | 534.8                         | 516.4                 | 28.980            | SF           |
| Johnson 01N-65W-30-8N - Wellbore #1 - Plan #1 (8-1-14) | 200.0                         | 199.0                      | 106.5                         | 105.8                 | 158.471           | CC, ES       |
| Johnson 01N-65W-30-8N - Wellbore #1 - Plan #1 (8-1-14) | 4,500.0                       | 4,439.6                    | 820.1                         | 799.0                 | 38.747            | SF           |
| Johnson 01N-65W-30-9C - Wellbore #1 - Plan #1 (8-1-14) | 200.0                         | 199.0                      | 120.5                         | 119.8                 | 179.299           | CC, ES       |
| Johnson 01N-65W-30-9C - Wellbore #1 - Plan #1 (8-1-14) | 1,900.0                       | 1,871.9                    | 385.5                         | 376.9                 | 45.143            | SF           |

| <b>Offset Design</b> Existing Wells Sec.30-T1N-R65W - Lehl 1 (P&A) - Wellbore #1 - Wellbore #1 |                     |                     |                     |                |             |                       |                                   |            |                      |                       |                         |                   |
|--|---------------------|---------------------|---------------------|----------------|-------------|-----------------------|-----------------------------------|------------|----------------------|-----------------------|-------------------------|-------------------|
| Survey Program: 8026-UNKNOWN   |                     |                     |                     |                |             |                       |                                   |            |                      |                       |                         |                   |
| Offset Site Error: 0.0ft   |                     |                     |                     |                |             |                       |                                   |            |                      |                       |                         |                   |
| Offset Well Error: 0.0ft   |                     |                     |                     |                |             |                       |                                   |            |                      |                       |                         |                   |
| Reference  | Offset              | Semi Major Axis     |                     |                | Distance    |                       |                                   |            |                      |                       |                         |                   |
| Measured Depth (ft)  | Vertical Depth (ft) | Measured Depth (ft) | Vertical Depth (ft) | Reference (ft) | Offset (ft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (ft) | +E/-W (ft) | Between Centres (ft) | Between Ellipses (ft) | Minimum Separation (ft) | Separation Factor |
| 8,100.0  | 7,497.1             | 7,491.1             | 7,491.1             | 27.7           | 149.8       | 90.52                 | 1,453.2                           | -727.4     | 948.1                | 777.1                 | 171.01                  | 5.544             |
| 8,200.0  | 7,496.8             | 7,490.8             | 7,490.8             | 28.3           | 149.8       | 90.46                 | 1,453.2                           | -727.4     | 855.4                | 683.3                 | 172.07                  | 4.971             |
| 8,300.0  | 7,496.4             | 7,490.4             | 7,490.4             | 29.2           | 149.8       | 90.40                 | 1,453.2                           | -727.4     | 764.6                | 591.4                 | 173.25                  | 4.414             |
| 8,400.0  | 7,496.1             | 7,490.1             | 7,490.1             | 30.1           | 149.8       | 90.35                 | 1,453.2                           | -727.4     | 676.4                | 501.9                 | 174.51                  | 3.876             |
| 8,500.0  | 7,495.7             | 7,489.7             | 7,489.7             | 31.1           | 149.8       | 90.29                 | 1,453.2                           | -727.4     | 592.0                | 416.1                 | 175.85                  | 3.366             |
| 8,600.0  | 7,495.4             | 7,489.4             | 7,489.4             | 32.2           | 149.8       | 90.23                 | 1,453.2                           | -727.4     | 513.2                | 335.9                 | 177.26                  | 2.895             |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation



|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| <b>Offset Design</b> Existing Wells Sec.30-T1N-R65W - Lehl 1 (P&A) - Wellbore #1 - Wellbore #1 |                           |                           |                           |                   |                |                             |                        |               |                            |                             |                               | <b>Offset Site Error:</b> | 0.0 ft  |
|--|---------------------------|---------------------------|---------------------------|-------------------|----------------|-----------------------------|------------------------|---------------|----------------------------|-----------------------------|-------------------------------|---------------------------|---------|
| Survey Program: 8026-UNKNOWN   |                           |                           |                           |                   |                |                             |                        |               |                            |                             |                               | <b>Offset Well Error:</b> | 0.0 ft  |
| Reference  |                           | Offset                    |                           | Semi Major Axis   |                | Highside<br>Toolface<br>(°) | Offset Wellbore Centre |               | Distance                   |                             | Minimum<br>Separation<br>(ft) | Separation<br>Factor      | Warning |
| Measured<br>Depth<br>(ft)  | Vertical<br>Depth<br>(ft) | Measured<br>Depth<br>(ft) | Vertical<br>Depth<br>(ft) | Reference<br>(ft) | Offset<br>(ft) |                             | +N/-S<br>(ft)          | +E/-W<br>(ft) | Between<br>Centres<br>(ft) | Between<br>Ellipses<br>(ft) |                               |                           |         |
| 8,700.0  | 7,495.0                   | 7,489.0                   | 7,489.0                   | 33.5              | 149.8          | 90.17                       | 1,453.2                | -727.4        | 443.0                      | 264.3                       | 178.72                        | 2.479                     |         |
| 8,800.0  | 7,494.7                   | 7,488.7                   | 7,488.7                   | 34.7              | 149.8          | 90.11                       | 1,453.2                | -727.4        | 386.2                      | 206.0                       | 180.24                        | 2.143                     |         |
| 8,900.0  | 7,494.3                   | 7,488.3                   | 7,488.3                   | 36.1              | 149.8          | 90.05                       | 1,453.2                | -727.4        | 349.4                      | 167.6                       | 181.79                        | 1.922                     |         |
| 8,985.5  | 7,494.0                   | 7,488.0                   | 7,488.0                   | 37.3              | 149.8          | 90.00                       | 1,453.2                | -727.4        | 338.7                      | 155.6                       | 183.15                        | 1.849                     | CC, ES  |
| 9,000.0  | 7,494.0                   | 7,488.0                   | 7,488.0                   | 37.5              | 149.8          | 89.99                       | 1,453.2                | -727.4        | 339.0                      | 155.7                       | 183.38                        | 1.849                     | SF      |
| 9,100.0  | 7,493.6                   | 7,487.6                   | 7,487.6                   | 39.0              | 149.8          | 89.93                       | 1,453.2                | -727.4        | 357.6                      | 172.6                       | 185.01                        | 1.933                     |         |
| 9,200.0  | 7,493.3                   | 7,487.3                   | 7,487.3                   | 40.5              | 149.7          | 89.87                       | 1,453.2                | -727.4        | 400.9                      | 214.3                       | 186.66                        | 2.148                     |         |
| 9,300.0  | 7,492.9                   | 7,486.9                   | 7,486.9                   | 42.0              | 149.7          | 89.81                       | 1,453.2                | -727.4        | 462.2                      | 273.9                       | 188.33                        | 2.454                     |         |
| 9,400.0  | 7,492.6                   | 7,486.6                   | 7,486.6                   | 43.6              | 149.7          | 89.76                       | 1,453.2                | -727.4        | 535.3                      | 345.3                       | 190.02                        | 2.817                     |         |
| 9,500.0  | 7,492.3                   | 7,486.3                   | 7,486.3                   | 45.1              | 149.7          | 89.70                       | 1,453.2                | -727.4        | 616.0                      | 424.3                       | 191.73                        | 3.213                     |         |
| 9,600.0  | 7,491.9                   | 7,485.9                   | 7,485.9                   | 46.8              | 149.7          | 89.64                       | 1,453.2                | -727.4        | 701.7                      | 508.2                       | 193.46                        | 3.627                     |         |
| 9,700.0  | 7,491.6                   | 7,485.6                   | 7,485.6                   | 48.4              | 149.7          | 89.58                       | 1,453.2                | -727.4        | 790.7                      | 595.5                       | 195.20                        | 4.051                     |         |
| 9,800.0  | 7,491.2                   | 7,485.2                   | 7,485.2                   | 50.1              | 149.7          | 89.52                       | 1,453.2                | -727.4        | 882.1                      | 685.2                       | 196.95                        | 4.479                     |         |
| 9,900.0  | 7,490.9                   | 7,484.9                   | 7,484.9                   | 51.7              | 149.7          | 89.46                       | 1,453.2                | -727.4        | 975.2                      | 776.5                       | 198.71                        | 4.908                     |         |

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-2N - Wellbore #1 - Plan #1 (8 |                           |                           |                           |           |        |                                      |                             |   |               |  |                             |                               | Offset Site Error:   | 0.0 ft  |
|--|---------------------------|---------------------------|---------------------------|-----------|--------|--------------------------------------|-----------------------------|---|---------------|--|-----------------------------|-------------------------------|----------------------|---------|
| Survey Program: 0-MWD  |                           |                           |                           |           |        |                                      |                             |   |               |  |                             |                               | Offset Well Error:   | 0.0 ft  |
| Measured<br>Depth<br>(ft)  | Vertical<br>Depth<br>(ft) | Measured<br>Depth<br>(ft) | Vertical<br>Depth<br>(ft) | Reference | Offset | Semi Major Axis<br>Reference<br>(ft) | Highside<br>Toolface<br>(°) | Offset Wellbore Centre<br>+N/-S<br>(ft) | +E/-W<br>(ft) | Distance<br>Between<br>Centres<br>(ft) | Between<br>Ellipses<br>(ft) | Minimum<br>Separation<br>(ft) | Separation<br>Factor | Warning |
| 0.0  | 0.0                       | 0.0                       | 0.0                       | 0.0       | 0.0    | 90.00                                |                             | 0.0                                     | 14.0          | 14.0                                   | 14.0                        | 0.00                          | N/A                  |         |
| 100.0  | 100.0                     | 100.0                     | 100.0                     | 0.1       | 0.1    | 90.00                                |                             | 0.0                                     | 14.0          | 14.0                                   | 13.8                        | 0.22                          | 62.309               |         |
| 200.0  | 200.0                     | 200.0                     | 200.0                     | 0.3       | 0.3    | 90.00                                |                             | 0.0                                     | 14.0          | 14.0                                   | 13.3                        | 0.67                          | 20.770 CC, ES        |         |
| 300.0  | 300.0                     | 300.0                     | 300.0                     | 0.6       | 0.6    | -172.52                              |                             | 0.0                                     | 14.0          | 15.7                                   | 14.6                        | 1.12                          | 14.072               |         |
| 400.0  | 399.8                     | 399.8                     | 399.8                     | 0.8       | 0.8    | -174.37                              |                             | 0.0                                     | 14.0          | 20.9                                   | 19.4                        | 1.56                          | 13.381               |         |
| 500.0  | 499.5                     | 500.4                     | 500.4                     | 1.0       | 1.0    | -175.71                              |                             | -0.3                                    | 12.3          | 27.9                                   | 25.9                        | 2.00                          | 13.960               |         |
| 600.0  | 598.7                     | 601.3                     | 601.1                     | 1.3       | 1.2    | -176.39                              |                             | -1.2                                    | 7.0           | 34.8                                   | 32.4                        | 2.42                          | 14.365               |         |
| 700.0  | 697.5                     | 702.4                     | 701.8                     | 1.6       | 1.5    | -176.75                              |                             | -2.6                                    | -1.7          | 41.7                                   | 38.9                        | 2.87                          | 14.562               |         |
| 800.0  | 795.8                     | 803.8                     | 802.5                     | 2.0       | 1.7    | -176.87                              |                             | -4.7                                    | -14.0         | 47.8                                   | 44.5                        | 3.32                          | 14.383               |         |
| 900.0  | 894.1                     | 905.5                     | 902.9                     | 2.4       | 2.0    | -176.68                              |                             | -7.4                                    | -29.9         | 50.6                                   | 46.7                        | 3.80                          | 13.291               |         |
| 1,000.0  | 992.3                     | 1,005.8                   | 1,001.5                   | 2.8       | 2.4    | -176.31                              |                             | -10.4                                   | -47.7         | 51.0                                   | 46.7                        | 4.30                          | 11.873               |         |
| 1,100.0  | 1,090.6                   | 1,105.8                   | 1,099.9                   | 3.2       | 2.8    | -175.93                              |                             | -13.4                                   | -65.6         | 51.4                                   | 46.6                        | 4.79                          | 10.722               |         |
| 1,200.0  | 1,188.9                   | 1,205.8                   | 1,198.2                   | 3.7       | 3.2    | -175.57                              |                             | -16.4                                   | -83.5         | 51.8                                   | 46.5                        | 5.30                          | 9.776                |         |
| 1,300.0  | 1,287.2                   | 1,305.8                   | 1,296.6                   | 4.1       | 3.6    | -175.21                              |                             | -19.4                                   | -101.3        | 52.2                                   | 46.4                        | 5.81                          | 8.987                |         |
| 1,400.0  | 1,385.4                   | 1,405.8                   | 1,394.9                   | 4.5       | 4.0    | -174.86                              |                             | -22.4                                   | -119.2        | 52.6                                   | 46.3                        | 6.32                          | 8.323                |         |
| 1,500.0  | 1,483.7                   | 1,505.8                   | 1,493.3                   | 4.9       | 4.4    | -174.51                              |                             | -25.4                                   | -137.0        | 53.1                                   | 46.2                        | 6.84                          | 7.753                |         |
| 1,600.0  | 1,582.0                   | 1,605.8                   | 1,591.6                   | 5.3       | 4.8    | -174.16                              |                             | -28.4                                   | -154.9        | 53.5                                   | 46.1                        | 7.36                          | 7.261                |         |
| 1,700.0  | 1,680.3                   | 1,705.8                   | 1,689.9                   | 5.7       | 5.2    | -173.83                              |                             | -31.4                                   | -172.8        | 53.9                                   | 46.0                        | 7.89                          | 6.831                |         |
| 1,800.0  | 1,778.5                   | 1,805.8                   | 1,788.3                   | 6.2       | 5.6    | -173.50                              |                             | -34.4                                   | -190.6        | 54.3                                   | 45.9                        | 8.41                          | 6.454                |         |
| 1,900.0  | 1,876.8                   | 1,905.8                   | 1,886.6                   | 6.6       | 6.0    | -173.17                              |                             | -37.4                                   | -208.5        | 54.7                                   | 45.8                        | 8.94                          | 6.119                |         |
| 2,000.0  | 1,975.1                   | 2,005.8                   | 1,985.0                   | 7.0       | 6.4    | -172.85                              |                             | -40.4                                   | -226.3        | 55.2                                   | 45.7                        | 9.48                          | 5.821                |         |
| 2,100.0  | 2,073.4                   | 2,105.8                   | 2,083.3                   | 7.4       | 6.8    | -172.53                              |                             | -43.4                                   | -244.2        | 55.6                                   | 45.6                        | 10.01                         | 5.553                |         |
| 2,200.0  | 2,171.7                   | 2,205.8                   | 2,181.7                   | 7.8       | 7.2    | -172.22                              |                             | -46.4                                   | -262.1        | 56.0                                   | 45.5                        | 10.54                         | 5.311                |         |
| 2,300.0  | 2,269.9                   | 2,305.8                   | 2,280.0                   | 8.3       | 7.6    | -171.91                              |                             | -49.4                                   | -279.9        | 56.4                                   | 45.4                        | 11.08                         | 5.092                |         |
| 2,400.0  | 2,368.2                   | 2,405.8                   | 2,378.4                   | 8.7       | 8.0    | -171.61                              |                             | -52.4                                   | -297.8        | 56.9                                   | 45.2                        | 11.62                         | 4.892                |         |
| 2,500.0  | 2,466.5                   | 2,505.8                   | 2,476.7                   | 9.1       | 8.5    | -171.31                              |                             | -55.4                                   | -315.6        | 57.3                                   | 45.1                        | 12.16                         | 4.710                |         |
| 2,600.0  | 2,564.8                   | 2,605.8                   | 2,575.1                   | 9.5       | 8.9    | -171.01                              |                             | -58.4                                   | -333.5        | 57.7                                   | 45.0                        | 12.71                         | 4.542                |         |
| 2,700.0  | 2,663.0                   | 2,705.8                   | 2,673.4                   | 10.0      | 9.3    | -170.72                              |                             | -61.4                                   | -351.4        | 58.2                                   | 44.9                        | 13.26                         | 4.388                |         |
| 2,800.0  | 2,761.3                   | 2,805.8                   | 2,771.7                   | 10.4      | 9.7    | -170.44                              |                             | -64.4                                   | -369.2        | 58.6                                   | 44.8                        | 13.80                         | 4.245                |         |
| 2,900.0  | 2,859.6                   | 2,905.8                   | 2,870.1                   | 10.8      | 10.1   | -170.16                              |                             | -67.4                                   | -387.1        | 59.0                                   | 44.7                        | 14.35                         | 4.113                |         |
| 3,000.0  | 2,957.9                   | 3,005.8                   | 2,968.4                   | 11.2      | 10.5   | -169.88                              |                             | -70.4                                   | -404.9        | 59.5                                   | 44.6                        | 14.90                         | 3.990                |         |
| 3,100.0  | 3,056.1                   | 3,105.8                   | 3,066.8                   | 11.6      | 10.9   | -169.61                              |                             | -73.4                                   | -422.8        | 59.9                                   | 44.5                        | 15.46                         | 3.876                |         |
| 3,200.0  | 3,154.4                   | 3,205.8                   | 3,165.1                   | 12.1      | 11.4   | -169.34                              |                             | -76.4                                   | -440.7        | 60.4                                   | 44.3                        | 16.01                         | 3.769                |         |
| 3,300.0  | 3,252.7                   | 3,305.8                   | 3,263.5                   | 12.5      | 11.8   | -169.07                              |                             | -79.4                                   | -458.5        | 60.8                                   | 44.2                        | 16.57                         | 3.669                |         |
| 3,400.0  | 3,351.0                   | 3,405.8                   | 3,361.8                   | 12.9      | 12.2   | -168.81                              |                             | -82.4                                   | -476.4        | 61.2                                   | 44.1                        | 17.13                         | 3.575                |         |
| 3,500.0  | 3,449.3                   | 3,505.8                   | 3,460.2                   | 13.3      | 12.6   | -168.55                              |                             | -85.4                                   | -494.2        | 61.7                                   | 44.0                        | 17.69                         | 3.487                |         |
| 3,600.0  | 3,547.5                   | 3,605.8                   | 3,558.5                   | 13.8      | 13.0   | -168.30                              |                             | -88.4                                   | -512.1        | 62.1                                   | 43.9                        | 18.25                         | 3.404                |         |
| 3,700.0  | 3,645.8                   | 3,705.8                   | 3,656.8                   | 14.2      | 13.4   | -168.05                              |                             | -91.4                                   | -530.0        | 62.6                                   | 43.8                        | 18.82                         | 3.326                |         |
| 3,800.0  | 3,744.1                   | 3,805.8                   | 3,755.2                   | 14.6      | 13.9   | -167.80                              |                             | -94.5                                   | -547.8        | 63.0                                   | 43.7                        | 19.39                         | 3.252                |         |
| 3,900.0  | 3,842.4                   | 3,905.8                   | 3,853.5                   | 15.0      | 14.3   | -167.56                              |                             | -97.5                                   | -565.7        | 63.5                                   | 43.5                        | 19.95                         | 3.182                |         |
| 4,000.0  | 3,940.6                   | 4,005.8                   | 3,951.9                   | 15.5      | 14.7   | -167.32                              |                             | -100.5                                  | -583.5        | 63.9                                   | 43.4                        | 20.52                         | 3.115                |         |
| 4,100.0  | 4,038.9                   | 4,105.8                   | 4,050.2                   | 15.9      | 15.1   | -167.08                              |                             | -103.5                                  | -601.4        | 64.4                                   | 43.3                        | 21.09                         | 3.052                |         |
| 4,200.0  | 4,137.2                   | 4,205.8                   | 4,148.6                   | 16.3      | 15.5   | -166.85                              |                             | -106.5                                  | -619.3        | 64.8                                   | 43.2                        | 21.67                         | 2.993                |         |
| 4,300.0  | 4,235.5                   | 4,305.8                   | 4,246.9                   | 16.7      | 15.9   | -166.62                              |                             | -109.5                                  | -637.1        | 65.3                                   | 43.1                        | 22.24                         | 2.936                |         |
| 4,400.0  | 4,333.7                   | 4,405.8                   | 4,345.3                   | 17.2      | 16.4   | -166.40                              |                             | -112.5                                  | -655.0        | 65.8                                   | 42.9                        | 22.82                         | 2.882                |         |
| 4,500.0  | 4,432.0                   | 4,505.8                   | 4,443.6                   | 17.6      | 16.8   | -166.17                              |                             | -115.5                                  | -672.8        | 66.2                                   | 42.8                        | 23.40                         | 2.830                |         |
| 4,600.0  | 4,530.3                   | 4,605.8                   | 4,541.9                   | 18.0      | 17.2   | -165.95                              |                             | -118.5                                  | -690.7        | 66.7                                   | 42.7                        | 23.98                         | 2.781                |         |
| 4,700.0  | 4,628.6                   | 4,705.8                   | 4,640.3                   | 18.4      | 17.6   | -165.73                              |                             | -121.5                                  | -708.6        | 67.1                                   | 42.6                        | 24.56                         | 2.733                |         |
| 4,800.0  | 4,726.8                   | 4,805.8                   | 4,738.6                   | 18.8      | 18.0   | -165.52                              |                             | -124.5                                  | -726.4        | 67.6                                   | 42.4                        | 25.14                         | 2.688                |         |
| 4,900.0  | 4,825.1                   | 4,905.7                   | 4,837.0                   | 19.3      | 18.4   | -165.31                              |                             | -127.5                                  | -744.3        | 68.0                                   | 42.3                        | 25.73                         | 2.645                |         |
| 5,000.0  | 4,923.4                   | 5,005.7                   | 4,935.3                   | 19.7      | 18.9   | -165.10                              |                             | -130.5                                  | -762.1        | 68.5                                   | 42.2                        | 26.31                         | 2.604                |         |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design         |                     | Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-2N - Wellbore #1 - Plan #1 (8 |                     |                 |        |                       |                        |            |                      |                       |                         | Offset Site Error: |         | 0.0 ft |
|-----------------------|---------------------|--|---------------------|-----------------|--------|-----------------------|------------------------|------------|----------------------|-----------------------|-------------------------|--------------------|---------|--------|
| Survey Program: 0-MWD |                     |  |                     |                 |        |                       |                        |            |                      |                       |                         | Offset Well Error: |         | 0.0 ft |
| Reference             |                     | Offset   |                     | Semi Major Axis |        | Highside Toolface (°) | Offset Wellbore Centre |            | Distance             |                       | Minimum Separation (ft) | Separation Factor  | Warning |        |
| Measured Depth (ft)   | Vertical Depth (ft) | Measured Depth (ft)  | Vertical Depth (ft) | Reference       | Offset |                       | +N/-S (ft)             | +E/-W (ft) | Between Centres (ft) | Between Ellipses (ft) |                         |                    |         |        |
| 5,100.0               | 5,021.7             | 5,105.7  | 5,033.7             | 20.1            | 19.3   | -164.89               | -133.5                 | -780.0     | 69.0                 | 42.1                  | 26.90                   | 2.564              |         |        |
| 5,200.0               | 5,120.0             | 5,205.7  | 5,132.0             | 20.5            | 19.7   | -164.69               | -136.5                 | -797.9     | 69.4                 | 42.0                  | 27.49                   | 2.526              |         |        |
| 5,300.0               | 5,218.2             | 5,305.7  | 5,230.4             | 21.0            | 20.1   | -164.49               | -139.5                 | -815.7     | 69.9                 | 41.8                  | 28.08                   | 2.490              |         |        |
| 5,400.0               | 5,316.5             | 5,405.7  | 5,328.7             | 21.4            | 20.5   | -164.29               | -142.5                 | -833.6     | 70.4                 | 41.7                  | 28.67                   | 2.454              |         |        |
| 5,500.0               | 5,414.8             | 5,505.7  | 5,427.1             | 21.8            | 20.9   | -164.10               | -145.5                 | -851.4     | 70.8                 | 41.6                  | 29.26                   | 2.421              |         |        |
| 5,600.0               | 5,513.1             | 5,604.7  | 5,524.4             | 22.2            | 21.3   | -163.99               | -148.4                 | -868.8     | 71.6                 | 41.8                  | 29.82                   | 2.402 SF           |         |        |
| 5,700.0               | 5,611.3             | 5,702.2  | 5,620.9             | 22.7            | 21.6   | -164.52               | -150.8                 | -883.1     | 75.2                 | 45.0                  | 30.19                   | 2.490              |         |        |
| 5,800.0               | 5,709.6             | 5,800.0  | 5,718.0             | 23.1            | 21.8   | -165.65               | -152.7                 | -894.3     | 82.0                 | 51.6                  | 30.45                   | 2.694              |         |        |
| 5,900.0               | 5,807.9             | 5,896.1  | 5,813.7             | 23.5            | 22.0   | -167.11               | -154.0                 | -902.0     | 92.2                 | 61.5                  | 30.63                   | 3.009              |         |        |
| 6,000.0               | 5,906.2             | 5,991.9  | 5,909.4             | 23.9            | 22.1   | -168.67               | -154.8                 | -906.6     | 105.6                | 74.8                  | 30.81                   | 3.428              |         |        |
| 6,100.0               | 6,004.5             | 6,087.0  | 6,004.5             | 24.3            | 22.3   | -170.17               | -155.0                 | -908.0     | 122.1                | 91.1                  | 31.00                   | 3.939              |         |        |
| 6,200.0               | 6,103.3             | 6,185.7  | 6,103.3             | 24.6            | 22.4   | -171.33               | -155.0                 | -908.0     | 137.5                | 106.3                 | 31.20                   | 4.407              |         |        |
| 6,300.0               | 6,202.5             | 6,285.0  | 6,202.5             | 24.8            | 22.5   | -172.06               | -155.0                 | -908.0     | 149.5                | 118.1                 | 31.43                   | 4.756              |         |        |
| 6,400.0               | 6,302.1             | 6,384.6  | 6,302.1             | 25.0            | 22.6   | -172.52               | -155.0                 | -908.0     | 158.1                | 126.4                 | 31.65                   | 4.993              |         |        |
| 6,500.0               | 6,402.0             | 6,484.4  | 6,401.9             | 25.2            | 22.8   | -172.86               | -154.7                 | -908.0     | 163.2                | 131.3                 | 31.85                   | 5.123              |         |        |
| 6,600.0               | 6,502.0             | 6,582.6  | 6,499.6             | 25.3            | 22.9   | 85.36                 | -145.2                 | -908.0     | 165.4                | 133.7                 | 31.73                   | 5.213              |         |        |
| 6,700.0               | 6,602.0             | 6,676.7  | 6,591.1             | 25.4            | 22.9   | 78.05                 | -123.7                 | -907.9     | 168.9                | 137.0                 | 31.94                   | 5.289              |         |        |
| 6,800.0               | 6,702.0             | 6,763.7  | 6,672.6             | 25.5            | 23.0   | 68.39                 | -93.2                  | -907.7     | 180.0                | 146.7                 | 33.24                   | 5.414              |         |        |
| 6,900.0               | 6,802.0             | 6,842.4  | 6,742.5             | 25.7            | 23.0   | 58.52                 | -57.4                  | -907.6     | 202.7                | 167.0                 | 35.63                   | 5.688              |         |        |
| 7,000.0               | 6,902.0             | 6,912.1  | 6,801.0             | 25.8            | 23.1   | 49.91                 | -19.4                  | -907.4     | 238.6                | 200.3                 | 38.31                   | 6.228              |         |        |
| 7,100.0               | 7,002.0             | 6,973.5  | 6,849.1             | 25.9            | 23.1   | 41.78                 | 18.6                   | -907.3     | 286.3                | 245.5                 | 40.76                   | 7.024              |         |        |
| 7,200.0               | 7,100.8             | 7,033.4  | 6,892.9             | 26.0            | 23.1   | 33.65                 | 59.6                   | -907.1     | 334.7                | 292.4                 | 42.23                   | 7.925              |         |        |
| 7,300.0               | 7,195.0             | 7,100.0  | 6,937.2             | 26.1            | 23.2   | 28.12                 | 109.2                  | -906.9     | 377.3                | 335.8                 | 41.49                   | 9.094              |         |        |
| 7,400.0               | 7,281.3             | 7,150.0  | 6,967.4             | 26.1            | 23.3   | 24.96                 | 149.1                  | -906.7     | 412.2                | 373.4                 | 38.76                   | 10.634             |         |        |
| 7,500.0               | 7,356.4             | 7,217.6  | 7,003.6             | 26.1            | 23.4   | 22.65                 | 206.1                  | -906.5     | 438.4                | 403.6                 | 34.77                   | 12.608             |         |        |
| 7,600.0               | 7,417.5             | 7,279.7  | 7,032.0             | 26.2            | 23.5   | 21.39                 | 261.3                  | -906.2     | 455.3                | 425.5                 | 29.84                   | 15.260             |         |        |
| 7,700.0               | 7,462.4             | 7,350.0  | 7,058.3             | 26.3            | 23.7   | 20.87                 | 326.5                  | -906.0     | 462.8                | 438.0                 | 24.73                   | 18.710             |         |        |
| 7,800.0               | 7,489.5             | 7,400.0  | 7,073.0             | 26.5            | 23.9   | 21.03                 | 374.3                  | -905.8     | 460.2                | 439.8                 | 20.36                   | 22.606             |         |        |
| 7,900.0               | 7,497.8             | 7,466.6  | 7,087.4             | 26.7            | 24.2   | 21.89                 | 439.3                  | -905.5     | 448.0                | 429.6                 | 18.38                   | 24.379             |         |        |
| 8,000.0               | 7,497.5             | 7,529.7  | 7,095.4             | 27.1            | 24.5   | 22.30                 | 501.8                  | -905.2     | 435.9                | 416.8                 | 19.06                   | 22.868             |         |        |
| 8,097.7               | 7,497.1             | 7,592.6  | 7,097.8             | 27.7            | 24.9   | 22.43                 | 564.7                  | -904.9     | 432.0                | 412.2                 | 19.80                   | 21.818             |         |        |
| 8,100.0               | 7,497.1             | 7,594.3  | 7,097.8             | 27.7            | 24.9   | 22.43                 | 566.4                  | -904.9     | 432.0                | 412.2                 | 19.82                   | 21.798             |         |        |
| 8,200.0               | 7,496.8             | 7,694.3  | 7,097.3             | 28.3            | 25.7   | 22.43                 | 666.4                  | -904.5     | 432.2                | 411.3                 | 20.86                   | 20.721             |         |        |
| 8,300.0               | 7,496.4             | 7,794.3  | 7,096.8             | 29.2            | 26.6   | 22.42                 | 766.4                  | -904.1     | 432.3                | 410.3                 | 22.02                   | 19.630             |         |        |
| 8,400.0               | 7,496.1             | 7,894.3  | 7,096.3             | 30.1            | 27.7   | 22.41                 | 866.4                  | -903.7     | 432.4                | 409.1                 | 23.30                   | 18.559             |         |        |
| 8,500.0               | 7,495.7             | 7,994.3  | 7,095.9             | 31.1            | 28.8   | 22.41                 | 966.4                  | -903.2     | 432.6                | 407.9                 | 24.67                   | 17.532             |         |        |
| 8,600.0               | 7,495.4             | 8,094.3  | 7,095.4             | 32.2            | 30.1   | 22.40                 | 1,066.4                | -902.8     | 432.7                | 406.6                 | 26.12                   | 16.562             |         |        |
| 8,700.0               | 7,495.0             | 8,194.3  | 7,094.9             | 33.5            | 31.4   | 22.40                 | 1,166.4                | -902.4     | 432.8                | 405.2                 | 27.64                   | 15.657             |         |        |
| 8,800.0               | 7,494.7             | 8,294.3  | 7,094.4             | 34.7            | 32.8   | 22.39                 | 1,266.4                | -902.0     | 433.0                | 403.7                 | 29.22                   | 14.817             |         |        |
| 8,900.0               | 7,494.3             | 8,394.3  | 7,093.9             | 36.1            | 34.2   | 22.38                 | 1,366.4                | -901.5     | 433.1                | 402.2                 | 30.84                   | 14.042             |         |        |
| 9,000.0               | 7,494.0             | 8,494.3  | 7,093.4             | 37.5            | 35.7   | 22.38                 | 1,466.4                | -901.1     | 433.2                | 400.7                 | 32.51                   | 13.327             |         |        |
| 9,100.0               | 7,493.6             | 8,594.3  | 7,092.9             | 39.0            | 37.2   | 22.37                 | 1,566.4                | -900.7     | 433.4                | 399.1                 | 34.20                   | 12.670             |         |        |
| 9,200.0               | 7,493.3             | 8,694.3  | 7,092.4             | 40.5            | 38.8   | 22.37                 | 1,666.4                | -900.3     | 433.5                | 397.6                 | 35.93                   | 12.064             |         |        |
| 9,300.0               | 7,492.9             | 8,794.3  | 7,091.9             | 42.0            | 40.4   | 22.36                 | 1,766.4                | -899.8     | 433.6                | 395.9                 | 37.68                   | 11.506             |         |        |
| 9,400.0               | 7,492.6             | 8,894.3  | 7,091.5             | 43.6            | 42.0   | 22.36                 | 1,866.4                | -899.4     | 433.8                | 394.3                 | 39.46                   | 10.992             |         |        |
| 9,500.0               | 7,492.3             | 8,994.3  | 7,091.0             | 45.1            | 43.7   | 22.35                 | 1,966.4                | -899.0     | 433.9                | 392.6                 | 41.25                   | 10.517             |         |        |
| 9,600.0               | 7,491.9             | 9,094.3  | 7,090.5             | 46.8            | 45.4   | 22.34                 | 2,066.4                | -898.6     | 434.0                | 391.0                 | 43.06                   | 10.078             |         |        |
| 9,700.0               | 7,491.6             | 9,194.3  | 7,090.0             | 48.4            | 47.1   | 22.34                 | 2,166.4                | -898.2     | 434.1                | 389.3                 | 44.89                   | 9.672              |         |        |
| 9,800.0               | 7,491.2             | 9,294.3  | 7,089.5             | 50.1            | 48.8   | 22.33                 | 2,266.4                | -897.7     | 434.3                | 387.6                 | 46.73                   | 9.294              |         |        |
| 9,900.0               | 7,490.9             | 9,394.3  | 7,089.0             | 51.7            | 50.5   | 22.33                 | 2,366.4                | -897.3     | 434.4                | 385.8                 | 48.58                   | 8.943              |         |        |
| 10,000.0              | 7,490.5             | 9,494.3  | 7,088.5             | 53.4            | 52.2   | 22.32                 | 2,466.4                | -896.9     | 434.5                | 384.1                 | 50.44                   | 8.616              |         |        |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| <b>Offset Design</b> Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-2N - Wellbore #1 - Plan #1 (8 |                           |                           |                           |           |        |                             |   |               |                            |                             |                               | <b>Offset Site Error:</b> | 0.0 ft  |
|---|---------------------------|---------------------------|---------------------------|-----------|--------|-----------------------------|---|---------------|----------------------------|-----------------------------|-------------------------------|---------------------------|---------|
| Survey Program: 0-MWD   |                           |                           |                           |           |        |                             |   |               |                            |                             |                               | <b>Offset Well Error:</b> | 0.0 ft  |
| Measured<br>Depth<br>(ft)   | Vertical<br>Depth<br>(ft) | Measured<br>Depth<br>(ft) | Vertical<br>Depth<br>(ft) | Reference | Offset | Highside<br>Toolface<br>(°) | Offset Wellbore Centre<br>+N/-S<br>(ft) | +E/-W<br>(ft) | Between<br>Centres<br>(ft) | Between<br>Ellipses<br>(ft) | Minimum<br>Separation<br>(ft) | Separation<br>Factor      | Warning |
| 10,100.0  | 7,490.2                   | 9,594.3                   | 7,088.0                   | 55.2      | 54.0   | 22.31                       | 2,566.4                                 | -896.5        | 434.7                      | 382.4                       | 52.30                         | 8.311                     |         |
| 10,200.0  | 7,489.8                   | 9,694.3                   | 7,087.5                   | 56.9      | 55.7   | 22.31                       | 2,666.4                                 | -896.0        | 434.8                      | 380.6                       | 54.18                         | 8.026                     |         |
| 10,300.0  | 7,489.5                   | 9,794.3                   | 7,087.1                   | 58.6      | 57.5   | 22.30                       | 2,766.4                                 | -895.6        | 434.9                      | 378.9                       | 56.06                         | 7.758                     |         |
| 10,400.0  | 7,489.1                   | 9,894.3                   | 7,086.6                   | 60.4      | 59.3   | 22.30                       | 2,866.4                                 | -895.2        | 435.1                      | 377.1                       | 57.95                         | 7.508                     |         |
| 10,500.0  | 7,488.8                   | 9,994.3                   | 7,086.1                   | 62.1      | 61.1   | 22.29                       | 2,966.4                                 | -894.8        | 435.2                      | 375.4                       | 59.85                         | 7.272                     |         |
| 10,600.0  | 7,488.4                   | 10,094.3                  | 7,085.6                   | 63.9      | 62.9   | 22.28                       | 3,066.4                                 | -894.3        | 435.3                      | 373.6                       | 61.75                         | 7.051                     |         |
| 10,700.0  | 7,488.1                   | 10,194.3                  | 7,085.1                   | 65.7      | 64.7   | 22.28                       | 3,166.4                                 | -893.9        | 435.5                      | 371.8                       | 63.65                         | 6.842                     |         |
| 10,800.0  | 7,487.7                   | 10,294.3                  | 7,084.6                   | 67.4      | 66.5   | 22.27                       | 3,266.4                                 | -893.5        | 435.6                      | 370.0                       | 65.56                         | 6.645                     |         |
| 10,900.0  | 7,487.4                   | 10,394.3                  | 7,084.1                   | 69.2      | 68.3   | 22.27                       | 3,366.4                                 | -893.1        | 435.7                      | 368.3                       | 67.47                         | 6.458                     |         |
| 11,000.0  | 7,487.0                   | 10,494.3                  | 7,083.6                   | 71.0      | 70.1   | 22.26                       | 3,466.4                                 | -892.6        | 435.9                      | 366.5                       | 69.39                         | 6.282                     |         |
| 11,100.0  | 7,486.7                   | 10,594.3                  | 7,083.1                   | 72.8      | 71.9   | 22.26                       | 3,566.4                                 | -892.2        | 436.0                      | 364.7                       | 71.31                         | 6.115                     |         |
| 11,200.0  | 7,486.3                   | 10,694.3                  | 7,082.7                   | 74.6      | 73.7   | 22.25                       | 3,666.4                                 | -891.8        | 436.1                      | 362.9                       | 73.23                         | 5.956                     |         |
| 11,300.0  | 7,486.0                   | 10,794.3                  | 7,082.2                   | 76.4      | 75.6   | 22.24                       | 3,766.4                                 | -891.4        | 436.3                      | 361.1                       | 75.15                         | 5.805                     |         |
| 11,400.0  | 7,485.6                   | 10,894.3                  | 7,081.7                   | 78.3      | 77.4   | 22.24                       | 3,866.4                                 | -890.9        | 436.4                      | 359.3                       | 77.08                         | 5.662                     |         |
| 11,500.0  | 7,485.3                   | 10,994.3                  | 7,081.2                   | 80.1      | 79.2   | 22.23                       | 3,966.4                                 | -890.5        | 436.5                      | 357.5                       | 79.01                         | 5.525                     |         |
| 11,600.0  | 7,484.9                   | 11,094.3                  | 7,080.7                   | 81.9      | 81.1   | 22.23                       | 4,066.3                                 | -890.1        | 436.7                      | 355.7                       | 80.94                         | 5.395                     |         |
| 11,700.0  | 7,484.6                   | 11,194.3                  | 7,080.2                   | 83.7      | 82.9   | 22.22                       | 4,166.3                                 | -889.7        | 436.8                      | 353.9                       | 82.87                         | 5.271                     |         |
| 11,800.0  | 7,484.2                   | 11,294.3                  | 7,079.7                   | 85.6      | 84.8   | 22.21                       | 4,266.3                                 | -889.2        | 436.9                      | 352.1                       | 84.81                         | 5.152                     |         |
| 11,900.0  | 7,483.9                   | 11,394.3                  | 7,079.2                   | 87.4      | 86.6   | 22.21                       | 4,366.3                                 | -888.8        | 437.1                      | 350.3                       | 86.74                         | 5.039                     |         |
| 12,000.0  | 7,483.5                   | 11,494.3                  | 7,078.7                   | 89.3      | 88.5   | 22.20                       | 4,466.3                                 | -888.4        | 437.2                      | 348.5                       | 88.68                         | 4.930                     |         |
| 12,100.0  | 7,483.2                   | 11,594.3                  | 7,078.3                   | 91.1      | 90.4   | 22.20                       | 4,566.3                                 | -888.0        | 437.3                      | 346.7                       | 90.62                         | 4.826                     |         |
| 12,150.9  | 7,483.0                   | 11,645.3                  | 7,078.0                   | 92.1      | 91.3   | 22.19                       | 4,617.3                                 | -887.8        | 437.4                      | 345.8                       | 91.61                         | 4.775                     |         |

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-3N - Wellbore #1 - Plan #1 (8 |                           |                           |                           |           |        |  |   |               |                            |                             |                               |                      | Offset Site Error: | 0.0 ft |
|--|---------------------------|---------------------------|---------------------------|-----------|--------|--|---|---------------|----------------------------|-----------------------------|-------------------------------|----------------------|--------------------|--------|
| Survey Program: 0-MWD  |                           |                           |                           |           |        |  |   |               |                            |                             |                               |                      | Offset Well Error: | 0.0 ft |
| Measured<br>Depth<br>(ft)  | Vertical<br>Depth<br>(ft) | Measured<br>Depth<br>(ft) | Vertical<br>Depth<br>(ft) | Reference | Offset | Semi Major Axis<br>Highside<br>Toolface<br>(°) | Offset Wellbore Centre<br>+N/-S<br>(ft) | +E/-W<br>(ft) | Between<br>Centres<br>(ft) | Between<br>Ellipses<br>(ft) | Minimum<br>Separation<br>(ft) | Separation<br>Factor | Warning            |        |
| 0.0  | 0.0                       | 0.0                       | 0.0                       | 0.0       | 0.0    | 90.00  | 0.0                                     | 30.8          | 30.8                       |                             |                               |                      |                    |        |
| 100.0  | 100.0                     | 100.0                     | 100.0                     | 0.1       | 0.1    | 90.00  | 0.0                                     | 30.8          | 30.8                       | 30.6                        | 0.22                          | 137.080              |                    |        |
| 200.0  | 200.0                     | 200.0                     | 200.0                     | 0.3       | 0.3    | 90.00  | 0.0                                     | 30.8          | 30.8                       | 30.1                        | 0.67                          | 45.693 CC, ES        |                    |        |
| 300.0  | 300.0                     | 300.0                     | 300.0                     | 0.6       | 0.6    | -172.04  | 0.0                                     | 30.8          | 32.5                       | 31.4                        | 1.12                          | 29.103               |                    |        |
| 400.0  | 399.8                     | 399.8                     | 399.8                     | 0.8       | 0.8    | -173.12  | 0.0                                     | 30.8          | 37.7                       | 36.2                        | 1.56                          | 24.117               |                    |        |
| 500.0  | 499.5                     | 499.5                     | 499.5                     | 1.0       | 1.0    | -174.40  | 0.0                                     | 30.8          | 46.4                       | 44.4                        | 2.02                          | 22.990               |                    |        |
| 600.0  | 598.7                     | 598.7                     | 598.7                     | 1.3       | 1.2    | -175.54  | 0.0                                     | 30.8          | 58.5                       | 56.1                        | 2.48                          | 23.647               |                    |        |
| 700.0  | 697.5                     | 700.0                     | 700.0                     | 1.6       | 1.4    | -176.33  | -0.3                                    | 29.1          | 72.4                       | 69.5                        | 2.92                          | 24.845               |                    |        |
| 800.0  | 795.8                     | 801.9                     | 801.8                     | 2.0       | 1.7    | -176.72  | -1.4                                    | 23.8          | 85.5                       | 82.2                        | 3.34                          | 25.586               |                    |        |
| 900.0  | 894.1                     | 904.7                     | 904.1                     | 2.4       | 1.9    | -176.78  | -3.2                                    | 14.9          | 95.3                       | 91.5                        | 3.79                          | 25.136               |                    |        |
| 1,000.0  | 992.3                     | 1,008.0                   | 1,006.7                   | 2.8       | 2.2    | -176.61  | -5.7                                    | 2.4           | 101.5                      | 97.2                        | 4.26                          | 23.833               |                    |        |
| 1,100.0  | 1,090.6                   | 1,109.6                   | 1,107.0                   | 3.2       | 2.5    | -176.28  | -8.8                                    | -13.0         | 104.7                      | 99.9                        | 4.74                          | 22.095               |                    |        |
| 1,200.0  | 1,188.9                   | 1,209.5                   | 1,205.7                   | 3.7       | 2.8    | -175.95  | -11.9                                   | -28.4         | 107.5                      | 102.3                       | 5.22                          | 20.583               |                    |        |
| 1,300.0  | 1,287.2                   | 1,309.5                   | 1,304.4                   | 4.1       | 3.1    | -175.64  | -15.0                                   | -43.8         | 110.4                      | 104.7                       | 5.72                          | 19.307               |                    |        |
| 1,400.0  | 1,385.4                   | 1,409.4                   | 1,403.1                   | 4.5       | 3.4    | -175.34  | -18.1                                   | -59.3         | 113.2                      | 107.0                       | 6.22                          | 18.220               |                    |        |
| 1,500.0  | 1,483.7                   | 1,509.4                   | 1,501.8                   | 4.9       | 3.8    | -175.06  | -21.1                                   | -74.7         | 116.1                      | 109.4                       | 6.72                          | 17.284               |                    |        |
| 1,600.0  | 1,582.0                   | 1,609.4                   | 1,600.5                   | 5.3       | 4.1    | -174.79  | -24.2                                   | -90.1         | 119.0                      | 111.7                       | 7.22                          | 16.471               |                    |        |
| 1,700.0  | 1,680.3                   | 1,709.3                   | 1,699.2                   | 5.7       | 4.5    | -174.53  | -27.3                                   | -105.5        | 121.8                      | 114.1                       | 7.73                          | 15.759               |                    |        |
| 1,800.0  | 1,778.5                   | 1,809.3                   | 1,798.0                   | 6.2       | 4.9    | -174.29  | -30.4                                   | -121.0        | 124.7                      | 116.5                       | 8.24                          | 15.130               |                    |        |
| 1,900.0  | 1,876.8                   | 1,909.2                   | 1,896.7                   | 6.6       | 5.2    | -174.05  | -33.5                                   | -136.4        | 127.6                      | 118.8                       | 8.76                          | 14.570               |                    |        |
| 2,000.0  | 1,975.1                   | 2,009.2                   | 1,995.4                   | 7.0       | 5.6    | -173.83  | -36.6                                   | -151.8        | 130.4                      | 121.2                       | 9.27                          | 14.071               |                    |        |
| 2,100.0  | 2,073.4                   | 2,109.1                   | 2,094.1                   | 7.4       | 6.0    | -173.61  | -39.7                                   | -167.3        | 133.3                      | 123.5                       | 9.79                          | 13.621               |                    |        |
| 2,200.0  | 2,171.7                   | 2,209.1                   | 2,192.8                   | 7.8       | 6.3    | -173.41  | -42.8                                   | -182.7        | 136.2                      | 125.9                       | 10.31                         | 13.215               |                    |        |
| 2,300.0  | 2,269.9                   | 2,309.1                   | 2,291.5                   | 8.3       | 6.7    | -173.21  | -45.9                                   | -198.1        | 139.1                      | 128.2                       | 10.83                         | 12.846               |                    |        |
| 2,400.0  | 2,368.2                   | 2,409.0                   | 2,390.2                   | 8.7       | 7.1    | -173.02  | -49.0                                   | -213.5        | 141.9                      | 130.6                       | 11.35                         | 12.509               |                    |        |
| 2,500.0  | 2,466.5                   | 2,509.0                   | 2,488.9                   | 9.1       | 7.4    | -172.84  | -52.1                                   | -229.0        | 144.8                      | 133.0                       | 11.87                         | 12.201               |                    |        |
| 2,600.0  | 2,564.8                   | 2,608.9                   | 2,587.6                   | 9.5       | 7.8    | -172.67  | -55.2                                   | -244.4        | 147.7                      | 135.3                       | 12.39                         | 11.919               |                    |        |
| 2,700.0  | 2,663.0                   | 2,708.9                   | 2,686.4                   | 10.0      | 8.2    | -172.50  | -58.3                                   | -259.8        | 150.6                      | 137.7                       | 12.92                         | 11.658               |                    |        |
| 2,800.0  | 2,761.3                   | 2,808.8                   | 2,785.1                   | 10.4      | 8.6    | -172.34  | -61.4                                   | -275.3        | 153.5                      | 140.0                       | 13.44                         | 11.417               |                    |        |
| 2,900.0  | 2,859.6                   | 2,908.8                   | 2,883.8                   | 10.8      | 8.9    | -172.19  | -64.5                                   | -290.7        | 156.4                      | 142.4                       | 13.97                         | 11.193               |                    |        |
| 3,000.0  | 2,957.9                   | 3,008.8                   | 2,982.5                   | 11.2      | 9.3    | -172.04  | -67.5                                   | -306.1        | 159.2                      | 144.7                       | 14.50                         | 10.985               |                    |        |
| 3,100.0  | 3,056.1                   | 3,108.7                   | 3,081.2                   | 11.6      | 9.7    | -171.89  | -70.6                                   | -321.5        | 162.1                      | 147.1                       | 15.02                         | 10.791               |                    |        |
| 3,200.0  | 3,154.4                   | 3,208.7                   | 3,179.9                   | 12.1      | 10.1   | -171.75  | -73.7                                   | -337.0        | 165.0                      | 149.5                       | 15.55                         | 10.610               |                    |        |
| 3,300.0  | 3,252.7                   | 3,308.6                   | 3,278.6                   | 12.5      | 10.4   | -171.62  | -76.8                                   | -352.4        | 167.9                      | 151.8                       | 16.08                         | 10.440               |                    |        |
| 3,400.0  | 3,351.0                   | 3,408.6                   | 3,377.3                   | 12.9      | 10.8   | -171.49  | -79.9                                   | -367.8        | 170.8                      | 154.2                       | 16.61                         | 10.281               |                    |        |
| 3,500.0  | 3,449.3                   | 3,508.5                   | 3,476.0                   | 13.3      | 11.2   | -171.36  | -83.0                                   | -383.3        | 173.7                      | 156.5                       | 17.14                         | 10.131               |                    |        |
| 3,600.0  | 3,547.5                   | 3,608.5                   | 3,574.8                   | 13.8      | 11.6   | -171.24  | -86.1                                   | -398.7        | 176.6                      | 158.9                       | 17.68                         | 9.990                |                    |        |
| 3,700.0  | 3,645.8                   | 3,708.5                   | 3,673.5                   | 14.2      | 11.9   | -171.12  | -89.2                                   | -414.1        | 179.5                      | 161.3                       | 18.21                         | 9.857                |                    |        |
| 3,800.0  | 3,744.1                   | 3,808.4                   | 3,772.2                   | 14.6      | 12.3   | -171.01  | -92.3                                   | -429.5        | 182.4                      | 163.6                       | 18.74                         | 9.732                |                    |        |
| 3,900.0  | 3,842.4                   | 3,908.4                   | 3,870.9                   | 15.0      | 12.7   | -170.90  | -95.4                                   | -445.0        | 185.3                      | 166.0                       | 19.27                         | 9.613                |                    |        |
| 4,000.0  | 3,940.6                   | 4,008.3                   | 3,969.6                   | 15.5      | 13.1   | -170.79  | -98.5                                   | -460.4        | 188.2                      | 168.4                       | 19.81                         | 9.500                |                    |        |
| 4,100.0  | 4,038.9                   | 4,108.3                   | 4,068.3                   | 15.9      | 13.4   | -170.69  | -101.6                                  | -475.8        | 191.1                      | 170.7                       | 20.34                         | 9.393                |                    |        |
| 4,200.0  | 4,137.2                   | 4,208.2                   | 4,167.0                   | 16.3      | 13.8   | -170.59  | -104.7                                  | -491.3        | 194.0                      | 173.1                       | 20.87                         | 9.291                |                    |        |
| 4,300.0  | 4,235.5                   | 4,308.2                   | 4,265.7                   | 16.7      | 14.2   | -170.49  | -107.8                                  | -506.7        | 196.8                      | 175.4                       | 21.41                         | 9.194                |                    |        |
| 4,400.0  | 4,333.7                   | 4,408.2                   | 4,364.4                   | 17.2      | 14.6   | -170.40  | -110.9                                  | -522.1        | 199.7                      | 177.8                       | 21.94                         | 9.102                |                    |        |
| 4,500.0  | 4,432.0                   | 4,508.1                   | 4,463.2                   | 17.6      | 14.9   | -170.31  | -114.0                                  | -537.5        | 202.6                      | 180.2                       | 22.48                         | 9.014                |                    |        |
| 4,600.0  | 4,530.3                   | 4,608.1                   | 4,561.9                   | 18.0      | 15.3   | -170.22  | -117.0                                  | -553.0        | 205.5                      | 182.5                       | 23.02                         | 8.930                |                    |        |
| 4,700.0  | 4,628.6                   | 4,708.0                   | 4,660.6                   | 18.4      | 15.7   | -170.13  | -120.1                                  | -568.4        | 208.4                      | 184.9                       | 23.55                         | 8.850                |                    |        |
| 4,800.0  | 4,726.8                   | 4,808.0                   | 4,759.3                   | 18.8      | 16.1   | -170.04  | -123.2                                  | -583.8        | 211.3                      | 187.3                       | 24.09                         | 8.773                |                    |        |
| 4,900.0  | 4,825.1                   | 4,908.0                   | 4,858.0                   | 19.3      | 16.5   | -169.96  | -126.3                                  | -599.3        | 214.2                      | 189.6                       | 24.63                         | 8.700                |                    |        |
| 5,000.0  | 4,923.4                   | 5,007.9                   | 4,956.7                   | 19.7      | 16.8   | -169.88  | -129.4                                  | -614.7        | 217.1                      | 192.0                       | 25.16                         | 8.629                |                    |        |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-3N - Wellbore #1 - Plan #1 (8 |                           |                           |                           |           |        |                             |   |   |                            |                             |                               |                      | Offset Site Error: | 0.0 ft |
|--|---------------------------|---------------------------|---------------------------|-----------|--------|-----------------------------|---|---|----------------------------|-----------------------------|-------------------------------|----------------------|--------------------|--------|
| Survey Program: 0-MWD  |                           |                           |                           |           |        |                             |   |   |                            |                             |                               |                      | Offset Well Error: | 0.0 ft |
| Measured<br>Depth<br>(ft)  | Vertical<br>Depth<br>(ft) | Measured<br>Depth<br>(ft) | Vertical<br>Depth<br>(ft) | Reference | Offset | Highside<br>Toolface<br>(°) | Offset Wellbore Centre<br>+N/-S<br>(ft) | Offset Wellbore Centre<br>+E/-W<br>(ft) | Between<br>Centres<br>(ft) | Between<br>Ellipses<br>(ft) | Minimum<br>Separation<br>(ft) | Separation<br>Factor | Warning            |        |
| 5,100.0  | 5,021.7                   | 5,107.9                   | 5,055.4                   | 20.1      | 17.2   | -169.80                     | -132.5                                  | -630.1                                  | 220.0                      | 194.3                       | 25.70                         | 8.562                |                    |        |
| 5,200.0  | 5,120.0                   | 5,207.8                   | 5,154.1                   | 20.5      | 17.6   | -169.73                     | -135.6                                  | -645.5                                  | 222.9                      | 196.7                       | 26.24                         | 8.497                |                    |        |
| 5,300.0  | 5,218.2                   | 5,307.8                   | 5,252.8                   | 21.0      | 18.0   | -169.65                     | -138.7                                  | -661.0                                  | 225.8                      | 199.1                       | 26.78                         | 8.434                |                    |        |
| 5,400.0  | 5,316.5                   | 5,407.7                   | 5,351.6                   | 21.4      | 18.3   | -169.58                     | -141.8                                  | -676.4                                  | 228.7                      | 201.4                       | 27.32                         | 8.374                |                    |        |
| 5,500.0  | 5,414.8                   | 5,507.7                   | 5,450.3                   | 21.8      | 18.7   | -169.51                     | -144.9                                  | -691.8                                  | 231.6                      | 203.8                       | 27.85                         | 8.316                |                    |        |
| 5,600.0  | 5,513.1                   | 5,607.7                   | 5,549.0                   | 22.2      | 19.1   | -169.44                     | -148.0                                  | -707.3                                  | 234.5                      | 206.2                       | 28.39                         | 8.261                |                    |        |
| 5,700.0  | 5,611.3                   | 5,700.0                   | 5,640.4                   | 22.7      | 19.4   | -169.47                     | -150.5                                  | -720.1                                  | 239.0                      | 210.2                       | 28.87                         | 8.279                |                    |        |
| 5,800.0  | 5,709.6                   | 5,792.2                   | 5,732.1                   | 23.1      | 19.6   | -169.65                     | -152.5                                  | -730.0                                  | 246.6                      | 217.3                       | 29.29                         | 8.420                |                    |        |
| 5,900.0  | 5,807.9                   | 5,883.8                   | 5,823.4                   | 23.5      | 19.8   | -169.97                     | -153.9                                  | -736.9                                  | 257.3                      | 227.7                       | 29.68                         | 8.671                |                    |        |
| 6,000.0  | 5,906.2                   | 5,974.7                   | 5,914.1                   | 23.9      | 19.9   | -170.39                     | -154.7                                  | -741.0                                  | 271.1                      | 241.1                       | 30.05                         | 9.024                |                    |        |
| 6,100.0  | 6,004.5                   | 6,065.0                   | 6,004.5                   | 24.3      | 20.0   | -170.92                     | -155.0                                  | -742.3                                  | 287.8                      | 257.4                       | 30.40                         | 9.468                |                    |        |
| 6,200.0  | 6,103.3                   | 6,163.8                   | 6,103.3                   | 24.6      | 20.2   | -171.43                     | -155.0                                  | -742.3                                  | 303.2                      | 272.5                       | 30.71                         | 9.873                |                    |        |
| 6,300.0  | 6,202.5                   | 6,263.1                   | 6,202.5                   | 24.8      | 20.3   | -171.79                     | -155.0                                  | -742.3                                  | 315.2                      | 284.2                       | 31.00                         | 10.167               |                    |        |
| 6,400.0  | 6,302.1                   | 6,362.7                   | 6,302.1                   | 25.0      | 20.4   | -172.03                     | -155.0                                  | -742.3                                  | 323.8                      | 292.5                       | 31.27                         | 10.353               |                    |        |
| 6,500.0  | 6,402.0                   | 6,462.6                   | 6,402.0                   | 25.2      | 20.6   | -172.17                     | -155.0                                  | -742.3                                  | 328.9                      | 297.4                       | 31.51                         | 10.436               |                    |        |
| 6,600.0  | 6,502.0                   | 6,562.5                   | 6,502.0                   | 25.3      | 20.7   | 89.38                       | -155.0                                  | -742.3                                  | 330.5                      | 298.8                       | 31.72                         | 10.422               |                    |        |
| 6,658.5  | 6,560.4                   | 6,621.0                   | 6,560.4                   | 25.4      | 20.8   | 89.38                       | -155.0                                  | -742.3                                  | 330.5                      | 298.6                       | 31.92                         | 10.355               |                    |        |
| 6,700.0  | 6,602.0                   | 6,662.4                   | 6,601.8                   | 25.4      | 20.9   | 89.33                       | -154.7                                  | -742.3                                  | 330.5                      | 298.5                       | 32.06                         | 10.310               |                    |        |
| 6,800.0  | 6,702.0                   | 6,760.7                   | 6,699.6                   | 25.5      | 21.0   | 87.68                       | -145.2                                  | -742.3                                  | 330.8                      | 298.6                       | 32.23                         | 10.265               |                    |        |
| 6,900.0  | 6,802.0                   | 6,854.6                   | 6,791.0                   | 25.7      | 21.1   | 83.98                       | -123.7                                  | -742.2                                  | 332.6                      | 300.3                       | 32.30                         | 10.299               |                    |        |
| 7,000.0  | 6,902.0                   | 6,941.7                   | 6,872.4                   | 25.8      | 21.1   | 78.83                       | -93.3                                   | -742.1                                  | 338.4                      | 305.8                       | 32.57                         | 10.392               |                    |        |
| 7,100.0  | 7,002.0                   | 7,020.5                   | 6,942.6                   | 25.9      | 21.2   | 72.42                       | -57.4                                   | -741.9                                  | 350.9                      | 317.7                       | 33.20                         | 10.569               |                    |        |
| 7,200.0  | 7,100.8                   | 7,100.0                   | 7,008.9                   | 26.0      | 21.2   | 65.65                       | -13.6                                   | -741.8                                  | 367.3                      | 333.3                       | 33.99                         | 10.806               |                    |        |
| 7,300.0  | 7,195.0                   | 7,171.5                   | 7,064.0                   | 26.1      | 21.3   | 60.68                       | 31.8                                    | -741.6                                  | 383.5                      | 349.1                       | 34.32                         | 11.173               |                    |        |
| 7,400.0  | 7,281.3                   | 7,250.0                   | 7,119.1                   | 26.1      | 21.3   | 56.80                       | 87.8                                    | -741.4                                  | 397.3                      | 363.3                       | 33.96                         | 11.698               |                    |        |
| 7,500.0  | 7,356.4                   | 7,320.8                   | 7,163.1                   | 26.1      | 21.4   | 54.45                       | 143.1                                   | -741.2                                  | 407.2                      | 374.3                       | 32.86                         | 12.391               |                    |        |
| 7,600.0  | 7,417.5                   | 7,400.0                   | 7,205.7                   | 26.2      | 21.6   | 53.23                       | 209.9                                   | -741.0                                  | 412.3                      | 380.9                       | 31.47                         | 13.105               |                    |        |
| 7,700.0  | 7,462.4                   | 7,469.4                   | 7,236.8                   | 26.3      | 21.7   | 53.27                       | 271.9                                   | -740.8                                  | 412.2                      | 382.0                       | 30.18                         | 13.659               |                    |        |
| 7,800.0  | 7,489.5                   | 7,550.0                   | 7,265.2                   | 26.5      | 22.0   | 54.57                       | 347.3                                   | -740.5                                  | 407.0                      | 377.3                       | 29.71                         | 13.696               |                    |        |
| 7,900.0  | 7,497.8                   | 7,618.3                   | 7,282.4                   | 26.7      | 22.3   | 56.90                       | 413.4                                   | -740.3                                  | 396.9                      | 366.6                       | 30.25                         | 13.117               |                    |        |
| 8,000.0  | 7,497.5                   | 7,700.0                   | 7,294.7                   | 27.1      | 22.8   | 58.45                       | 494.1                                   | -740.0                                  | 388.3                      | 356.3                       | 32.01                         | 12.130               |                    |        |
| 8,097.7  | 7,497.1                   | 7,770.7                   | 7,297.8                   | 27.7      | 23.3   | 58.87                       | 564.7                                   | -739.7                                  | 385.6                      | 352.1                       | 33.52                         | 11.503               |                    |        |
| 8,100.0  | 7,497.1                   | 7,772.9                   | 7,297.8                   | 27.7      | 23.3   | 58.87                       | 566.9                                   | -739.7                                  | 385.6                      | 352.0                       | 33.56                         | 11.490               |                    |        |
| 8,200.0  | 7,496.8                   | 7,872.9                   | 7,297.3                   | 28.3      | 24.2   | 58.85                       | 666.9                                   | -739.4                                  | 385.6                      | 350.2                       | 35.41                         | 10.888               |                    |        |
| 8,300.0  | 7,496.4                   | 7,972.9                   | 7,296.8                   | 29.2      | 25.2   | 58.83                       | 766.9                                   | -739.0                                  | 385.6                      | 348.2                       | 37.47                         | 10.292               |                    |        |
| 8,400.0  | 7,496.1                   | 8,072.9                   | 7,296.4                   | 30.1      | 26.4   | 58.81                       | 866.9                                   | -738.7                                  | 385.6                      | 345.9                       | 39.70                         | 9.714                |                    |        |
| 8,500.0  | 7,495.7                   | 8,172.9                   | 7,295.9                   | 31.1      | 27.6   | 58.78                       | 966.9                                   | -738.3                                  | 385.7                      | 343.6                       | 42.08                         | 9.165                |                    |        |
| 8,600.0  | 7,495.4                   | 8,272.9                   | 7,295.4                   | 32.2      | 28.9   | 58.76                       | 1,066.9                                 | -737.9                                  | 385.7                      | 341.1                       | 44.59                         | 8.650                |                    |        |
| 8,700.0  | 7,495.0                   | 8,372.9                   | 7,294.9                   | 33.5      | 30.3   | 58.74                       | 1,166.9                                 | -737.6                                  | 385.7                      | 338.5                       | 47.19                         | 8.173                |                    |        |
| 8,800.0  | 7,494.7                   | 8,472.9                   | 7,294.4                   | 34.7      | 31.8   | 58.72                       | 1,266.9                                 | -737.2                                  | 385.7                      | 335.8                       | 49.89                         | 7.731                |                    |        |
| 8,900.0  | 7,494.3                   | 8,572.9                   | 7,293.9                   | 36.1      | 33.3   | 58.69                       | 1,366.9                                 | -736.9                                  | 385.7                      | 333.1                       | 52.66                         | 7.325                |                    |        |
| 9,000.0  | 7,494.0                   | 8,672.9                   | 7,293.4                   | 37.5      | 34.8   | 58.67                       | 1,466.9                                 | -736.5                                  | 385.8                      | 330.3                       | 55.50                         | 6.951                |                    |        |
| 9,100.0  | 7,493.6                   | 8,772.9                   | 7,292.9                   | 39.0      | 36.4   | 58.65                       | 1,566.9                                 | -736.2                                  | 385.8                      | 327.4                       | 58.39                         | 6.608                |                    |        |
| 9,200.0  | 7,493.3                   | 8,872.9                   | 7,292.4                   | 40.5      | 38.0   | 58.63                       | 1,666.9                                 | -735.8                                  | 385.8                      | 324.5                       | 61.32                         | 6.292                |                    |        |
| 9,300.0  | 7,492.9                   | 8,972.9                   | 7,292.0                   | 42.0      | 39.6   | 58.61                       | 1,766.9                                 | -735.5                                  | 385.8                      | 321.5                       | 64.29                         | 6.001                |                    |        |
| 9,400.0  | 7,492.6                   | 9,072.9                   | 7,291.5                   | 43.6      | 41.3   | 58.58                       | 1,866.9                                 | -735.1                                  | 385.9                      | 318.6                       | 67.30                         | 5.734                |                    |        |
| 9,500.0  | 7,492.3                   | 9,172.9                   | 7,291.0                   | 45.1      | 43.0   | 58.56                       | 1,966.9                                 | -734.8                                  | 385.9                      | 315.5                       | 70.33                         | 5.486                |                    |        |
| 9,600.0  | 7,491.9                   | 9,272.9                   | 7,290.5                   | 46.8      | 44.7   | 58.54                       | 2,066.9                                 | -734.4                                  | 385.9                      | 312.5                       | 73.39                         | 5.258                |                    |        |
| 9,700.0  | 7,491.6                   | 9,372.9                   | 7,290.0                   | 48.4      | 46.4   | 58.52                       | 2,166.9                                 | -734.0                                  | 385.9                      | 309.4                       | 76.48                         | 5.046                |                    |        |
| 9,800.0  | 7,491.2                   | 9,472.9                   | 7,289.5                   | 50.1      | 48.1   | 58.49                       | 2,266.9                                 | -733.7                                  | 385.9                      | 306.4                       | 79.58                         | 4.850                |                    |        |
| 9,900.0  | 7,490.9                   | 9,572.9                   | 7,289.0                   | 51.7      | 49.9   | 58.47                       | 2,366.9                                 | -733.3                                  | 386.0                      | 303.3                       | 82.70                         | 4.667                |                    |        |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| <b>Offset Design</b> Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-3N - Wellbore #1 - Plan #1 (8 |                        |                        |                        |           |        |                             |   |               |                            |                             |                               | <b>Offset Site Error:</b> | 0.0 ft  |
|---|------------------------|------------------------|------------------------|-----------|--------|-----------------------------|---|---------------|----------------------------|-----------------------------|-------------------------------|---------------------------|---------|
| <b>Survey Program:</b> 0-MWD  |                        |                        |                        |           |        |                             |   |               |                            |                             |                               | <b>Offset Well Error:</b> | 0.0 ft  |
| Measured Depth<br>(ft)  | Vertical Depth<br>(ft) | Measured Depth<br>(ft) | Vertical Depth<br>(ft) | Reference | Offset | Highside<br>Toolface<br>(°) | Offset Wellbore Centre<br>+N/-S<br>(ft) | +E/-W<br>(ft) | Between<br>Centres<br>(ft) | Between<br>Ellipses<br>(ft) | Minimum<br>Separation<br>(ft) | Separation<br>Factor      | Warning |
| 10,000.0  | 7,490.5                | 9,672.9                | 7,288.5                | 53.4      | 51.6   | 58.45                       | 2,466.9                                 | -733.0        | 386.0                      | 300.2                       | 85.83                         | 4.497                     |         |
| 10,100.0  | 7,490.2                | 9,772.9                | 7,288.0                | 55.2      | 53.4   | 58.43                       | 2,566.9                                 | -732.6        | 386.0                      | 297.0                       | 88.98                         | 4.338                     |         |
| 10,200.0  | 7,489.8                | 9,872.9                | 7,287.6                | 56.9      | 55.2   | 58.40                       | 2,666.9                                 | -732.3        | 386.0                      | 293.9                       | 92.14                         | 4.189                     |         |
| 10,300.0  | 7,489.5                | 9,972.9                | 7,287.1                | 58.6      | 57.0   | 58.38                       | 2,766.9                                 | -731.9        | 386.1                      | 290.7                       | 95.31                         | 4.050                     |         |
| 10,400.0  | 7,489.1                | 10,072.9               | 7,286.6                | 60.4      | 58.8   | 58.36                       | 2,866.9                                 | -731.6        | 386.1                      | 287.6                       | 98.49                         | 3.920                     |         |
| 10,500.0  | 7,488.8                | 10,172.9               | 7,286.1                | 62.1      | 60.6   | 58.34                       | 2,966.9                                 | -731.2        | 386.1                      | 284.4                       | 101.68                        | 3.797                     |         |
| 10,600.0  | 7,488.4                | 10,272.9               | 7,285.6                | 63.9      | 62.4   | 58.32                       | 3,066.9                                 | -730.8        | 386.1                      | 281.2                       | 104.88                        | 3.682                     |         |
| 10,700.0  | 7,488.1                | 10,372.9               | 7,285.1                | 65.7      | 64.2   | 58.29                       | 3,166.9                                 | -730.5        | 386.1                      | 278.1                       | 108.08                        | 3.573                     |         |
| 10,800.0  | 7,487.7                | 10,472.9               | 7,284.6                | 67.4      | 66.0   | 58.27                       | 3,266.9                                 | -730.1        | 386.2                      | 274.9                       | 111.29                        | 3.470                     |         |
| 10,900.0  | 7,487.4                | 10,572.9               | 7,284.1                | 69.2      | 67.8   | 58.25                       | 3,366.9                                 | -729.8        | 386.2                      | 271.7                       | 114.51                        | 3.373                     |         |
| 11,000.0  | 7,487.0                | 10,672.9               | 7,283.6                | 71.0      | 69.7   | 58.23                       | 3,466.9                                 | -729.4        | 386.2                      | 268.5                       | 117.72                        | 3.281                     |         |
| 11,100.0  | 7,486.7                | 10,772.9               | 7,283.2                | 72.8      | 71.5   | 58.20                       | 3,566.9                                 | -729.1        | 386.2                      | 265.3                       | 120.95                        | 3.193                     |         |
| 11,200.0  | 7,486.3                | 10,872.9               | 7,282.7                | 74.6      | 73.4   | 58.18                       | 3,666.9                                 | -728.7        | 386.3                      | 262.1                       | 124.18                        | 3.111                     |         |
| 11,300.0  | 7,486.0                | 10,972.9               | 7,282.2                | 76.4      | 75.2   | 58.16                       | 3,766.9                                 | -728.4        | 386.3                      | 258.9                       | 127.41                        | 3.032                     |         |
| 11,400.0  | 7,485.6                | 11,072.9               | 7,281.7                | 78.3      | 77.0   | 58.14                       | 3,866.9                                 | -728.0        | 386.3                      | 255.7                       | 130.64                        | 2.957                     |         |
| 11,500.0  | 7,485.3                | 11,172.9               | 7,281.2                | 80.1      | 78.9   | 58.11                       | 3,966.9                                 | -727.6        | 386.3                      | 252.5                       | 133.88                        | 2.886                     |         |
| 11,600.0  | 7,484.9                | 11,272.9               | 7,280.7                | 81.9      | 80.7   | 58.09                       | 4,066.9                                 | -727.3        | 386.4                      | 249.2                       | 137.12                        | 2.818                     |         |
| 11,700.0  | 7,484.6                | 11,372.9               | 7,280.2                | 83.7      | 82.6   | 58.07                       | 4,166.9                                 | -726.9        | 386.4                      | 246.0                       | 140.36                        | 2.753                     |         |
| 11,800.0  | 7,484.2                | 11,472.9               | 7,279.7                | 85.6      | 84.5   | 58.05                       | 4,266.9                                 | -726.6        | 386.4                      | 242.8                       | 143.60                        | 2.691                     |         |
| 11,900.0  | 7,483.9                | 11,572.9               | 7,279.3                | 87.4      | 86.3   | 58.03                       | 4,366.9                                 | -726.2        | 386.4                      | 239.6                       | 146.85                        | 2.631                     |         |
| 12,000.0  | 7,483.5                | 11,672.9               | 7,278.8                | 89.3      | 88.2   | 58.00                       | 4,466.9                                 | -725.9        | 386.4                      | 236.4                       | 150.09                        | 2.575                     |         |
| 12,100.0  | 7,483.2                | 11,772.9               | 7,278.3                | 91.1      | 90.0   | 57.98                       | 4,566.9                                 | -725.5        | 386.5                      | 233.1                       | 153.34                        | 2.520                     |         |
| 12,150.9  | 7,483.0                | 11,823.9               | 7,278.0                | 92.1      | 91.0   | 57.97                       | 4,617.8                                 | -725.3        | 386.5                      | 231.5                       | 154.99                        | 2.494 SF                  |         |



|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-4N - Wellbore #1 - Plan #1 (8 |                           |                           |                           |           |        |                                      |                             |   |               |                            |                             |                               | Offset Site Error:   | 0.0 ft  |
|--|---------------------------|---------------------------|---------------------------|-----------|--------|--------------------------------------|-----------------------------|---|---------------|----------------------------|-----------------------------|-------------------------------|----------------------|---------|
| Survey Program: 0-MWD  |                           |                           |                           |           |        |                                      |                             |   |               |                            |                             |                               | Offset Well Error:   | 0.0 ft  |
| Measured<br>Depth<br>(ft)  | Vertical<br>Depth<br>(ft) | Measured<br>Depth<br>(ft) | Vertical<br>Depth<br>(ft) | Reference | Offset | Semi Major Axis<br>Reference<br>(ft) | Highside<br>Toolface<br>(°) | Offset Wellbore Centre<br>+N/-S<br>(ft) | +E/-W<br>(ft) | Between<br>Centres<br>(ft) | Between<br>Ellipses<br>(ft) | Minimum<br>Separation<br>(ft) | Separation<br>Factor | Warning |
| 0.0  | 0.0                       | 0.0                       | 0.0                       | 0.0       | 0.0    | 85.35                                |                             | 3.6                                     | 44.8          | 45.0                       |                             |                               |                      |         |
| 100.0  | 100.0                     | 100.0                     | 100.0                     | 0.1       | 0.1    | 85.35                                |                             | 3.6                                     | 44.8          | 45.0                       | 44.7                        | 0.22                          | 200.047              |         |
| 200.0  | 200.0                     | 200.0                     | 200.0                     | 0.3       | 0.3    | 85.35                                |                             | 3.6                                     | 44.8          | 45.0                       | 44.3                        | 0.67                          | 66.682 CC, ES        |         |
| 300.0  | 300.0                     | 300.0                     | 300.0                     | 0.6       | 0.6    | -176.38                              |                             | 3.6                                     | 44.8          | 46.7                       | 45.6                        | 1.12                          | 41.771               |         |
| 400.0  | 399.8                     | 399.8                     | 399.8                     | 0.8       | 0.8    | -176.73                              |                             | 3.6                                     | 44.8          | 51.9                       | 50.4                        | 1.56                          | 33.195               |         |
| 500.0  | 499.5                     | 499.5                     | 499.5                     | 1.0       | 1.0    | -177.20                              |                             | 3.6                                     | 44.8          | 60.6                       | 58.6                        | 2.02                          | 30.051               |         |
| 600.0  | 598.7                     | 598.7                     | 598.7                     | 1.3       | 1.2    | -177.65                              |                             | 3.6                                     | 44.8          | 72.8                       | 70.3                        | 2.47                          | 29.422               |         |
| 700.0  | 697.5                     | 697.5                     | 697.5                     | 1.6       | 1.5    | -178.06                              |                             | 3.6                                     | 44.8          | 88.4                       | 85.5                        | 2.93                          | 30.140               |         |
| 800.0  | 795.8                     | 795.8                     | 795.8                     | 2.0       | 1.7    | -178.39                              |                             | 3.6                                     | 44.8          | 106.7                      | 103.3                       | 3.39                          | 31.473               |         |
| 900.0  | 894.1                     | 898.3                     | 898.3                     | 2.4       | 1.9    | -178.54                              |                             | 3.2                                     | 43.2          | 123.6                      | 119.8                       | 3.84                          | 32.218               |         |
| 1,000.0  | 992.3                     | 1,002.1                   | 1,001.9                   | 2.8       | 2.1    | -178.45                              |                             | 1.9                                     | 37.9          | 137.0                      | 132.7                       | 4.27                          | 32.044               |         |
| 1,100.0  | 1,090.6                   | 1,106.7                   | 1,106.1                   | 3.2       | 2.3    | -178.18                              |                             | -0.4                                    | 28.9          | 146.7                      | 142.0                       | 4.73                          | 31.025               |         |
| 1,200.0  | 1,188.9                   | 1,212.0                   | 1,210.6                   | 3.7       | 2.6    | -177.75                              |                             | -3.7                                    | 16.2          | 152.9                      | 147.7                       | 5.20                          | 29.400               |         |
| 1,300.0  | 1,287.2                   | 1,312.7                   | 1,310.2                   | 4.1       | 2.9    | -177.25                              |                             | -7.4                                    | 1.7           | 156.7                      | 151.1                       | 5.68                          | 27.614               |         |
| 1,400.0  | 1,385.4                   | 1,412.6                   | 1,409.0                   | 4.5       | 3.2    | -176.77                              |                             | -11.0                                   | -12.7         | 160.6                      | 154.4                       | 6.16                          | 26.070               |         |
| 1,500.0  | 1,483.7                   | 1,512.5                   | 1,507.8                   | 4.9       | 3.5    | -176.31                              |                             | -14.7                                   | -27.1         | 164.4                      | 157.8                       | 6.65                          | 24.730               |         |
| 1,600.0  | 1,582.0                   | 1,612.5                   | 1,606.6                   | 5.3       | 3.8    | -175.87                              |                             | -18.4                                   | -41.4         | 168.3                      | 161.1                       | 7.14                          | 23.554               |         |
| 1,700.0  | 1,680.3                   | 1,712.4                   | 1,705.4                   | 5.7       | 4.1    | -175.46                              |                             | -22.0                                   | -55.8         | 172.1                      | 164.5                       | 7.64                          | 22.526               |         |
| 1,800.0  | 1,778.5                   | 1,812.3                   | 1,804.2                   | 6.2       | 4.5    | -175.06                              |                             | -25.7                                   | -70.2         | 176.0                      | 167.9                       | 8.14                          | 21.609               |         |
| 1,900.0  | 1,876.8                   | 1,912.2                   | 1,903.0                   | 6.6       | 4.8    | -174.68                              |                             | -29.4                                   | -84.6         | 179.9                      | 171.2                       | 8.65                          | 20.792               |         |
| 2,000.0  | 1,975.1                   | 2,012.1                   | 2,001.8                   | 7.0       | 5.1    | -174.31                              |                             | -33.0                                   | -99.0         | 183.8                      | 174.6                       | 9.16                          | 20.059               |         |
| 2,100.0  | 2,073.4                   | 2,112.1                   | 2,100.7                   | 7.4       | 5.5    | -173.96                              |                             | -36.7                                   | -113.4        | 187.7                      | 178.0                       | 9.67                          | 19.398               |         |
| 2,200.0  | 2,171.7                   | 2,212.0                   | 2,199.5                   | 7.8       | 5.8    | -173.63                              |                             | -40.4                                   | -127.7        | 191.6                      | 181.4                       | 10.19                         | 18.799               |         |
| 2,300.0  | 2,269.9                   | 2,311.9                   | 2,298.3                   | 8.3       | 6.2    | -173.30                              |                             | -44.0                                   | -142.1        | 195.5                      | 184.8                       | 10.71                         | 18.255               |         |
| 2,400.0  | 2,368.2                   | 2,411.8                   | 2,397.1                   | 8.7       | 6.5    | -172.99                              |                             | -47.7                                   | -156.5        | 199.4                      | 188.2                       | 11.23                         | 17.757               |         |
| 2,500.0  | 2,466.5                   | 2,511.7                   | 2,495.9                   | 9.1       | 6.9    | -172.70                              |                             | -51.4                                   | -170.9        | 203.3                      | 191.6                       | 11.75                         | 17.302               |         |
| 2,600.0  | 2,564.8                   | 2,611.6                   | 2,594.7                   | 9.5       | 7.2    | -172.41                              |                             | -55.0                                   | -185.3        | 207.2                      | 195.0                       | 12.27                         | 16.882               |         |
| 2,700.0  | 2,663.0                   | 2,711.6                   | 2,693.5                   | 10.0      | 7.6    | -172.13                              |                             | -58.7                                   | -199.6        | 211.2                      | 198.4                       | 12.80                         | 16.495               |         |
| 2,800.0  | 2,761.3                   | 2,811.5                   | 2,792.3                   | 10.4      | 7.9    | -171.87                              |                             | -62.4                                   | -214.0        | 215.1                      | 201.8                       | 13.33                         | 16.137               |         |
| 2,900.0  | 2,859.6                   | 2,911.4                   | 2,891.1                   | 10.8      | 8.3    | -171.61                              |                             | -66.0                                   | -228.4        | 219.0                      | 205.2                       | 13.86                         | 15.805               |         |
| 3,000.0  | 2,957.9                   | 3,011.3                   | 2,989.9                   | 11.2      | 8.7    | -171.36                              |                             | -69.7                                   | -242.8        | 223.0                      | 208.6                       | 14.39                         | 15.495               |         |
| 3,100.0  | 3,056.1                   | 3,111.2                   | 3,088.7                   | 11.6      | 9.0    | -171.12                              |                             | -73.4                                   | -257.2        | 226.9                      | 212.0                       | 14.92                         | 15.207               |         |
| 3,200.0  | 3,154.4                   | 3,211.1                   | 3,187.6                   | 12.1      | 9.4    | -170.89                              |                             | -77.1                                   | -271.6        | 230.9                      | 215.4                       | 15.46                         | 14.937               |         |
| 3,300.0  | 3,252.7                   | 3,311.1                   | 3,286.4                   | 12.5      | 9.7    | -170.67                              |                             | -80.7                                   | -285.9        | 234.8                      | 218.8                       | 15.99                         | 14.685               |         |
| 3,400.0  | 3,351.0                   | 3,411.0                   | 3,385.2                   | 12.9      | 10.1   | -170.46                              |                             | -84.4                                   | -300.3        | 238.8                      | 222.3                       | 16.53                         | 14.448               |         |
| 3,500.0  | 3,449.3                   | 3,510.9                   | 3,484.0                   | 13.3      | 10.4   | -170.25                              |                             | -88.1                                   | -314.7        | 242.7                      | 225.7                       | 17.07                         | 14.225               |         |
| 3,600.0  | 3,547.5                   | 3,610.8                   | 3,582.8                   | 13.8      | 10.8   | -170.05                              |                             | -91.7                                   | -329.1        | 246.7                      | 229.1                       | 17.60                         | 14.014               |         |
| 3,700.0  | 3,645.8                   | 3,710.7                   | 3,681.6                   | 14.2      | 11.2   | -169.85                              |                             | -95.4                                   | -343.5        | 250.7                      | 232.5                       | 18.14                         | 13.816               |         |
| 3,800.0  | 3,744.1                   | 3,810.7                   | 3,780.4                   | 14.6      | 11.5   | -169.66                              |                             | -99.1                                   | -357.8        | 254.6                      | 236.0                       | 18.68                         | 13.629               |         |
| 3,900.0  | 3,842.4                   | 3,910.6                   | 3,879.2                   | 15.0      | 11.9   | -169.48                              |                             | -102.7                                  | -372.2        | 258.6                      | 239.4                       | 19.23                         | 13.451               |         |
| 4,000.0  | 3,940.6                   | 4,010.5                   | 3,978.0                   | 15.5      | 12.2   | -169.30                              |                             | -106.4                                  | -386.6        | 262.6                      | 242.8                       | 19.77                         | 13.283               |         |
| 4,100.0  | 4,038.9                   | 4,110.4                   | 4,076.8                   | 15.9      | 12.6   | -169.13                              |                             | -110.1                                  | -401.0        | 266.6                      | 246.3                       | 20.31                         | 13.123               |         |
| 4,200.0  | 4,137.2                   | 4,210.3                   | 4,175.6                   | 16.3      | 13.0   | -168.96                              |                             | -113.7                                  | -415.4        | 270.6                      | 249.7                       | 20.86                         | 12.972               |         |
| 4,300.0  | 4,235.5                   | 4,310.2                   | 4,274.5                   | 16.7      | 13.3   | -168.80                              |                             | -117.4                                  | -429.7        | 274.5                      | 253.1                       | 21.40                         | 12.827               |         |
| 4,400.0  | 4,333.7                   | 4,410.2                   | 4,373.3                   | 17.2      | 13.7   | -168.64                              |                             | -121.1                                  | -444.1        | 278.5                      | 256.6                       | 21.95                         | 12.690               |         |
| 4,500.0  | 4,432.0                   | 4,510.1                   | 4,472.1                   | 17.6      | 14.1   | -168.49                              |                             | -124.7                                  | -458.5        | 282.5                      | 260.0                       | 22.50                         | 12.558               |         |
| 4,600.0  | 4,530.3                   | 4,610.0                   | 4,570.9                   | 18.0      | 14.4   | -168.34                              |                             | -128.4                                  | -472.9        | 286.5                      | 263.4                       | 23.04                         | 12.433               |         |
| 4,700.0  | 4,628.6                   | 4,709.9                   | 4,669.7                   | 18.4      | 14.8   | -168.19                              |                             | -132.1                                  | -487.3        | 290.5                      | 266.9                       | 23.59                         | 12.313               |         |
| 4,800.0  | 4,726.8                   | 4,809.8                   | 4,768.5                   | 18.8      | 15.1   | -168.05                              |                             | -135.7                                  | -501.7        | 294.5                      | 270.3                       | 24.14                         | 12.199               |         |
| 4,900.0  | 4,825.1                   | 4,909.7                   | 4,867.3                   | 19.3      | 15.5   | -167.91                              |                             | -139.4                                  | -516.0        | 298.5                      | 273.8                       | 24.69                         | 12.089               |         |
| 5,000.0  | 4,923.4                   | 5,009.7                   | 4,966.1                   | 19.7      | 15.9   | -167.78                              |                             | -143.1                                  | -530.4        | 302.5                      | 277.2                       | 25.24                         | 11.984               |         |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation



|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-4N - Wellbore #1 - Plan #1 (8 |                     |                     |                     |           |        |                 |                       |                                   |            |                               |                       |                         | Offset Site Error: | 0.0 ft  |
|--|---------------------|---------------------|---------------------|-----------|--------|-----------------|-----------------------|-----------------------------------|------------|-------------------------------|-----------------------|-------------------------|--------------------|---------|
| Survey Program: 0-MWD  |                     |                     |                     |           |        |                 |                       |                                   |            |                               |                       |                         | Offset Well Error: | 0.0 ft  |
| Measured Depth (ft)  | Vertical Depth (ft) | Measured Depth (ft) | Vertical Depth (ft) | Reference | Offset | Semi Major Axis | Highside Toolface (°) | Offset Wellbore Centre +N/-S (ft) | +E/-W (ft) | Distance Between Centres (ft) | Between Ellipses (ft) | Minimum Separation (ft) | Separation Factor  | Warning |
| 5,100.0  | 5,021.7             | 5,109.6             | 5,064.9             | 20.1      | 16.2   | -167.65         | -146.7                | -544.8                            | 306.5      | 280.7                         | 25.79                 | 11.883                  |                    |         |
| 5,200.0  | 5,120.0             | 5,200.0             | 5,154.5             | 20.5      | 16.5   | -167.60         | -149.8                | -556.7                            | 311.7      | 285.4                         | 26.28                 | 11.860                  |                    |         |
| 5,300.0  | 5,218.2             | 5,291.3             | 5,245.3             | 21.0      | 16.7   | -167.72         | -152.2                | -566.0                            | 319.9      | 293.2                         | 26.71                 | 11.976                  |                    |         |
| 5,400.0  | 5,316.5             | 5,380.9             | 5,334.7             | 21.4      | 16.9   | -167.98         | -153.8                | -572.4                            | 331.1      | 303.9                         | 27.11                 | 12.211                  |                    |         |
| 5,500.0  | 5,414.8             | 5,469.9             | 5,423.6             | 21.8      | 17.0   | -168.36         | -154.7                | -576.0                            | 345.2      | 317.7                         | 27.49                 | 12.559                  |                    |         |
| 5,600.0  | 5,513.1             | 5,559.4             | 5,513.1             | 22.2      | 17.2   | -168.85         | -155.0                | -577.0                            | 362.2      | 334.4                         | 27.85                 | 13.007                  |                    |         |
| 5,700.0  | 5,611.3             | 5,657.7             | 5,611.3             | 22.7      | 17.3   | -169.38         | -155.0                | -577.0                            | 380.4      | 352.2                         | 28.23                 | 13.477                  |                    |         |
| 5,800.0  | 5,709.6             | 5,756.0             | 5,709.6             | 23.1      | 17.4   | -169.87         | -155.0                | -577.0                            | 398.6      | 370.0                         | 28.61                 | 13.932                  |                    |         |
| 5,900.0  | 5,807.9             | 5,854.2             | 5,807.9             | 23.5      | 17.6   | -170.32         | -155.0                | -577.0                            | 416.8      | 387.8                         | 29.00                 | 14.372                  |                    |         |
| 6,000.0  | 5,906.2             | 5,952.5             | 5,906.2             | 23.9      | 17.7   | -170.73         | -155.0                | -577.0                            | 435.1      | 405.7                         | 29.40                 | 14.798                  |                    |         |
| 6,100.0  | 6,004.5             | 6,050.8             | 6,004.5             | 24.3      | 17.9   | -171.12         | -155.0                | -577.0                            | 453.1      | 423.3                         | 29.80                 | 15.204                  |                    |         |
| 6,200.0  | 6,103.3             | 6,149.6             | 6,103.3             | 24.6      | 18.0   | -171.46         | -155.0                | -577.0                            | 468.5      | 438.4                         | 30.15                 | 15.537                  |                    |         |
| 6,300.0  | 6,202.5             | 6,248.9             | 6,202.5             | 24.8      | 18.2   | -171.71         | -155.0                | -577.0                            | 480.5      | 450.0                         | 30.48                 | 15.764                  |                    |         |
| 6,400.0  | 6,302.1             | 6,348.5             | 6,302.1             | 25.0      | 18.3   | -171.88         | -155.0                | -577.0                            | 489.1      | 458.3                         | 30.78                 | 15.889                  |                    |         |
| 6,500.0  | 6,402.0             | 6,448.3             | 6,402.0             | 25.2      | 18.5   | -171.98         | -155.0                | -577.0                            | 494.2      | 463.1                         | 31.05                 | 15.917                  |                    |         |
| 6,600.0  | 6,502.0             | 6,548.3             | 6,502.0             | 25.3      | 18.6   | 89.58           | -155.0                | -577.0                            | 495.8      | 464.6                         | 31.27                 | 15.856                  |                    |         |
| 6,658.4  | 6,560.4             | 6,606.7             | 6,560.4             | 25.4      | 18.7   | 89.58           | -155.0                | -577.0                            | 495.8      | 464.3                         | 31.48                 | 15.750                  |                    |         |
| 6,700.0  | 6,602.0             | 6,648.2             | 6,601.8             | 25.4      | 18.8   | 89.55           | -154.7                | -577.0                            | 495.8      | 464.2                         | 31.63                 | 15.678                  |                    |         |
| 6,800.0  | 6,702.0             | 6,746.3             | 6,699.5             | 25.5      | 18.9   | 88.45           | -145.2                | -576.9                            | 496.0      | 464.2                         | 31.85                 | 15.572                  |                    |         |
| 6,900.0  | 6,802.0             | 6,840.2             | 6,790.8             | 25.7      | 19.0   | 85.98           | -123.7                | -576.9                            | 497.3      | 465.3                         | 31.97                 | 15.554                  |                    |         |
| 7,000.0  | 6,902.0             | 6,927.2             | 6,872.2             | 25.8      | 19.1   | 82.51           | -93.4                 | -576.8                            | 501.2      | 469.1                         | 32.12                 | 15.602                  |                    |         |
| 7,100.0  | 7,002.0             | 7,006.0             | 6,942.4             | 25.9      | 19.2   | 78.01           | -57.5                 | -576.6                            | 509.7      | 477.3                         | 32.41                 | 15.729                  |                    |         |
| 7,200.0  | 7,100.8             | 7,081.8             | 7,005.7             | 26.0      | 19.2   | 73.31           | -15.9                 | -576.5                            | 521.2      | 488.4                         | 32.73                 | 15.926                  |                    |         |
| 7,300.0  | 7,195.0             | 7,156.9             | 7,063.8             | 26.1      | 19.3   | 69.42           | 31.7                  | -576.3                            | 532.7      | 499.8                         | 32.95                 | 16.167                  |                    |         |
| 7,400.0  | 7,281.3             | 7,231.7             | 7,116.4             | 26.1      | 19.4   | 66.46           | 84.8                  | -576.1                            | 542.7      | 509.9                         | 32.88                 | 16.508                  |                    |         |
| 7,500.0  | 7,356.4             | 7,300.0             | 7,159.3             | 26.1      | 19.4   | 64.56           | 137.9                 | -575.9                            | 550.1      | 517.5                         | 32.55                 | 16.901                  |                    |         |
| 7,600.0  | 7,417.5             | 7,380.5             | 7,203.1             | 26.2      | 19.6   | 63.51           | 205.3                 | -575.7                            | 553.8      | 521.6                         | 32.15                 | 17.225                  |                    |         |
| 7,700.0  | 7,462.4             | 7,450.0             | 7,234.7             | 26.3      | 19.8   | 63.51           | 267.2                 | -575.5                            | 553.7      | 521.8                         | 31.87                 | 17.373                  |                    |         |
| 7,800.0  | 7,489.5             | 7,529.1             | 7,263.1             | 26.5      | 20.1   | 64.54           | 341.0                 | -575.2                            | 549.7      | 517.5                         | 32.15                 | 17.096                  |                    |         |
| 7,900.0  | 7,497.8             | 7,600.0             | 7,281.6             | 26.7      | 20.5   | 66.43           | 409.4                 | -575.0                            | 542.3      | 509.2                         | 33.03                 | 16.418                  |                    |         |
| 8,000.0  | 7,497.5             | 7,679.8             | 7,294.1             | 27.1      | 21.0   | 67.69           | 488.2                 | -574.7                            | 535.9      | 501.2                         | 34.74                 | 15.428                  |                    |         |
| 8,100.0  | 7,497.1             | 7,758.1             | 7,297.8             | 27.7      | 21.7   | 68.08           | 566.4                 | -574.4                            | 534.0      | 497.5                         | 36.43                 | 14.657                  |                    |         |
| 8,200.0  | 7,496.8             | 7,858.1             | 7,297.3             | 28.3      | 22.7   | 68.07           | 666.3                 | -574.1                            | 533.9      | 495.5                         | 38.46                 | 13.882                  |                    |         |
| 8,300.0  | 7,496.4             | 7,958.1             | 7,296.8             | 29.2      | 23.8   | 68.05           | 766.3                 | -573.7                            | 533.9      | 493.2                         | 40.70                 | 13.120                  |                    |         |
| 8,400.0  | 7,496.1             | 8,058.1             | 7,296.4             | 30.1      | 25.0   | 68.03           | 866.3                 | -573.4                            | 533.9      | 490.8                         | 43.12                 | 12.384                  |                    |         |
| 8,500.0  | 7,495.7             | 8,158.1             | 7,295.9             | 31.1      | 26.3   | 68.02           | 966.3                 | -573.0                            | 533.9      | 488.2                         | 45.69                 | 11.687                  |                    |         |
| 8,600.0  | 7,495.4             | 8,258.1             | 7,295.4             | 32.2      | 27.7   | 68.00           | 1,066.3               | -572.7                            | 533.9      | 485.5                         | 48.39                 | 11.034                  |                    |         |
| 8,700.0  | 7,495.0             | 8,358.1             | 7,294.9             | 33.5      | 29.2   | 67.98           | 1,166.3               | -572.3                            | 533.9      | 482.7                         | 51.20                 | 10.429                  |                    |         |
| 8,800.0  | 7,494.7             | 8,458.1             | 7,294.4             | 34.7      | 30.7   | 67.97           | 1,266.3               | -572.0                            | 533.9      | 479.8                         | 54.10                 | 9.870                   |                    |         |
| 8,900.0  | 7,494.3             | 8,558.1             | 7,293.9             | 36.1      | 32.2   | 67.95           | 1,366.3               | -571.6                            | 533.9      | 476.8                         | 57.08                 | 9.354                   |                    |         |
| 9,000.0  | 7,494.0             | 8,658.1             | 7,293.4             | 37.5      | 33.8   | 67.93           | 1,466.3               | -571.3                            | 533.9      | 473.8                         | 60.12                 | 8.881                   |                    |         |
| 9,100.0  | 7,493.6             | 8,758.1             | 7,292.9             | 39.0      | 35.4   | 67.92           | 1,566.3               | -570.9                            | 533.9      | 470.7                         | 63.22                 | 8.445                   |                    |         |
| 9,200.0  | 7,493.3             | 8,858.1             | 7,292.4             | 40.5      | 37.1   | 67.90           | 1,666.3               | -570.5                            | 533.9      | 467.5                         | 66.37                 | 8.045                   |                    |         |
| 9,300.0  | 7,492.9             | 8,958.1             | 7,292.0             | 42.0      | 38.8   | 67.89           | 1,766.3               | -570.2                            | 533.9      | 464.3                         | 69.56                 | 7.676                   |                    |         |
| 9,400.0  | 7,492.6             | 9,058.1             | 7,291.5             | 43.6      | 40.5   | 67.87           | 1,866.3               | -569.8                            | 533.9      | 461.1                         | 72.78                 | 7.335                   |                    |         |
| 9,500.0  | 7,492.3             | 9,158.1             | 7,291.0             | 45.1      | 42.2   | 67.85           | 1,966.3               | -569.5                            | 533.9      | 457.8                         | 76.04                 | 7.021                   |                    |         |
| 9,600.0  | 7,491.9             | 9,258.1             | 7,290.5             | 46.8      | 43.9   | 67.84           | 2,066.3               | -569.1                            | 533.9      | 454.6                         | 79.33                 | 6.730                   |                    |         |
| 9,700.0  | 7,491.6             | 9,358.1             | 7,290.0             | 48.4      | 45.7   | 67.82           | 2,166.3               | -568.8                            | 533.9      | 451.2                         | 82.63                 | 6.461                   |                    |         |
| 9,800.0  | 7,491.2             | 9,458.1             | 7,289.5             | 50.1      | 47.4   | 67.80           | 2,266.3               | -568.4                            | 533.9      | 447.9                         | 85.96                 | 6.211                   |                    |         |
| 9,900.0  | 7,490.9             | 9,558.1             | 7,289.0             | 51.7      | 49.2   | 67.79           | 2,366.3               | -568.1                            | 533.9      | 444.6                         | 89.31                 | 5.978                   |                    |         |
| 10,000.0   | 7,490.5             | 9,658.1             | 7,288.5             | 53.4      | 51.0   | 67.77           | 2,466.3               | -567.7                            | 533.9      | 441.2                         | 92.68                 | 5.761                   |                    |         |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| <b>Offset Design</b> Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-4N - Wellbore #1 - Plan #1 (8 |                           |                           |                           |           |        |                             |   |               |                            |                             |                               | <b>Offset Site Error:</b> | 0.0 ft  |
|---|---------------------------|---------------------------|---------------------------|-----------|--------|-----------------------------|---|---------------|----------------------------|-----------------------------|-------------------------------|---------------------------|---------|
| Survey Program: 0-MWD   |                           |                           |                           |           |        |                             |   |               |                            |                             |                               | <b>Offset Well Error:</b> | 0.0 ft  |
| Measured<br>Depth<br>(ft)   | Vertical<br>Depth<br>(ft) | Measured<br>Depth<br>(ft) | Vertical<br>Depth<br>(ft) | Reference | Offset | Highside<br>Toolface<br>(°) | Offset Wellbore Centre<br>+N/-S<br>(ft) | +E/-W<br>(ft) | Between<br>Centres<br>(ft) | Between<br>Ellipses<br>(ft) | Minimum<br>Separation<br>(ft) | Separation<br>Factor      | Warning |
| 10,100.0  | 7,490.2                   | 9,758.1                   | 7,288.1                   | 55.2      | 52.7   | 67.75                       | 2,566.3                                 | -567.4        | 533.9                      | 437.8                       | 96.06                         | 5.558                     |         |
| 10,200.0  | 7,489.8                   | 9,858.1                   | 7,287.6                   | 56.9      | 54.5   | 67.74                       | 2,666.3                                 | -567.0        | 533.9                      | 434.4                       | 99.45                         | 5.368                     |         |
| 10,300.0  | 7,489.5                   | 9,958.1                   | 7,287.1                   | 58.6      | 56.3   | 67.72                       | 2,766.3                                 | -566.7        | 533.9                      | 431.0                       | 102.85                        | 5.190                     |         |
| 10,400.0  | 7,489.1                   | 10,058.1                  | 7,286.6                   | 60.4      | 58.2   | 67.71                       | 2,866.3                                 | -566.3        | 533.9                      | 427.6                       | 106.27                        | 5.024                     |         |
| 10,500.0  | 7,488.8                   | 10,158.1                  | 7,286.1                   | 62.1      | 60.0   | 67.69                       | 2,966.3                                 | -565.9        | 533.9                      | 424.2                       | 109.69                        | 4.867                     |         |
| 10,600.0  | 7,488.4                   | 10,258.1                  | 7,285.6                   | 63.9      | 61.8   | 67.67                       | 3,066.3                                 | -565.6        | 533.8                      | 420.7                       | 113.13                        | 4.719                     |         |
| 10,700.0  | 7,488.1                   | 10,358.1                  | 7,285.1                   | 65.7      | 63.6   | 67.66                       | 3,166.3                                 | -565.2        | 533.8                      | 417.3                       | 116.57                        | 4.580                     |         |
| 10,800.0  | 7,487.7                   | 10,458.1                  | 7,284.6                   | 67.4      | 65.5   | 67.64                       | 3,266.3                                 | -564.9        | 533.8                      | 413.8                       | 120.02                        | 4.448                     |         |
| 10,900.0  | 7,487.4                   | 10,558.1                  | 7,284.1                   | 69.2      | 67.3   | 67.62                       | 3,366.3                                 | -564.5        | 533.8                      | 410.4                       | 123.47                        | 4.324                     |         |
| 11,000.0  | 7,487.0                   | 10,658.1                  | 7,283.7                   | 71.0      | 69.1   | 67.61                       | 3,466.3                                 | -564.2        | 533.8                      | 406.9                       | 126.93                        | 4.206                     |         |
| 11,100.0  | 7,486.7                   | 10,758.1                  | 7,283.2                   | 72.8      | 71.0   | 67.59                       | 3,566.3                                 | -563.8        | 533.8                      | 403.4                       | 130.40                        | 4.094                     |         |
| 11,200.0  | 7,486.3                   | 10,858.1                  | 7,282.7                   | 74.6      | 72.8   | 67.57                       | 3,666.3                                 | -563.5        | 533.8                      | 400.0                       | 133.87                        | 3.988                     |         |
| 11,300.0  | 7,486.0                   | 10,958.1                  | 7,282.2                   | 76.4      | 74.7   | 67.56                       | 3,766.3                                 | -563.1        | 533.8                      | 396.5                       | 137.34                        | 3.887                     |         |
| 11,400.0  | 7,485.6                   | 11,058.1                  | 7,281.7                   | 78.3      | 76.5   | 67.54                       | 3,866.3                                 | -562.8        | 533.8                      | 393.0                       | 140.82                        | 3.791                     |         |
| 11,500.0  | 7,485.3                   | 11,158.1                  | 7,281.2                   | 80.1      | 78.4   | 67.53                       | 3,966.3                                 | -562.4        | 533.8                      | 389.5                       | 144.30                        | 3.699                     |         |
| 11,600.0  | 7,484.9                   | 11,258.1                  | 7,280.7                   | 81.9      | 80.3   | 67.51                       | 4,066.3                                 | -562.1        | 533.8                      | 386.0                       | 147.79                        | 3.612                     |         |
| 11,700.0  | 7,484.6                   | 11,358.1                  | 7,280.2                   | 83.7      | 82.1   | 67.49                       | 4,166.3                                 | -561.7        | 533.8                      | 382.5                       | 151.28                        | 3.529                     |         |
| 11,800.0  | 7,484.2                   | 11,458.1                  | 7,279.7                   | 85.6      | 84.0   | 67.48                       | 4,266.3                                 | -561.3        | 533.8                      | 379.0                       | 154.77                        | 3.449                     |         |
| 11,900.0  | 7,483.9                   | 11,558.1                  | 7,279.3                   | 87.4      | 85.9   | 67.46                       | 4,366.3                                 | -561.0        | 533.8                      | 375.5                       | 158.27                        | 3.373                     |         |
| 12,000.0  | 7,483.5                   | 11,658.1                  | 7,278.8                   | 89.3      | 87.7   | 67.44                       | 4,466.3                                 | -560.6        | 533.8                      | 372.0                       | 161.76                        | 3.300                     |         |
| 12,100.0  | 7,483.2                   | 11,758.1                  | 7,278.3                   | 91.1      | 89.6   | 67.43                       | 4,566.3                                 | -560.3        | 533.8                      | 368.5                       | 165.26                        | 3.230                     |         |
| 12,150.9  | 7,483.0                   | 11,809.0                  | 7,278.0                   | 92.1      | 90.6   | 67.42                       | 4,617.2                                 | -560.1        | 533.8                      | 366.8                       | 167.04                        | 3.196 SF                  |         |

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-5C - Wellbore #1 - Plan #1 (8 |                           |                           |                           |           |        |  |   |               |                            |                             |                               |                      | Offset Site Error: | 0.0 ft |
|--|---------------------------|---------------------------|---------------------------|-----------|--------|--|---|---------------|----------------------------|-----------------------------|-------------------------------|----------------------|--------------------|--------|
| Survey Program: 0-MWD  |                           |                           |                           |           |        |  |   |               |                            |                             |                               |                      | Offset Well Error: | 0.0 ft |
| Measured<br>Depth<br>(ft)  | Vertical<br>Depth<br>(ft) | Measured<br>Depth<br>(ft) | Vertical<br>Depth<br>(ft) | Reference | Offset | Semi Major Axis<br>Highside<br>Toolface<br>(°) | Offset Wellbore Centre<br>+N/-S<br>(ft) | +E/-W<br>(ft) | Between<br>Centres<br>(ft) | Between<br>Ellipses<br>(ft) | Minimum<br>Separation<br>(ft) | Separation<br>Factor | Warning            |        |
| 0.0  | 0.0                       | 0.0                       | 0.0                       | 0.0       | 0.0    | 86.62  | 3.6                                     | 61.6          | 61.7                       |                             |                               |                      |                    |        |
| 100.0  | 100.0                     | 100.0                     | 100.0                     | 0.1       | 0.1    | 86.62  | 3.6                                     | 61.6          | 61.7                       | 61.5                        | 0.22                          | 274.639              |                    |        |
| 200.0  | 200.0                     | 200.0                     | 200.0                     | 0.3       | 0.3    | 86.62  | 3.6                                     | 61.6          | 61.7                       | 61.1                        | 0.67                          | 91.546 CC, ES        |                    |        |
| 300.0  | 300.0                     | 300.0                     | 300.0                     | 0.6       | 0.6    | -175.11  | 3.6                                     | 61.6          | 63.5                       | 62.4                        | 1.12                          | 56.764               |                    |        |
| 400.0  | 399.8                     | 399.8                     | 399.8                     | 0.8       | 0.8    | -175.47  | 3.6                                     | 61.6          | 68.7                       | 67.1                        | 1.56                          | 43.905               |                    |        |
| 500.0  | 499.5                     | 499.5                     | 499.5                     | 1.0       | 1.0    | -175.97  | 3.6                                     | 61.6          | 77.4                       | 75.4                        | 2.02                          | 38.347               |                    |        |
| 600.0  | 598.7                     | 598.7                     | 598.7                     | 1.3       | 1.2    | -176.50  | 3.6                                     | 61.6          | 89.5                       | 87.1                        | 2.47                          | 36.177               |                    |        |
| 700.0  | 697.5                     | 697.5                     | 697.5                     | 1.6       | 1.5    | -177.01  | 3.6                                     | 61.6          | 105.2                      | 102.2                       | 2.93                          | 35.829               |                    |        |
| 800.0  | 795.8                     | 795.8                     | 795.8                     | 2.0       | 1.7    | -177.44  | 3.6                                     | 61.6          | 123.4                      | 120.0                       | 3.39                          | 36.389               |                    |        |
| 900.0  | 894.1                     | 894.1                     | 894.1                     | 2.4       | 1.9    | -177.78  | 3.6                                     | 61.6          | 141.9                      | 138.1                       | 3.85                          | 36.838               |                    |        |
| 1,000.0  | 992.3                     | 992.3                     | 992.3                     | 2.8       | 2.1    | -178.03  | 3.6                                     | 61.6          | 160.4                      | 156.1                       | 4.32                          | 37.158               |                    |        |
| 1,100.0  | 1,090.6                   | 1,090.6                   | 1,090.6                   | 3.2       | 2.3    | -178.24  | 3.6                                     | 61.6          | 178.9                      | 174.1                       | 4.78                          | 37.395               |                    |        |
| 1,200.0  | 1,188.9                   | 1,188.9                   | 1,188.9                   | 3.7       | 2.6    | -178.40  | 3.6                                     | 61.6          | 197.3                      | 192.1                       | 5.25                          | 37.576               |                    |        |
| 1,300.0  | 1,287.2                   | 1,294.1                   | 1,294.1                   | 4.1       | 2.8    | -178.46  | 3.2                                     | 60.2          | 214.4                      | 208.7                       | 5.72                          | 37.513               |                    |        |
| 1,400.0  | 1,385.4                   | 1,401.3                   | 1,401.1                   | 4.5       | 3.0    | -178.32  | 1.4                                     | 54.9          | 227.9                      | 221.7                       | 6.17                          | 36.960               |                    |        |
| 1,500.0  | 1,483.7                   | 1,509.4                   | 1,508.8                   | 4.9       | 3.2    | -177.98  | -1.7                                    | 45.8          | 237.7                      | 231.1                       | 6.63                          | 35.859               |                    |        |
| 1,600.0  | 1,582.0                   | 1,618.1                   | 1,616.6                   | 5.3       | 3.5    | -177.47  | -6.0                                    | 32.7          | 243.9                      | 236.8                       | 7.11                          | 34.323               |                    |        |
| 1,700.0  | 1,680.3                   | 1,718.2                   | 1,715.6                   | 5.7       | 3.7    | -176.92  | -10.7                                   | 18.9          | 248.2                      | 240.6                       | 7.58                          | 32.743               |                    |        |
| 1,800.0  | 1,778.5                   | 1,818.0                   | 1,814.4                   | 6.2       | 4.0    | -176.39  | -15.3                                   | 5.0           | 252.5                      | 244.4                       | 8.06                          | 31.326               |                    |        |
| 1,900.0  | 1,876.8                   | 1,917.9                   | 1,913.2                   | 6.6       | 4.3    | -175.88  | -20.0                                   | -8.8          | 256.8                      | 248.2                       | 8.55                          | 30.043               |                    |        |
| 2,000.0  | 1,975.1                   | 2,017.8                   | 2,012.0                   | 7.0       | 4.6    | -175.38  | -24.6                                   | -22.7         | 261.1                      | 252.1                       | 9.04                          | 28.892               |                    |        |
| 2,100.0  | 2,073.4                   | 2,117.7                   | 2,110.8                   | 7.4       | 4.9    | -174.90  | -29.2                                   | -36.5         | 265.5                      | 255.9                       | 9.54                          | 27.838               |                    |        |
| 2,200.0  | 2,171.7                   | 2,217.6                   | 2,209.6                   | 7.8       | 5.2    | -174.44  | -33.9                                   | -50.3         | 269.8                      | 259.8                       | 10.04                         | 26.879               |                    |        |
| 2,300.0  | 2,269.9                   | 2,317.4                   | 2,308.5                   | 8.3       | 5.5    | -173.99  | -38.5                                   | -64.2         | 274.2                      | 263.7                       | 10.55                         | 26.002               |                    |        |
| 2,400.0  | 2,368.2                   | 2,417.3                   | 2,407.3                   | 8.7       | 5.9    | -173.55  | -43.1                                   | -78.0         | 278.6                      | 267.5                       | 11.06                         | 25.197               |                    |        |
| 2,500.0  | 2,466.5                   | 2,517.2                   | 2,506.1                   | 9.1       | 6.2    | -173.13  | -47.8                                   | -91.9         | 283.0                      | 271.4                       | 11.57                         | 24.456               |                    |        |
| 2,600.0  | 2,564.8                   | 2,617.1                   | 2,604.9                   | 9.5       | 6.5    | -172.72  | -52.4                                   | -105.7        | 287.4                      | 275.4                       | 12.09                         | 23.772               |                    |        |
| 2,700.0  | 2,663.0                   | 2,717.0                   | 2,703.7                   | 10.0      | 6.9    | -172.32  | -57.1                                   | -119.6        | 291.9                      | 279.3                       | 12.61                         | 23.139               |                    |        |
| 2,800.0  | 2,761.3                   | 2,816.9                   | 2,802.5                   | 10.4      | 7.2    | -171.94  | -61.7                                   | -133.4        | 296.3                      | 283.2                       | 13.14                         | 22.552               |                    |        |
| 2,900.0  | 2,859.6                   | 2,916.7                   | 2,901.3                   | 10.8      | 7.5    | -171.56  | -66.3                                   | -147.2        | 300.8                      | 287.2                       | 13.67                         | 22.006               |                    |        |
| 3,000.0  | 2,957.9                   | 3,016.6                   | 3,000.1                   | 11.2      | 7.9    | -171.20  | -71.0                                   | -161.1        | 305.3                      | 291.1                       | 14.20                         | 21.497               |                    |        |
| 3,100.0  | 3,056.1                   | 3,116.5                   | 3,098.9                   | 11.6      | 8.2    | -170.85  | -75.6                                   | -174.9        | 309.8                      | 295.1                       | 14.74                         | 21.022               |                    |        |
| 3,200.0  | 3,154.4                   | 3,216.4                   | 3,197.7                   | 12.1      | 8.6    | -170.51  | -80.2                                   | -188.8        | 314.3                      | 299.0                       | 15.27                         | 20.577               |                    |        |
| 3,300.0  | 3,252.7                   | 3,316.3                   | 3,296.5                   | 12.5      | 8.9    | -170.18  | -84.9                                   | -202.6        | 318.8                      | 303.0                       | 15.82                         | 20.159               |                    |        |
| 3,400.0  | 3,351.0                   | 3,416.1                   | 3,395.3                   | 12.9      | 9.3    | -169.85  | -89.5                                   | -216.5        | 323.3                      | 307.0                       | 16.36                         | 19.767               |                    |        |
| 3,500.0  | 3,449.3                   | 3,516.0                   | 3,494.2                   | 13.3      | 9.6    | -169.54  | -94.2                                   | -230.3        | 327.9                      | 311.0                       | 16.90                         | 19.398               |                    |        |
| 3,600.0  | 3,547.5                   | 3,615.9                   | 3,593.0                   | 13.8      | 10.0   | -169.23  | -98.8                                   | -244.1        | 332.4                      | 315.0                       | 17.45                         | 19.050               |                    |        |
| 3,700.0  | 3,645.8                   | 3,715.8                   | 3,691.8                   | 14.2      | 10.3   | -168.94  | -103.4                                  | -258.0        | 337.0                      | 319.0                       | 18.00                         | 18.722               |                    |        |
| 3,800.0  | 3,744.1                   | 3,815.7                   | 3,790.6                   | 14.6      | 10.7   | -168.65  | -108.1                                  | -271.8        | 341.5                      | 323.0                       | 18.55                         | 18.411               |                    |        |
| 3,900.0  | 3,842.4                   | 3,915.5                   | 3,889.4                   | 15.0      | 11.0   | -168.37  | -112.7                                  | -285.7        | 346.1                      | 327.0                       | 19.11                         | 18.117               |                    |        |
| 4,000.0  | 3,940.6                   | 4,015.4                   | 3,988.2                   | 15.5      | 11.4   | -168.09  | -117.3                                  | -299.5        | 350.7                      | 331.0                       | 19.66                         | 17.838               |                    |        |
| 4,100.0  | 4,038.9                   | 4,115.3                   | 4,087.0                   | 15.9      | 11.7   | -167.83  | -122.0                                  | -313.4        | 355.3                      | 335.1                       | 20.22                         | 17.573               |                    |        |
| 4,200.0  | 4,137.2                   | 4,215.2                   | 4,185.8                   | 16.3      | 12.1   | -167.57  | -126.6                                  | -327.2        | 359.9                      | 339.1                       | 20.78                         | 17.321               |                    |        |
| 4,300.0  | 4,235.5                   | 4,315.1                   | 4,284.6                   | 16.7      | 12.4   | -167.31  | -131.3                                  | -341.0        | 364.5                      | 343.2                       | 21.34                         | 17.082               |                    |        |
| 4,400.0  | 4,333.7                   | 4,414.9                   | 4,383.4                   | 17.2      | 12.8   | -167.06  | -135.9                                  | -354.9        | 369.1                      | 347.2                       | 21.90                         | 16.853               |                    |        |
| 4,500.0  | 4,432.0                   | 4,514.8                   | 4,482.2                   | 17.6      | 13.1   | -166.82  | -140.5                                  | -368.7        | 373.7                      | 351.3                       | 22.46                         | 16.636               |                    |        |
| 4,600.0  | 4,530.3                   | 4,614.7                   | 4,581.0                   | 18.0      | 13.5   | -166.59  | -145.2                                  | -382.6        | 378.3                      | 355.3                       | 23.03                         | 16.428               |                    |        |
| 4,700.0  | 4,628.6                   | 4,700.0                   | 4,665.6                   | 18.4      | 13.7   | -166.47  | -148.7                                  | -393.2        | 384.4                      | 360.9                       | 23.52                         | 16.345               |                    |        |
| 4,800.0  | 4,726.8                   | 4,792.3                   | 4,757.4                   | 18.8      | 13.9   | -166.51  | -151.7                                  | -402.0        | 393.3                      | 369.3                       | 23.97                         | 16.406               |                    |        |
| 4,900.0  | 4,825.1                   | 4,880.3                   | 4,845.2                   | 19.3      | 14.1   | -166.70  | -153.6                                  | -407.8        | 405.0                      | 380.6                       | 24.39                         | 16.606               |                    |        |
| 5,000.0  | 4,923.4                   | 4,967.7                   | 4,932.5                   | 19.7      | 14.3   | -167.03  | -154.7                                  | -411.0        | 419.5                      | 394.7                       | 24.78                         | 16.929               |                    |        |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design             |                           | Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-5C - Wellbore #1 - Plan #1 (8 |                           |                 |                |                             |                        |               |                            |                             |                               |                      | Offset Site Error: | 0.0 ft |
|---------------------------|---------------------------|--|---------------------------|-----------------|----------------|-----------------------------|------------------------|---------------|----------------------------|-----------------------------|-------------------------------|----------------------|--------------------|--------|
| Survey Program: 0-MWD     |                           |  |                           |                 |                |                             |                        |               |                            |                             |                               |                      | Offset Well Error: | 0.0 ft |
| Reference                 |                           | Offset   |                           | Semi Major Axis |                | Highside<br>Toolface<br>(°) | Offset Wellbore Centre |               | Distance                   |                             | Minimum<br>Separation<br>(ft) | Separation<br>Factor | Warning            |        |
| Measured<br>Depth<br>(ft) | Vertical<br>Depth<br>(ft) | Measured<br>Depth<br>(ft)  | Vertical<br>Depth<br>(ft) | Reference       | Offset<br>(ft) |                             | +N/-S<br>(ft)          | +E/-W<br>(ft) | Between<br>Centres<br>(ft) | Between<br>Ellipses<br>(ft) |                               |                      |                    |        |
| 5,100.0                   | 5,021.7                   | 5,056.9  | 5,021.7                   | 20.1            | 14.4           | -167.48                     | -155.0                 | -411.8        | 436.7                      | 411.5                       | 25.16                         | 17.359               |                    |        |
| 5,200.0                   | 5,120.0                   | 5,155.1  | 5,120.0                   | 20.5            | 14.5           | -167.99                     | -155.0                 | -411.8        | 454.7                      | 429.2                       | 25.55                         | 17.799               |                    |        |
| 5,300.0                   | 5,218.2                   | 5,253.4  | 5,218.2                   | 21.0            | 14.7           | -168.45                     | -155.0                 | -411.8        | 472.8                      | 446.9                       | 25.95                         | 18.224               |                    |        |
| 5,400.0                   | 5,316.5                   | 5,351.7  | 5,316.5                   | 21.4            | 14.9           | -168.89                     | -155.0                 | -411.8        | 491.0                      | 464.6                       | 26.35                         | 18.633               |                    |        |
| 5,500.0                   | 5,414.8                   | 5,450.0  | 5,414.8                   | 21.8            | 15.0           | -169.29                     | -155.0                 | -411.8        | 509.1                      | 482.4                       | 26.76                         | 19.027               |                    |        |
| 5,600.0                   | 5,513.1                   | 5,548.2  | 5,513.1                   | 22.2            | 15.2           | -169.66                     | -155.0                 | -411.8        | 527.3                      | 500.2                       | 27.17                         | 19.407               |                    |        |
| 5,700.0                   | 5,611.3                   | 5,646.5  | 5,611.3                   | 22.7            | 15.3           | -170.01                     | -155.0                 | -411.8        | 545.5                      | 517.9                       | 27.59                         | 19.773               |                    |        |
| 5,800.0                   | 5,709.6                   | 5,744.8  | 5,709.6                   | 23.1            | 15.5           | -170.33                     | -155.0                 | -411.8        | 563.8                      | 535.7                       | 28.01                         | 20.126               |                    |        |
| 5,900.0                   | 5,807.9                   | 5,843.1  | 5,807.9                   | 23.5            | 15.7           | -170.64                     | -155.0                 | -411.8        | 582.0                      | 553.6                       | 28.44                         | 20.467               |                    |        |
| 6,000.0                   | 5,906.2                   | 5,941.3  | 5,906.2                   | 23.9            | 15.8           | -170.93                     | -155.0                 | -411.8        | 600.2                      | 571.4                       | 28.86                         | 20.797               |                    |        |
| 6,100.0                   | 6,004.5                   | 6,039.7  | 6,004.5                   | 24.3            | 16.0           | -171.21                     | -155.0                 | -411.8        | 618.3                      | 589.0                       | 29.29                         | 21.108               |                    |        |
| 6,200.0                   | 6,103.3                   | 6,138.4  | 6,103.3                   | 24.6            | 16.2           | -171.47                     | -155.0                 | -411.8        | 633.7                      | 604.0                       | 29.68                         | 21.354               |                    |        |
| 6,300.0                   | 6,202.5                   | 6,237.7  | 6,202.5                   | 24.8            | 16.3           | -171.67                     | -155.0                 | -411.8        | 645.7                      | 615.7                       | 30.03                         | 21.501               |                    |        |
| 6,400.0                   | 6,302.1                   | 6,337.3  | 6,302.1                   | 25.0            | 16.5           | -171.80                     | -155.0                 | -411.8        | 654.3                      | 623.9                       | 30.35                         | 21.554               |                    |        |
| 6,500.0                   | 6,402.0                   | 6,437.2  | 6,402.0                   | 25.2            | 16.7           | -171.88                     | -155.0                 | -411.8        | 659.4                      | 628.7                       | 30.64                         | 21.517               |                    |        |
| 6,600.0                   | 6,502.0                   | 6,537.2  | 6,502.0                   | 25.3            | 16.9           | 89.68                       | -155.0                 | -411.8        | 661.0                      | 630.1                       | 30.89                         | 21.398               |                    |        |
| 6,700.0                   | 6,602.0                   | 6,637.2  | 6,602.0                   | 25.4            | 17.0           | 89.68                       | -155.0                 | -411.8        | 661.0                      | 629.8                       | 31.26                         | 21.145               |                    |        |
| 6,800.0                   | 6,702.0                   | 6,737.2  | 6,702.0                   | 25.5            | 17.2           | 89.68                       | -155.0                 | -411.8        | 661.0                      | 629.4                       | 31.63                         | 20.897               |                    |        |
| 6,858.4                   | 6,760.4                   | 6,795.6  | 6,760.4                   | 25.6            | 17.3           | 89.68                       | -155.0                 | -411.8        | 661.0                      | 629.2                       | 31.85                         | 20.754               |                    |        |
| 6,900.0                   | 6,802.0                   | 6,837.0  | 6,801.8                   | 25.7            | 17.4           | 89.66                       | -154.7                 | -411.8        | 661.0                      | 629.0                       | 32.00                         | 20.656               |                    |        |
| 7,000.0                   | 6,902.0                   | 6,935.1  | 6,899.4                   | 25.8            | 17.6           | 88.84                       | -145.2                 | -411.7        | 661.2                      | 628.9                       | 32.27                         | 20.487               |                    |        |
| 7,100.0                   | 7,002.0                   | 7,029.1  | 6,990.8                   | 25.9            | 17.7           | 86.75                       | -123.7                 | -411.7        | 662.1                      | 629.7                       | 32.45                         | 20.403               |                    |        |
| 7,200.0                   | 7,100.8                   | 7,120.4  | 7,076.2                   | 26.0            | 17.8           | 84.89                       | -91.6                  | -411.6        | 663.7                      | 631.1                       | 32.56                         | 20.381               |                    |        |
| 7,300.0                   | 7,195.0                   | 7,210.7  | 7,156.0                   | 26.1            | 17.9           | 83.56                       | -49.4                  | -411.4        | 665.2                      | 632.5                       | 32.70                         | 20.341               |                    |        |
| 7,400.0                   | 7,281.3                   | 7,300.0  | 7,229.0                   | 26.1            | 17.9           | 82.81                       | 1.9                    | -411.2        | 666.2                      | 633.3                       | 32.90                         | 20.249               |                    |        |
| 7,500.0                   | 7,356.4                   | 7,389.8  | 7,295.4                   | 26.1            | 18.0           | 82.65                       | 62.2                   | -411.0        | 666.3                      | 633.1                       | 33.22                         | 20.060               |                    |        |
| 7,600.0                   | 7,417.5                   | 7,479.3  | 7,353.6                   | 26.2            | 18.1           | 83.10                       | 130.1                  | -410.8        | 665.7                      | 632.0                       | 33.72                         | 19.743               |                    |        |
| 7,700.0                   | 7,462.4                   | 7,569.2  | 7,403.1                   | 26.3            | 18.3           | 84.14                       | 205.2                  | -410.5        | 664.3                      | 629.9                       | 34.48                         | 19.266               |                    |        |
| 7,800.0                   | 7,489.5                   | 7,659.9  | 7,443.1                   | 26.5            | 18.6           | 85.74                       | 286.5                  | -410.2        | 662.7                      | 627.1                       | 35.57                         | 18.630               |                    |        |
| 7,900.0                   | 7,497.8                   | 7,751.9  | 7,472.8                   | 26.7            | 19.1           | 87.84                       | 373.5                  | -409.9        | 661.2                      | 624.2                       | 37.03                         | 17.857               |                    |        |
| 8,000.0                   | 7,497.5                   | 7,847.9  | 7,491.7                   | 27.1            | 19.8           | 89.50                       | 467.5                  | -409.6        | 660.6                      | 621.8                       | 38.83                         | 17.013               |                    |        |
| 8,100.0                   | 7,497.1                   | 7,947.4  | 7,497.9                   | 27.7            | 20.8           | 90.06                       | 566.7                  | -409.2        | 660.6                      | 619.7                       | 40.84                         | 16.175               |                    |        |
| 8,200.0                   | 7,496.8                   | 8,047.4  | 7,497.5                   | 28.3            | 21.8           | 90.06                       | 666.7                  | -408.9        | 660.5                      | 617.4                       | 43.06                         | 15.340               |                    |        |
| 8,300.0                   | 7,496.4                   | 8,147.4  | 7,497.1                   | 29.2            | 23.0           | 90.06                       | 766.7                  | -408.5        | 660.4                      | 615.0                       | 45.48                         | 14.522               |                    |        |
| 8,400.0                   | 7,496.1                   | 8,247.4  | 7,496.8                   | 30.1            | 24.3           | 90.06                       | 866.7                  | -408.2        | 660.4                      | 612.3                       | 48.08                         | 13.734               |                    |        |
| 8,500.0                   | 7,495.7                   | 8,347.4  | 7,496.4                   | 31.1            | 25.7           | 90.06                       | 966.7                  | -407.8        | 660.3                      | 609.5                       | 50.84                         | 12.988               |                    |        |
| 8,600.0                   | 7,495.4                   | 8,447.4  | 7,496.0                   | 32.2            | 27.1           | 90.06                       | 1,066.7                | -407.5        | 660.3                      | 606.5                       | 53.73                         | 12.288               |                    |        |
| 8,700.0                   | 7,495.0                   | 8,547.4  | 7,495.7                   | 33.5            | 28.6           | 90.05                       | 1,166.7                | -407.1        | 660.2                      | 603.5                       | 56.73                         | 11.637               |                    |        |
| 8,800.0                   | 7,494.7                   | 8,647.4  | 7,495.3                   | 34.7            | 30.1           | 90.05                       | 1,266.7                | -406.7        | 660.1                      | 600.3                       | 59.83                         | 11.034               |                    |        |
| 8,900.0                   | 7,494.3                   | 8,747.4  | 7,494.9                   | 36.1            | 31.7           | 90.05                       | 1,366.7                | -406.4        | 660.1                      | 597.1                       | 63.00                         | 10.477               |                    |        |
| 9,000.0                   | 7,494.0                   | 8,847.4  | 7,494.6                   | 37.5            | 33.3           | 90.05                       | 1,466.7                | -406.0        | 660.0                      | 593.8                       | 66.25                         | 9.963                |                    |        |
| 9,100.0                   | 7,493.6                   | 8,947.4  | 7,494.2                   | 39.0            | 34.9           | 90.05                       | 1,566.7                | -405.7        | 660.0                      | 590.4                       | 69.55                         | 9.489                |                    |        |
| 9,200.0                   | 7,493.3                   | 9,047.4  | 7,493.8                   | 40.5            | 36.6           | 90.05                       | 1,666.7                | -405.3        | 659.9                      | 587.0                       | 72.91                         | 9.051                |                    |        |
| 9,300.0                   | 7,492.9                   | 9,147.4  | 7,493.5                   | 42.0            | 38.3           | 90.05                       | 1,766.7                | -405.0        | 659.8                      | 583.5                       | 76.31                         | 8.647                |                    |        |
| 9,400.0                   | 7,492.6                   | 9,247.4  | 7,493.1                   | 43.6            | 40.0           | 90.04                       | 1,866.7                | -404.6        | 659.8                      | 580.0                       | 79.75                         | 8.273                |                    |        |
| 9,500.0                   | 7,492.3                   | 9,347.4  | 7,492.7                   | 45.1            | 41.7           | 90.04                       | 1,966.7                | -404.3        | 659.7                      | 576.5                       | 83.22                         | 7.927                |                    |        |
| 9,600.0                   | 7,491.9                   | 9,447.4  | 7,492.4                   | 46.8            | 43.5           | 90.04                       | 2,066.7                | -403.9        | 659.7                      | 572.9                       | 86.72                         | 7.606                |                    |        |
| 9,700.0                   | 7,491.6                   | 9,547.4  | 7,492.0                   | 48.4            | 45.2           | 90.04                       | 2,166.7                | -403.6        | 659.6                      | 569.3                       | 90.25                         | 7.308                |                    |        |
| 9,800.0                   | 7,491.2                   | 9,647.4  | 7,491.6                   | 50.1            | 47.0           | 90.04                       | 2,266.7                | -403.2        | 659.5                      | 565.7                       | 93.80                         | 7.031                |                    |        |
| 9,900.0                   | 7,490.9                   | 9,747.4  | 7,491.3                   | 51.7            | 48.8           | 90.04                       | 2,366.7                | -402.8        | 659.5                      | 562.1                       | 97.38                         | 6.772                |                    |        |
| 10,000.0                  | 7,490.5                   | 9,847.4  | 7,490.9                   | 53.4            | 50.6           | 90.03                       | 2,466.7                | -402.5        | 659.4                      | 558.4                       | 100.97                        | 6.531                |                    |        |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| <b>Offset Design</b> Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-5C - Wellbore #1 - Plan #1 (8 |                     |                     |                     |           |        |                       |                                   |            |                      |                       |                         | <b>Offset Site Error:</b> | 0.0 ft  |
|---|---------------------|---------------------|---------------------|-----------|--------|-----------------------|-----------------------------------|------------|----------------------|-----------------------|-------------------------|---------------------------|---------|
| <b>Survey Program:</b> 0-MWD  |                     |                     |                     |           |        |                       |                                   |            |                      |                       |                         | <b>Offset Well Error:</b> | 0.0 ft  |
| Measured Depth (ft)   | Vertical Depth (ft) | Measured Depth (ft) | Vertical Depth (ft) | Reference | Offset | Highside Toolface (°) | Offset Wellbore Centre +N/-S (ft) | +E/-W (ft) | Between Centres (ft) | Between Ellipses (ft) | Minimum Separation (ft) | Separation Factor         | Warning |
| 10,100.0  | 7,490.2             | 9,947.4             | 7,490.5             | 55.2      | 52.4   | 90.03                 | 2,566.7                           | -402.1     | 659.4                | 554.8                 | 104.58                  | 6.305                     |         |
| 10,200.0  | 7,489.8             | 10,047.4            | 7,490.2             | 56.9      | 54.2   | 90.03                 | 2,666.7                           | -401.8     | 659.3                | 551.1                 | 108.20                  | 6.093                     |         |
| 10,300.0  | 7,489.5             | 10,147.4            | 7,489.8             | 58.6      | 56.0   | 90.03                 | 2,766.7                           | -401.4     | 659.2                | 547.4                 | 111.84                  | 5.894                     |         |
| 10,400.0  | 7,489.1             | 10,247.4            | 7,489.4             | 60.4      | 57.8   | 90.03                 | 2,866.7                           | -401.1     | 659.2                | 543.7                 | 115.49                  | 5.708                     |         |
| 10,500.0  | 7,488.8             | 10,347.4            | 7,489.1             | 62.1      | 59.7   | 90.03                 | 2,966.7                           | -400.7     | 659.1                | 540.0                 | 119.15                  | 5.532                     |         |
| 10,600.0  | 7,488.4             | 10,447.4            | 7,488.7             | 63.9      | 61.5   | 90.03                 | 3,066.7                           | -400.4     | 659.0                | 536.2                 | 122.82                  | 5.366                     |         |
| 10,700.0  | 7,488.1             | 10,547.4            | 7,488.3             | 65.7      | 63.3   | 90.02                 | 3,166.7                           | -400.0     | 659.0                | 532.5                 | 126.50                  | 5.209                     |         |
| 10,800.0  | 7,487.7             | 10,647.4            | 7,488.0             | 67.4      | 65.2   | 90.02                 | 3,266.7                           | -399.7     | 658.9                | 528.7                 | 130.19                  | 5.061                     |         |
| 10,900.0  | 7,487.4             | 10,747.4            | 7,487.6             | 69.2      | 67.0   | 90.02                 | 3,366.7                           | -399.3     | 658.9                | 525.0                 | 133.89                  | 4.921                     |         |
| 11,000.0  | 7,487.0             | 10,847.4            | 7,487.2             | 71.0      | 68.9   | 90.02                 | 3,466.7                           | -399.0     | 658.8                | 521.2                 | 137.59                  | 4.788                     |         |
| 11,100.0  | 7,486.7             | 10,947.4            | 7,486.9             | 72.8      | 70.7   | 90.02                 | 3,566.7                           | -398.6     | 658.7                | 517.4                 | 141.30                  | 4.662                     |         |
| 11,200.0  | 7,486.3             | 11,047.4            | 7,486.5             | 74.6      | 72.6   | 90.02                 | 3,666.7                           | -398.2     | 658.7                | 513.7                 | 145.02                  | 4.542                     |         |
| 11,300.0  | 7,486.0             | 11,147.4            | 7,486.1             | 76.4      | 74.4   | 90.01                 | 3,766.7                           | -397.9     | 658.6                | 509.9                 | 148.74                  | 4.428                     |         |
| 11,400.0  | 7,485.6             | 11,247.4            | 7,485.8             | 78.3      | 76.3   | 90.01                 | 3,866.7                           | -397.5     | 658.6                | 506.1                 | 152.47                  | 4.319                     |         |
| 11,500.0  | 7,485.3             | 11,347.4            | 7,485.4             | 80.1      | 78.1   | 90.01                 | 3,966.7                           | -397.2     | 658.5                | 502.3                 | 156.20                  | 4.216                     |         |
| 11,600.0  | 7,484.9             | 11,447.4            | 7,485.0             | 81.9      | 80.0   | 90.01                 | 4,066.7                           | -396.8     | 658.4                | 498.5                 | 159.94                  | 4.117                     |         |
| 11,700.0  | 7,484.6             | 11,547.4            | 7,484.7             | 83.7      | 81.9   | 90.01                 | 4,166.7                           | -396.5     | 658.4                | 494.7                 | 163.68                  | 4.022                     |         |
| 11,800.0  | 7,484.2             | 11,647.4            | 7,484.3             | 85.6      | 83.7   | 90.01                 | 4,266.7                           | -396.1     | 658.3                | 490.9                 | 167.42                  | 3.932                     |         |
| 11,900.0  | 7,483.9             | 11,747.4            | 7,483.9             | 87.4      | 85.6   | 90.01                 | 4,366.7                           | -395.8     | 658.3                | 487.1                 | 171.17                  | 3.846                     |         |
| 12,000.0  | 7,483.5             | 11,847.4            | 7,483.6             | 89.3      | 87.5   | 90.00                 | 4,466.7                           | -395.4     | 658.2                | 483.3                 | 174.92                  | 3.763                     |         |
| 12,100.0  | 7,483.2             | 11,947.4            | 7,483.2             | 91.1      | 89.4   | 90.00                 | 4,566.7                           | -395.1     | 658.1                | 479.5                 | 178.68                  | 3.683                     |         |
| 12,150.9  | 7,483.0             | 11,998.3            | 7,483.0             | 92.1      | 90.3   | 90.00                 | 4,617.6                           | -394.9     | 658.1                | 477.5                 | 180.59                  | 3.644 SF                  |         |

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-6N - Wellbore #1 - Plan #1 (8 |                     |                     |                     |                |             |                      |                       |                                   |                                   |                      |                       |                         | Offset Site Error: | 0.0 ft  |
|--|---------------------|---------------------|---------------------|----------------|-------------|----------------------|-----------------------|-----------------------------------|-----------------------------------|----------------------|-----------------------|-------------------------|--------------------|---------|
| Survey Program: 0-MWD  |                     |                     |                     |                |             |                      |                       |                                   |                                   |                      |                       |                         | Offset Well Error: | 0.0 ft  |
| Measured Depth (ft)  | Vertical Depth (ft) | Measured Depth (ft) | Vertical Depth (ft) | Reference (ft) | Offset (ft) | Semi Major Axis (ft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (ft) | Offset Wellbore Centre +E/-W (ft) | Between Centres (ft) | Between Ellipses (ft) | Minimum Separation (ft) | Separation Factor  | Warning |
| 0.0  | 0.0                 | 0.0                 | 0.0                 | 0.0            | 0.0         | 87.24                |                       | 3.6                               | 75.6                              | 75.7                 |                       |                         |                    |         |
| 100.0  | 100.0               | 100.0               | 100.0               | 0.1            | 0.1         | 87.24                |                       | 3.6                               | 75.6                              | 75.7                 | 75.5                  | 0.22                    | 336.860            |         |
| 200.0  | 200.0               | 200.0               | 200.0               | 0.3            | 0.3         | 87.24                |                       | 3.6                               | 75.6                              | 75.7                 | 75.0                  | 0.67                    | 112.287 CC, ES     |         |
| 300.0  | 300.0               | 300.0               | 300.0               | 0.6            | 0.6         | -174.47              |                       | 3.6                               | 75.6                              | 77.5                 | 76.3                  | 1.12                    | 69.271             |         |
| 400.0  | 399.8               | 399.8               | 399.8               | 0.8            | 0.8         | -174.81              |                       | 3.6                               | 75.6                              | 82.7                 | 81.1                  | 1.56                    | 52.840             |         |
| 500.0  | 499.5               | 499.5               | 499.5               | 1.0            | 1.0         | -175.29              |                       | 3.6                               | 75.6                              | 91.3                 | 89.3                  | 2.02                    | 45.269             |         |
| 600.0  | 598.7               | 598.7               | 598.7               | 1.3            | 1.2         | -175.83              |                       | 3.6                               | 75.6                              | 103.5                | 101.0                 | 2.48                    | 41.814             |         |
| 700.0  | 697.5               | 697.5               | 697.5               | 1.6            | 1.5         | -176.36              |                       | 3.6                               | 75.6                              | 119.1                | 116.2                 | 2.94                    | 40.576             |         |
| 800.0  | 795.8               | 795.8               | 795.8               | 2.0            | 1.7         | -176.83              |                       | 3.6                               | 75.6                              | 137.4                | 134.0                 | 3.39                    | 40.490             |         |
| 900.0  | 894.1               | 894.1               | 894.1               | 2.4            | 1.9         | -177.21              |                       | 3.6                               | 75.6                              | 155.8                | 152.0                 | 3.85                    | 40.446             |         |
| 1,000.0  | 992.3               | 992.3               | 992.3               | 2.8            | 2.1         | -177.51              |                       | 3.6                               | 75.6                              | 174.3                | 170.0                 | 4.32                    | 40.375             |         |
| 1,100.0  | 1,090.6             | 1,090.6             | 1,090.6             | 3.2            | 2.3         | -177.74              |                       | 3.6                               | 75.6                              | 192.8                | 188.0                 | 4.78                    | 40.296             |         |
| 1,200.0  | 1,188.9             | 1,188.9             | 1,188.9             | 3.7            | 2.6         | -177.94              |                       | 3.6                               | 75.6                              | 211.2                | 206.0                 | 5.25                    | 40.216             |         |
| 1,300.0  | 1,287.2             | 1,287.2             | 1,287.2             | 4.1            | 2.8         | -178.11              |                       | 3.6                               | 75.6                              | 229.7                | 224.0                 | 5.72                    | 40.139             |         |
| 1,400.0  | 1,385.4             | 1,385.4             | 1,385.4             | 4.5            | 3.0         | -178.25              |                       | 3.6                               | 75.6                              | 248.2                | 242.0                 | 6.19                    | 40.067             |         |
| 1,500.0  | 1,483.7             | 1,491.7             | 1,491.7             | 4.9            | 3.2         | -178.27              |                       | 3.0                               | 74.3                              | 265.4                | 258.7                 | 6.66                    | 39.834             |         |
| 1,600.0  | 1,582.0             | 1,600.5             | 1,600.4             | 5.3            | 3.4         | -178.01              |                       | 0.5                               | 69.3                              | 279.1                | 272.0                 | 7.12                    | 39.228             |         |
| 1,700.0  | 1,680.3             | 1,710.2             | 1,709.6             | 5.7            | 3.7         | -177.50              |                       | -3.8                              | 60.6                              | 289.3                | 281.7                 | 7.58                    | 38.161             |         |
| 1,800.0  | 1,778.5             | 1,816.1             | 1,814.7             | 6.2            | 3.9         | -176.78              |                       | -9.6                              | 48.8                              | 296.2                | 288.2                 | 8.05                    | 36.785             |         |
| 1,900.0  | 1,876.8             | 1,915.9             | 1,913.6             | 6.6            | 4.1         | -176.09              |                       | -15.3                             | 37.1                              | 302.6                | 294.1                 | 8.53                    | 35.491             |         |
| 2,000.0  | 1,975.1             | 2,015.6             | 2,012.5             | 7.0            | 4.4         | -175.43              |                       | -21.1                             | 25.4                              | 309.0                | 300.0                 | 9.01                    | 34.306             |         |
| 2,100.0  | 2,073.4             | 2,115.3             | 2,111.3             | 7.4            | 4.7         | -174.80              |                       | -26.8                             | 13.7                              | 315.4                | 305.9                 | 9.49                    | 33.218             |         |
| 2,200.0  | 2,171.7             | 2,215.1             | 2,210.2             | 7.8            | 4.9         | -174.19              |                       | -32.6                             | 2.0                               | 321.8                | 311.9                 | 9.99                    | 32.222             |         |
| 2,300.0  | 2,269.9             | 2,314.8             | 2,309.1             | 8.3            | 5.2         | -173.60              |                       | -38.3                             | -9.6                              | 328.3                | 317.8                 | 10.49                   | 31.302             |         |
| 2,400.0  | 2,368.2             | 2,414.5             | 2,408.0             | 8.7            | 5.5         | -173.04              |                       | -44.1                             | -21.3                             | 334.9                | 323.9                 | 11.00                   | 30.452             |         |
| 2,500.0  | 2,466.5             | 2,514.3             | 2,506.9             | 9.1            | 5.8         | -172.50              |                       | -49.9                             | -33.0                             | 341.4                | 329.9                 | 11.51                   | 29.665             |         |
| 2,600.0  | 2,564.8             | 2,614.0             | 2,605.7             | 9.5            | 6.1         | -171.98              |                       | -55.6                             | -44.7                             | 348.0                | 336.0                 | 12.03                   | 28.936             |         |
| 2,700.0  | 2,663.0             | 2,713.7             | 2,704.6             | 10.0           | 6.4         | -171.47              |                       | -61.4                             | -56.4                             | 354.6                | 342.1                 | 12.55                   | 28.258             |         |
| 2,800.0  | 2,761.3             | 2,813.5             | 2,803.5             | 10.4           | 6.7         | -170.99              |                       | -67.1                             | -68.1                             | 361.3                | 348.2                 | 13.08                   | 27.627             |         |
| 2,900.0  | 2,859.6             | 2,913.2             | 2,902.4             | 10.8           | 7.0         | -170.53              |                       | -72.9                             | -79.8                             | 367.9                | 354.3                 | 13.61                   | 27.038             |         |
| 3,000.0  | 2,957.9             | 3,012.9             | 3,001.3             | 11.2           | 7.3         | -170.08              |                       | -78.6                             | -91.5                             | 374.6                | 360.5                 | 14.14                   | 26.488             |         |
| 3,100.0  | 3,056.1             | 3,112.7             | 3,100.1             | 11.6           | 7.6         | -169.64              |                       | -84.4                             | -103.2                            | 381.3                | 366.6                 | 14.68                   | 25.973             |         |
| 3,200.0  | 3,154.4             | 3,212.4             | 3,199.0             | 12.1           | 7.9         | -169.22              |                       | -90.2                             | -114.9                            | 388.1                | 372.8                 | 15.22                   | 25.489             |         |
| 3,300.0  | 3,252.7             | 3,312.1             | 3,297.9             | 12.5           | 8.3         | -168.82              |                       | -95.9                             | -126.6                            | 394.8                | 379.0                 | 15.77                   | 25.035             |         |
| 3,400.0  | 3,351.0             | 3,411.9             | 3,396.8             | 12.9           | 8.6         | -168.43              |                       | -101.7                            | -138.3                            | 401.6                | 385.3                 | 16.32                   | 24.607             |         |
| 3,500.0  | 3,449.3             | 3,511.6             | 3,495.7             | 13.3           | 8.9         | -168.05              |                       | -107.4                            | -149.9                            | 408.4                | 391.5                 | 16.87                   | 24.204             |         |
| 3,600.0  | 3,547.5             | 3,611.3             | 3,594.5             | 13.8           | 9.2         | -167.69              |                       | -113.2                            | -161.6                            | 415.2                | 397.7                 | 17.43                   | 23.824             |         |
| 3,700.0  | 3,645.8             | 3,711.1             | 3,693.4             | 14.2           | 9.5         | -167.33              |                       | -118.9                            | -173.3                            | 422.0                | 404.0                 | 17.98                   | 23.465             |         |
| 3,800.0  | 3,744.1             | 3,810.8             | 3,792.3             | 14.6           | 9.9         | -166.99              |                       | -124.7                            | -185.0                            | 428.8                | 410.3                 | 18.54                   | 23.125             |         |
| 3,900.0  | 3,842.4             | 3,910.5             | 3,891.2             | 15.0           | 10.2        | -166.66              |                       | -130.5                            | -196.7                            | 435.7                | 416.6                 | 19.11                   | 22.802             |         |
| 4,000.0  | 3,940.6             | 4,010.3             | 3,990.0             | 15.5           | 10.5        | -166.34              |                       | -136.2                            | -208.4                            | 442.5                | 422.9                 | 19.67                   | 22.496             |         |
| 4,100.0  | 4,038.9             | 4,110.0             | 4,088.9             | 15.9           | 10.9        | -166.03              |                       | -142.0                            | -220.1                            | 449.4                | 429.2                 | 20.24                   | 22.206             |         |
| 4,200.0  | 4,137.2             | 4,200.0             | 4,178.2             | 16.3           | 11.1        | -165.79              |                       | -146.9                            | -230.2                            | 456.8                | 436.1                 | 20.76                   | 22.004             |         |
| 4,300.0  | 4,235.5             | 4,289.8             | 4,267.6             | 16.7           | 11.3        | -165.72              |                       | -150.8                            | -238.0                            | 466.6                | 445.4                 | 21.23                   | 21.984             |         |
| 4,400.0  | 4,333.7             | 4,376.8             | 4,354.4             | 17.2           | 11.5        | -165.84              |                       | -153.3                            | -243.2                            | 479.0                | 457.4                 | 21.66                   | 22.115             |         |
| 4,500.0  | 4,432.0             | 4,463.2             | 4,440.7             | 17.6           | 11.7        | -166.10              |                       | -154.7                            | -245.9                            | 494.0                | 471.9                 | 22.07                   | 22.383             |         |
| 4,600.0  | 4,530.3             | 4,552.8             | 4,530.3             | 18.0           | 11.8        | -166.52              |                       | -155.0                            | -246.5                            | 511.4                | 488.9                 | 22.47                   | 22.761             |         |
| 4,700.0  | 4,628.6             | 4,651.1             | 4,628.6             | 18.4           | 12.0        | -166.99              |                       | -155.0                            | -246.5                            | 529.4                | 506.5                 | 22.88                   | 23.140             |         |
| 4,800.0  | 4,726.8             | 4,749.3             | 4,726.8             | 18.8           | 12.1        | -167.42              |                       | -155.0                            | -246.5                            | 547.4                | 524.1                 | 23.29                   | 23.503             |         |
| 4,900.0  | 4,825.1             | 4,847.6             | 4,825.1             | 19.3           | 12.3        | -167.83              |                       | -155.0                            | -246.5                            | 565.5                | 541.8                 | 23.71                   | 23.850             |         |
| 5,000.0  | 4,923.4             | 4,945.9             | 4,923.4             | 19.7           | 12.5        | -168.21              |                       | -155.0                            | -246.5                            | 583.6                | 559.4                 | 24.13                   | 24.183             |         |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation



|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design         |                     | Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-6N - Wellbore #1 - Plan #1 (8 |                     |                 |        |                       |                        |            |                      |                       |                         | Offset Site Error: |         | 0.0 ft |
|-----------------------|---------------------|--|---------------------|-----------------|--------|-----------------------|------------------------|------------|----------------------|-----------------------|-------------------------|--------------------|---------|--------|
| Survey Program: 0-MWD |                     |  |                     |                 |        |                       |                        |            |                      |                       |                         | Offset Well Error: |         | 0.0 ft |
| Reference             |                     | Offset   |                     | Semi Major Axis |        | Highside Toolface (°) | Offset Wellbore Centre |            | Distance             |                       | Minimum Separation (ft) | Separation Factor  | Warning |        |
| Measured Depth (ft)   | Vertical Depth (ft) | Measured Depth (ft)  | Vertical Depth (ft) | Reference       | Offset |                       | +N/-S (ft)             | +E/-W (ft) | Between Centres (ft) | Between Ellipses (ft) |                         |                    |         |        |
| 5,100.0               | 5,021.7             | 5,044.2  | 5,021.7             | 20.1            | 12.7   | -168.57               | -155.0                 | -246.5     | 601.7                | 577.1                 | 24.56                   | 24.503             |         |        |
| 5,200.0               | 5,120.0             | 5,142.4  | 5,120.0             | 20.5            | 12.8   | -168.91               | -155.0                 | -246.5     | 619.8                | 594.8                 | 24.98                   | 24.809             |         |        |
| 5,300.0               | 5,218.2             | 5,240.7  | 5,218.2             | 21.0            | 13.0   | -169.23               | -155.0                 | -246.5     | 638.0                | 612.6                 | 25.41                   | 25.103             |         |        |
| 5,400.0               | 5,316.5             | 5,339.0  | 5,316.5             | 21.4            | 13.2   | -169.53               | -155.0                 | -246.5     | 656.2                | 630.3                 | 25.85                   | 25.386             |         |        |
| 5,500.0               | 5,414.8             | 5,437.3  | 5,414.8             | 21.8            | 13.4   | -169.82               | -155.0                 | -246.5     | 674.4                | 648.1                 | 26.28                   | 25.658             |         |        |
| 5,600.0               | 5,513.1             | 5,535.5  | 5,513.1             | 22.2            | 13.6   | -170.09               | -155.0                 | -246.5     | 692.6                | 665.9                 | 26.72                   | 25.919             |         |        |
| 5,700.0               | 5,611.3             | 5,633.8  | 5,611.3             | 22.7            | 13.7   | -170.34               | -155.0                 | -246.5     | 710.8                | 683.6                 | 27.16                   | 26.171             |         |        |
| 5,800.0               | 5,709.6             | 5,732.1  | 5,709.6             | 23.1            | 13.9   | -170.59               | -155.0                 | -246.5     | 729.0                | 701.4                 | 27.60                   | 26.413             |         |        |
| 5,900.0               | 5,807.9             | 5,830.4  | 5,807.9             | 23.5            | 14.1   | -170.82               | -155.0                 | -246.5     | 747.3                | 719.2                 | 28.04                   | 26.646             |         |        |
| 6,000.0               | 5,906.2             | 5,928.7  | 5,906.2             | 23.9            | 14.3   | -171.04               | -155.0                 | -246.5     | 765.5                | 737.1                 | 28.49                   | 26.871             |         |        |
| 6,100.0               | 6,004.5             | 6,027.0  | 6,004.5             | 24.3            | 14.5   | -171.27               | -155.0                 | -246.5     | 783.6                | 754.7                 | 28.94                   | 27.078             |         |        |
| 6,200.0               | 6,103.3             | 6,125.7  | 6,103.3             | 24.6            | 14.7   | -171.48               | -155.0                 | -246.5     | 799.0                | 769.7                 | 29.35                   | 27.226             |         |        |
| 6,300.0               | 6,202.5             | 6,225.0  | 6,202.5             | 24.8            | 14.9   | -171.64               | -155.0                 | -246.5     | 811.0                | 781.3                 | 29.72                   | 27.285             |         |        |
| 6,400.0               | 6,302.1             | 6,324.6  | 6,302.1             | 25.0            | 15.0   | -171.76               | -155.0                 | -246.5     | 819.6                | 789.5                 | 30.07                   | 27.258             |         |        |
| 6,500.0               | 6,402.0             | 6,424.5  | 6,402.0             | 25.2            | 15.2   | -171.82               | -155.0                 | -246.5     | 824.7                | 794.3                 | 30.38                   | 27.148             |         |        |
| 6,600.0               | 6,502.0             | 6,524.5  | 6,502.0             | 25.3            | 15.4   | 89.75                 | -155.0                 | -246.5     | 826.3                | 795.7                 | 30.64                   | 26.965             |         |        |
| 6,658.4               | 6,560.4             | 6,582.8  | 6,560.4             | 25.4            | 15.5   | 89.75                 | -155.0                 | -246.5     | 826.3                | 795.5                 | 30.86                   | 26.773             |         |        |
| 6,700.0               | 6,602.0             | 6,624.3  | 6,601.8             | 25.4            | 15.6   | 89.73                 | -154.7                 | -246.5     | 826.3                | 795.3                 | 31.02                   | 26.642             |         |        |
| 6,800.0               | 6,702.0             | 6,722.3  | 6,699.3             | 25.5            | 15.8   | 89.07                 | -145.2                 | -246.4     | 826.5                | 795.2                 | 31.31                   | 26.400             |         |        |
| 6,900.0               | 6,802.0             | 6,816.1  | 6,790.5             | 25.7            | 15.9   | 87.59                 | -123.8                 | -246.4     | 827.2                | 795.7                 | 31.51                   | 26.256             |         |        |
| 7,000.0               | 6,902.0             | 6,902.9  | 6,871.9             | 25.8            | 16.0   | 85.50                 | -93.5                  | -246.3     | 829.6                | 798.0                 | 31.68                   | 26.190             |         |        |
| 7,100.0               | 7,002.0             | 6,981.6  | 6,941.9             | 25.9            | 16.1   | 82.66                 | -57.7                  | -246.1     | 834.9                | 803.0                 | 31.87                   | 26.198             |         |        |
| 7,200.0               | 7,100.8             | 7,057.3  | 7,005.2             | 26.0            | 16.2   | 79.72                 | -16.3                  | -246.0     | 842.0                | 809.9                 | 32.02                   | 26.292             |         |        |
| 7,300.0               | 7,195.0             | 7,132.5  | 7,063.4             | 26.1            | 16.3   | 77.23                 | 31.2                   | -245.8     | 849.2                | 817.0                 | 32.19                   | 26.380             |         |        |
| 7,400.0               | 7,281.3             | 7,207.2  | 7,115.9             | 26.1            | 16.3   | 75.29                 | 84.3                   | -245.6     | 855.5                | 823.1                 | 32.33                   | 26.457             |         |        |
| 7,500.0               | 7,356.4             | 7,281.6  | 7,162.5             | 26.1            | 16.5   | 73.97                 | 142.3                  | -245.4     | 860.1                | 827.6                 | 32.49                   | 26.475             |         |        |
| 7,600.0               | 7,417.5             | 7,350.0  | 7,199.8             | 26.2            | 16.7   | 73.33                 | 199.6                  | -245.2     | 862.5                | 829.8                 | 32.68                   | 26.391             |         |        |
| 7,700.0               | 7,462.4             | 7,430.1  | 7,236.3             | 26.3            | 17.0   | 73.34                 | 270.9                  | -245.0     | 862.3                | 829.2                 | 33.14                   | 26.018             |         |        |
| 7,800.0               | 7,489.5             | 7,500.0  | 7,261.5             | 26.5            | 17.4   | 74.00                 | 336.0                  | -244.7     | 859.7                | 825.9                 | 33.84                   | 25.406             |         |        |
| 7,900.0               | 7,497.8             | 7,578.9  | 7,282.2             | 26.7            | 18.1   | 75.38                 | 412.1                  | -244.5     | 854.9                | 819.9                 | 35.02                   | 24.415             |         |        |
| 8,000.0               | 7,497.5             | 7,650.0  | 7,293.5             | 27.1            | 18.7   | 76.13                 | 482.3                  | -244.2     | 850.9                | 814.3                 | 36.56                   | 23.276             |         |        |
| 8,100.0               | 7,497.1             | 7,733.1  | 7,297.8             | 27.7            | 19.6   | 76.43                 | 565.2                  | -243.9     | 849.6                | 811.2                 | 38.36                   | 22.146             |         |        |
| 8,200.0               | 7,496.8             | 7,833.1  | 7,297.4             | 28.3            | 20.8   | 76.42                 | 665.2                  | -243.6     | 849.5                | 809.0                 | 40.53                   | 20.963             |         |        |
| 8,300.0               | 7,496.4             | 7,933.1  | 7,296.9             | 29.2            | 22.0   | 76.41                 | 765.2                  | -243.2     | 849.5                | 806.6                 | 42.89                   | 19.804             |         |        |
| 8,400.0               | 7,496.1             | 8,033.1  | 7,296.4             | 30.1            | 23.4   | 76.40                 | 865.2                  | -242.9     | 849.5                | 804.0                 | 45.45                   | 18.692             |         |        |
| 8,500.0               | 7,495.7             | 8,133.1  | 7,295.9             | 31.1            | 24.8   | 76.39                 | 965.2                  | -242.5     | 849.4                | 801.3                 | 48.15                   | 17.640             |         |        |
| 8,600.0               | 7,495.4             | 8,233.1  | 7,295.4             | 32.2            | 26.2   | 76.38                 | 1,065.2                | -242.2     | 849.4                | 798.4                 | 50.99                   | 16.659             |         |        |
| 8,700.0               | 7,495.0             | 8,333.1  | 7,294.9             | 33.5            | 27.8   | 76.37                 | 1,165.2                | -241.8     | 849.4                | 795.5                 | 53.94                   | 15.748             |         |        |
| 8,800.0               | 7,494.7             | 8,433.1  | 7,294.4             | 34.7            | 29.4   | 76.36                 | 1,265.2                | -241.5     | 849.4                | 792.4                 | 56.97                   | 14.908             |         |        |
| 8,900.0               | 7,494.3             | 8,533.1  | 7,293.9             | 36.1            | 31.0   | 76.35                 | 1,365.2                | -241.1     | 849.3                | 789.2                 | 60.09                   | 14.135             |         |        |
| 9,000.0               | 7,494.0             | 8,633.1  | 7,293.4             | 37.5            | 32.6   | 76.34                 | 1,465.2                | -240.8     | 849.3                | 786.0                 | 63.27                   | 13.423             |         |        |
| 9,100.0               | 7,493.6             | 8,733.1  | 7,293.0             | 39.0            | 34.3   | 76.33                 | 1,565.2                | -240.4     | 849.3                | 782.8                 | 66.51                   | 12.769             |         |        |
| 9,200.0               | 7,493.3             | 8,833.1  | 7,292.5             | 40.5            | 36.0   | 76.32                 | 1,665.2                | -240.1     | 849.3                | 779.5                 | 69.80                   | 12.167             |         |        |
| 9,300.0               | 7,492.9             | 8,933.1  | 7,292.0             | 42.0            | 37.7   | 76.31                 | 1,765.2                | -239.7     | 849.2                | 776.1                 | 73.13                   | 11.612             |         |        |
| 9,400.0               | 7,492.6             | 9,033.1  | 7,291.5             | 43.6            | 39.4   | 76.30                 | 1,865.2                | -239.4     | 849.2                | 772.7                 | 76.50                   | 11.101             |         |        |
| 9,500.0               | 7,492.3             | 9,133.1  | 7,291.0             | 45.1            | 41.2   | 76.29                 | 1,965.2                | -239.0     | 849.2                | 769.3                 | 79.90                   | 10.628             |         |        |
| 9,600.0               | 7,491.9             | 9,233.1  | 7,290.5             | 46.8            | 43.0   | 76.28                 | 2,065.2                | -238.7     | 849.1                | 765.8                 | 83.33                   | 10.190             |         |        |
| 9,700.0               | 7,491.6             | 9,333.1  | 7,290.0             | 48.4            | 44.7   | 76.27                 | 2,165.2                | -238.3     | 849.1                | 762.3                 | 86.78                   | 9.784              |         |        |
| 9,800.0               | 7,491.2             | 9,433.1  | 7,289.5             | 50.1            | 46.5   | 76.26                 | 2,265.2                | -237.9     | 849.1                | 758.8                 | 90.26                   | 9.407              |         |        |
| 9,900.0               | 7,490.9             | 9,533.1  | 7,289.1             | 51.7            | 48.3   | 76.25                 | 2,365.2                | -237.6     | 849.1                | 755.3                 | 93.75                   | 9.056              |         |        |
| 10,000.0              | 7,490.5             | 9,633.1  | 7,288.6             | 53.4            | 50.1   | 76.24                 | 2,465.2                | -237.2     | 849.0                | 751.8                 | 97.26                   | 8.729              |         |        |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| <b>Offset Design</b> Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-6N - Wellbore #1 - Plan #1 (8 |                        |                        |                        |           |        |                             |   |               |                            |                             |                               | <b>Offset Site Error:</b> | 0.0 ft  |
|---|------------------------|------------------------|------------------------|-----------|--------|-----------------------------|---|---------------|----------------------------|-----------------------------|-------------------------------|---------------------------|---------|
| Survey Program: 0-MWD   |                        |                        |                        |           |        |                             |   |               |                            |                             |                               | <b>Offset Well Error:</b> | 0.0 ft  |
| Measured Depth<br>(ft)  | Vertical Depth<br>(ft) | Measured Depth<br>(ft) | Vertical Depth<br>(ft) | Reference | Offset | Highside<br>Toolface<br>(°) | Offset Wellbore Centre<br>+N/-S<br>(ft) | +E/-W<br>(ft) | Between<br>Centres<br>(ft) | Between<br>Ellipses<br>(ft) | Minimum<br>Separation<br>(ft) | Separation<br>Factor      | Warning |
| 10,100.0  | 7,490.2                | 9,733.1                | 7,288.1                | 55.2      | 51.9   | 76.23                       | 2,565.2                                 | -236.9        | 849.0                      | 748.2                       | 100.79                        | 8.423                     |         |
| 10,200.0  | 7,489.8                | 9,833.1                | 7,287.6                | 56.9      | 53.8   | 76.22                       | 2,665.2                                 | -236.5        | 849.0                      | 744.6                       | 104.33                        | 8.137                     |         |
| 10,300.0  | 7,489.5                | 9,933.1                | 7,287.1                | 58.6      | 55.6   | 76.21                       | 2,765.2                                 | -236.2        | 849.0                      | 741.1                       | 107.89                        | 7.869                     |         |
| 10,400.0  | 7,489.1                | 10,033.1               | 7,286.6                | 60.4      | 57.4   | 76.20                       | 2,865.1                                 | -235.8        | 848.9                      | 737.5                       | 111.45                        | 7.617                     |         |
| 10,500.0  | 7,488.8                | 10,133.1               | 7,286.1                | 62.1      | 59.3   | 76.19                       | 2,965.1                                 | -235.5        | 848.9                      | 733.9                       | 115.03                        | 7.380                     |         |
| 10,600.0  | 7,488.4                | 10,233.1               | 7,285.6                | 63.9      | 61.1   | 76.18                       | 3,065.1                                 | -235.1        | 848.9                      | 730.3                       | 118.61                        | 7.157                     |         |
| 10,700.0  | 7,488.1                | 10,333.1               | 7,285.1                | 65.7      | 63.0   | 76.17                       | 3,165.1                                 | -234.8        | 848.8                      | 726.6                       | 122.21                        | 6.946                     |         |
| 10,800.0  | 7,487.7                | 10,433.1               | 7,284.7                | 67.4      | 64.8   | 76.16                       | 3,265.1                                 | -234.4        | 848.8                      | 723.0                       | 125.81                        | 6.747                     |         |
| 10,900.0  | 7,487.4                | 10,533.1               | 7,284.2                | 69.2      | 66.7   | 76.15                       | 3,365.1                                 | -234.1        | 848.8                      | 719.4                       | 129.41                        | 6.559                     |         |
| 11,000.0  | 7,487.0                | 10,633.1               | 7,283.7                | 71.0      | 68.5   | 76.14                       | 3,465.1                                 | -233.7        | 848.8                      | 715.7                       | 133.03                        | 6.380                     |         |
| 11,100.0  | 7,486.7                | 10,733.1               | 7,283.2                | 72.8      | 70.4   | 76.13                       | 3,565.1                                 | -233.4        | 848.7                      | 712.1                       | 136.65                        | 6.211                     |         |
| 11,200.0  | 7,486.3                | 10,833.1               | 7,282.7                | 74.6      | 72.2   | 76.12                       | 3,665.1                                 | -233.0        | 848.7                      | 708.4                       | 140.27                        | 6.050                     |         |
| 11,300.0  | 7,486.0                | 10,933.1               | 7,282.2                | 76.4      | 74.1   | 76.11                       | 3,765.1                                 | -232.7        | 848.7                      | 704.8                       | 143.90                        | 5.898                     |         |
| 11,400.0  | 7,485.6                | 11,033.1               | 7,281.7                | 78.3      | 76.0   | 76.10                       | 3,865.1                                 | -232.3        | 848.7                      | 701.1                       | 147.54                        | 5.752                     |         |
| 11,500.0  | 7,485.3                | 11,133.1               | 7,281.2                | 80.1      | 77.8   | 76.09                       | 3,965.1                                 | -232.0        | 848.6                      | 697.4                       | 151.18                        | 5.613                     |         |
| 11,600.0  | 7,484.9                | 11,233.1               | 7,280.7                | 81.9      | 79.7   | 76.08                       | 4,065.1                                 | -231.6        | 848.6                      | 693.8                       | 154.82                        | 5.481                     |         |
| 11,700.0  | 7,484.6                | 11,333.1               | 7,280.3                | 83.7      | 81.6   | 76.07                       | 4,165.1                                 | -231.3        | 848.6                      | 690.1                       | 158.47                        | 5.355                     |         |
| 11,800.0  | 7,484.2                | 11,433.1               | 7,279.8                | 85.6      | 83.5   | 76.06                       | 4,265.1                                 | -230.9        | 848.5                      | 686.4                       | 162.12                        | 5.234                     |         |
| 11,900.0  | 7,483.9                | 11,533.1               | 7,279.3                | 87.4      | 85.3   | 76.05                       | 4,365.1                                 | -230.5        | 848.5                      | 682.7                       | 165.77                        | 5.119                     |         |
| 12,000.0  | 7,483.5                | 11,633.1               | 7,278.8                | 89.3      | 87.2   | 76.04                       | 4,465.1                                 | -230.2        | 848.5                      | 679.1                       | 169.43                        | 5.008                     |         |
| 12,100.0  | 7,483.2                | 11,733.1               | 7,278.3                | 91.1      | 89.1   | 76.03                       | 4,565.1                                 | -229.8        | 848.5                      | 675.4                       | 173.09                        | 4.902                     |         |
| 12,150.9  | 7,483.0                | 11,784.0               | 7,278.1                | 92.1      | 90.1   | 76.02                       | 4,616.0                                 | -229.7        | 848.4                      | 673.5                       | 174.95                        | 4.850 SF                  |         |



|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-7N - Wellbore #1 - Plan #1 (8 |                     |                     |                     |                |             |                       |                                   |                                   |                      |                       |                         |                   | Offset Site Error: | 0.0 ft |
|--|---------------------|---------------------|---------------------|----------------|-------------|-----------------------|-----------------------------------|-----------------------------------|----------------------|-----------------------|-------------------------|-------------------|--------------------|--------|
| Survey Program: 0-MWD  |                     |                     |                     |                |             |                       |                                   |                                   |                      |                       |                         |                   | Offset Well Error: | 0.0 ft |
| Measured Depth (ft)  | Vertical Depth (ft) | Measured Depth (ft) | Vertical Depth (ft) | Reference (ft) | Offset (ft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (ft) | Offset Wellbore Centre +E/-W (ft) | Between Centres (ft) | Between Ellipses (ft) | Minimum Separation (ft) | Separation Factor | Warning            |        |
| 0.0  | 0.0                 | 0.0                 | 0.0                 | 0.0            | 0.0         | 87.68                 | 3.6                               | 89.6                              | 89.7                 |                       |                         |                   |                    |        |
| 100.0  | 100.0               | 99.0                | 99.0                | 0.1            | 0.1         | 87.68                 | 3.6                               | 89.6                              | 89.7                 | 89.5                  | 0.22                    | 401.109           |                    |        |
| 200.0  | 200.0               | 199.0               | 199.0               | 0.3            | 0.3         | 87.68                 | 3.6                               | 89.6                              | 89.7                 | 89.0                  | 0.67                    | 133.481 CC, ES    |                    |        |
| 300.0  | 300.0               | 299.0               | 299.0               | 0.6            | 0.6         | -174.03               | 3.6                               | 89.6                              | 91.4                 | 90.3                  | 1.12                    | 81.947            |                    |        |
| 400.0  | 399.8               | 398.8               | 398.8               | 0.8            | 0.8         | -174.34               | 3.6                               | 89.6                              | 96.6                 | 95.1                  | 1.56                    | 61.868            |                    |        |
| 500.0  | 499.5               | 498.5               | 498.5               | 1.0            | 1.0         | -174.79               | 3.6                               | 89.6                              | 105.3                | 103.3                 | 2.02                    | 52.251            |                    |        |
| 600.0  | 598.7               | 597.7               | 597.7               | 1.3            | 1.2         | -175.31               | 3.6                               | 89.6                              | 117.5                | 115.0                 | 2.47                    | 47.496            |                    |        |
| 700.0  | 697.5               | 696.5               | 696.5               | 1.6            | 1.5         | -175.84               | 3.6                               | 89.6                              | 133.1                | 130.1                 | 2.93                    | 45.359            |                    |        |
| 800.0  | 795.8               | 794.8               | 794.8               | 2.0            | 1.7         | -176.33               | 3.6                               | 89.6                              | 151.3                | 147.9                 | 3.39                    | 44.623            |                    |        |
| 900.0  | 894.1               | 893.1               | 893.1               | 2.4            | 1.9         | -176.73               | 3.6                               | 89.6                              | 169.8                | 165.9                 | 3.85                    | 44.080            |                    |        |
| 1,000.0  | 992.3               | 991.3               | 991.3               | 2.8            | 2.1         | -177.05               | 3.6                               | 89.6                              | 188.2                | 183.9                 | 4.32                    | 43.616            |                    |        |
| 1,100.0  | 1,090.6             | 1,089.6             | 1,089.6             | 3.2            | 2.3         | -177.32               | 3.6                               | 89.6                              | 206.7                | 201.9                 | 4.78                    | 43.218            |                    |        |
| 1,200.0  | 1,188.9             | 1,187.9             | 1,187.9             | 3.7            | 2.6         | -177.54               | 3.6                               | 89.6                              | 225.2                | 219.9                 | 5.25                    | 42.876            |                    |        |
| 1,300.0  | 1,287.2             | 1,286.2             | 1,286.2             | 4.1            | 2.8         | -177.72               | 3.6                               | 89.6                              | 243.6                | 237.9                 | 5.72                    | 42.579            |                    |        |
| 1,400.0  | 1,385.4             | 1,384.4             | 1,384.4             | 4.5            | 3.0         | -177.88               | 3.6                               | 89.6                              | 262.1                | 255.9                 | 6.19                    | 42.320            |                    |        |
| 1,500.0  | 1,483.7             | 1,482.7             | 1,482.7             | 4.9            | 3.2         | -178.02               | 3.6                               | 89.6                              | 280.6                | 273.9                 | 6.67                    | 42.092            |                    |        |
| 1,600.0  | 1,582.0             | 1,581.0             | 1,581.0             | 5.3            | 3.4         | -178.15               | 3.6                               | 89.6                              | 299.0                | 291.9                 | 7.14                    | 41.890            |                    |        |
| 1,700.0  | 1,680.3             | 1,680.0             | 1,680.0             | 5.7            | 3.7         | -178.16               | 3.0                               | 88.9                              | 316.8                | 309.2                 | 7.60                    | 41.665            |                    |        |
| 1,800.0  | 1,778.5             | 1,791.1             | 1,791.0             | 6.2            | 3.9         | -177.88               | 0.4                               | 86.1                              | 332.4                | 324.4                 | 8.05                    | 41.293            |                    |        |
| 1,900.0  | 1,876.8             | 1,897.8             | 1,897.4             | 6.6            | 4.1         | -177.33               | -4.2                              | 81.1                              | 345.8                | 337.3                 | 8.50                    | 40.665            |                    |        |
| 2,000.0  | 1,975.1             | 2,004.9             | 2,004.1             | 7.0            | 4.3         | -176.53               | -10.8                             | 73.8                              | 357.0                | 348.0                 | 8.97                    | 39.794            |                    |        |
| 2,100.0  | 2,073.4             | 2,108.5             | 2,107.0             | 7.4            | 4.5         | -175.56               | -19.0                             | 64.9                              | 366.3                | 356.8                 | 9.45                    | 38.773            |                    |        |
| 2,200.0  | 2,171.7             | 2,207.9             | 2,205.7             | 7.8            | 4.7         | -174.64               | -27.0                             | 56.0                              | 375.4                | 365.4                 | 9.93                    | 37.808            |                    |        |
| 2,300.0  | 2,269.9             | 2,307.3             | 2,304.4             | 8.3            | 5.0         | -173.76               | -35.1                             | 47.2                              | 384.6                | 374.1                 | 10.42                   | 36.903            |                    |        |
| 2,400.0  | 2,368.2             | 2,406.7             | 2,403.1             | 8.7            | 5.2         | -172.92               | -43.2                             | 38.4                              | 393.8                | 382.9                 | 10.92                   | 36.057            |                    |        |
| 2,500.0  | 2,466.5             | 2,506.1             | 2,501.8             | 9.1            | 5.5         | -172.12               | -51.3                             | 29.5                              | 403.2                | 391.7                 | 11.43                   | 35.263            |                    |        |
| 2,600.0  | 2,564.8             | 2,605.5             | 2,600.5             | 9.5            | 5.7         | -171.36               | -59.3                             | 20.7                              | 412.6                | 400.6                 | 11.95                   | 34.519            |                    |        |
| 2,700.0  | 2,663.0             | 2,704.9             | 2,699.1             | 10.0           | 6.0         | -170.63               | -67.4                             | 11.8                              | 422.1                | 409.6                 | 12.48                   | 33.821            |                    |        |
| 2,800.0  | 2,761.3             | 2,804.4             | 2,797.8             | 10.4           | 6.3         | -169.93               | -75.5                             | 3.0                               | 431.7                | 418.6                 | 13.02                   | 33.166            |                    |        |
| 2,900.0  | 2,859.6             | 2,903.8             | 2,896.5             | 10.8           | 6.6         | -169.27               | -83.6                             | -5.9                              | 441.3                | 427.7                 | 13.56                   | 32.551            |                    |        |
| 3,000.0  | 2,957.9             | 3,003.2             | 2,995.2             | 11.2           | 6.8         | -168.63               | -91.6                             | -14.7                             | 451.0                | 436.9                 | 14.10                   | 31.973            |                    |        |
| 3,100.0  | 3,056.1             | 3,102.6             | 3,093.9             | 11.6           | 7.1         | -168.02               | -99.7                             | -23.6                             | 460.7                | 446.0                 | 14.66                   | 31.429            |                    |        |
| 3,200.0  | 3,154.4             | 3,202.0             | 3,192.6             | 12.1           | 7.4         | -167.43               | -107.8                            | -32.4                             | 470.5                | 455.2                 | 15.22                   | 30.917            |                    |        |
| 3,300.0  | 3,252.7             | 3,301.4             | 3,291.2             | 12.5           | 7.7         | -166.87               | -115.9                            | -41.2                             | 480.3                | 464.5                 | 15.78                   | 30.434            |                    |        |
| 3,400.0  | 3,351.0             | 3,400.8             | 3,389.9             | 12.9           | 8.0         | -166.33               | -123.9                            | -50.1                             | 490.2                | 473.8                 | 16.35                   | 29.979            |                    |        |
| 3,500.0  | 3,449.3             | 3,500.2             | 3,488.6             | 13.3           | 8.3         | -165.81               | -132.0                            | -58.9                             | 500.1                | 483.2                 | 16.92                   | 29.549            |                    |        |
| 3,600.0  | 3,547.5             | 3,595.7             | 3,583.5             | 13.8           | 8.6         | -165.35               | -139.6                            | -67.2                             | 510.2                | 492.7                 | 17.48                   | 29.191            |                    |        |
| 3,700.0  | 3,645.8             | 3,686.9             | 3,674.2             | 14.2           | 8.8         | -165.09               | -145.6                            | -73.8                             | 521.7                | 503.8                 | 17.98                   | 29.022            |                    |        |
| 3,800.0  | 3,744.1             | 3,777.7             | 3,764.8             | 14.6           | 9.0         | -165.02               | -150.1                            | -78.7                             | 534.8                | 516.4                 | 18.45                   | 28.980 SF         |                    |        |
| 3,900.0  | 3,842.4             | 3,868.2             | 3,855.1             | 15.0           | 9.2         | -165.11               | -153.1                            | -82.0                             | 549.5                | 530.5                 | 18.91                   | 29.058            |                    |        |
| 4,000.0  | 3,940.6             | 3,958.1             | 3,945.0             | 15.5           | 9.3         | -165.37               | -154.7                            | -83.8                             | 565.6                | 546.3                 | 19.34                   | 29.245            |                    |        |
| 4,100.0  | 4,038.9             | 4,051.0             | 4,037.9             | 15.9           | 9.5         | -165.78               | -155.0                            | -84.1                             | 583.3                | 563.5                 | 19.76                   | 29.514            |                    |        |
| 4,200.0  | 4,137.2             | 4,149.3             | 4,136.2             | 16.3           | 9.7         | -166.21               | -155.0                            | -84.1                             | 601.2                | 581.0                 | 20.19                   | 29.776            |                    |        |
| 4,300.0  | 4,235.5             | 4,247.6             | 4,234.5             | 16.7           | 9.9         | -166.62               | -155.0                            | -84.1                             | 619.2                | 598.6                 | 20.62                   | 30.024            |                    |        |
| 4,400.0  | 4,333.7             | 4,345.8             | 4,332.7             | 17.2           | 10.1        | -167.00               | -155.0                            | -84.1                             | 637.2                | 616.2                 | 21.06                   | 30.260            |                    |        |
| 4,500.0  | 4,432.0             | 4,444.1             | 4,431.0             | 17.6           | 10.3        | -167.36               | -155.0                            | -84.1                             | 655.3                | 633.8                 | 21.50                   | 30.484            |                    |        |
| 4,600.0  | 4,530.3             | 4,542.4             | 4,529.3             | 18.0           | 10.5        | -167.71               | -155.0                            | -84.1                             | 673.3                | 651.4                 | 21.93                   | 30.698            |                    |        |
| 4,700.0  | 4,628.6             | 4,640.7             | 4,627.6             | 18.4           | 10.6        | -168.03               | -155.0                            | -84.1                             | 691.4                | 669.0                 | 22.37                   | 30.901            |                    |        |
| 4,800.0  | 4,726.8             | 4,738.9             | 4,725.8             | 18.8           | 10.8        | -168.34               | -155.0                            | -84.1                             | 709.5                | 686.7                 | 22.82                   | 31.095            |                    |        |
| 4,900.0  | 4,825.1             | 4,837.2             | 4,824.1             | 19.3           | 11.0        | -168.64               | -155.0                            | -84.1                             | 727.6                | 704.4                 | 23.26                   | 31.280            |                    |        |
| 5,000.0  | 4,923.4             | 4,935.5             | 4,922.4             | 19.7           | 11.2        | -168.92               | -155.0                            | -84.1                             | 745.8                | 722.1                 | 23.71                   | 31.457            |                    |        |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-7N - Wellbore #1 - Plan #1 (8 |                        |                        |                        |           |        |  |   |               |                         |                          |                            |                   | Offset Site Error: | 0.0 ft |
|--|------------------------|------------------------|------------------------|-----------|--------|--|---|---------------|-------------------------|--------------------------|----------------------------|-------------------|--------------------|--------|
| Survey Program: 0-MWD  |                        |                        |                        |           |        |  |   |               |                         |                          |                            |                   | Offset Well Error: | 0.0 ft |
| Measured Depth<br>(ft)   | Vertical Depth<br>(ft) | Measured Depth<br>(ft) | Vertical Depth<br>(ft) | Reference | Offset | Semi Major Axis<br>Highside<br>Toolface<br>(°) | Offset Wellbore Centre<br>+N/-S<br>(ft) | +E/-W<br>(ft) | Between Centres<br>(ft) | Between Ellipses<br>(ft) | Minimum Separation<br>(ft) | Separation Factor | Warning            |        |
| 5,100.0  | 5,021.7                | 5,033.8                | 5,020.7                | 20.1      | 11.4   | -169.18  | -155.0                                  | -84.1         | 763.9                   | 739.8                    | 24.16                      | 31.626            |                    |        |
| 5,200.0  | 5,120.0                | 5,132.1                | 5,119.0                | 20.5      | 11.6   | -169.44  | -155.0                                  | -84.1         | 782.1                   | 757.5                    | 24.60                      | 31.787            |                    |        |
| 5,300.0  | 5,218.2                | 5,230.3                | 5,217.2                | 21.0      | 11.8   | -169.68  | -155.0                                  | -84.1         | 800.3                   | 775.2                    | 25.06                      | 31.942            |                    |        |
| 5,400.0  | 5,316.5                | 5,328.6                | 5,315.5                | 21.4      | 12.0   | -169.91  | -155.0                                  | -84.1         | 818.5                   | 793.0                    | 25.51                      | 32.090            |                    |        |
| 5,500.0  | 5,414.8                | 5,426.9                | 5,413.8                | 21.8      | 12.2   | -170.13  | -155.0                                  | -84.1         | 836.7                   | 810.8                    | 25.96                      | 32.232            |                    |        |
| 5,600.0  | 5,513.1                | 5,525.2                | 5,512.1                | 22.2      | 12.4   | -170.34  | -155.0                                  | -84.1         | 854.9                   | 828.5                    | 26.41                      | 32.368            |                    |        |
| 5,700.0  | 5,611.3                | 5,623.4                | 5,610.3                | 22.7      | 12.6   | -170.55  | -155.0                                  | -84.1         | 873.2                   | 846.3                    | 26.87                      | 32.499            |                    |        |
| 5,800.0  | 5,709.6                | 5,721.7                | 5,708.6                | 23.1      | 12.8   | -170.74  | -155.0                                  | -84.1         | 891.4                   | 864.1                    | 27.32                      | 32.624            |                    |        |
| 5,900.0  | 5,807.9                | 5,820.0                | 5,806.9                | 23.5      | 13.0   | -170.93  | -155.0                                  | -84.1         | 909.7                   | 881.9                    | 27.78                      | 32.745            |                    |        |
| 6,000.0  | 5,906.2                | 5,918.3                | 5,905.2                | 23.9      | 13.2   | -171.11  | -155.0                                  | -84.1         | 927.9                   | 899.7                    | 28.24                      | 32.861            |                    |        |
| 6,100.0  | 6,004.5                | 6,016.6                | 6,003.5                | 24.3      | 13.4   | -171.30  | -155.0                                  | -84.1         | 946.0                   | 917.3                    | 28.70                      | 32.958            |                    |        |
| 6,200.0  | 6,103.3                | 6,115.4                | 6,102.3                | 24.6      | 13.6   | -171.49  | -155.0                                  | -84.1         | 961.4                   | 932.3                    | 29.13                      | 33.002            |                    |        |
| 6,300.0  | 6,202.5                | 6,214.6                | 6,201.5                | 24.8      | 13.8   | -171.63  | -155.0                                  | -84.1         | 973.4                   | 943.9                    | 29.53                      | 32.965            |                    |        |
| 6,400.0  | 6,302.1                | 6,314.2                | 6,301.1                | 25.0      | 14.0   | -171.72  | -155.0                                  | -84.1         | 982.0                   | 952.1                    | 29.89                      | 32.853            |                    |        |
| 6,500.0  | 6,402.0                | 6,414.1                | 6,401.0                | 25.2      | 14.3   | -171.78  | -155.0                                  | -84.1         | 987.1                   | 956.9                    | 30.22                      | 32.667            |                    |        |
| 6,600.0  | 6,502.0                | 6,514.1                | 6,501.0                | 25.3      | 14.5   | 89.79  | -155.0                                  | -84.1         | 988.7                   | 958.2                    | 30.50                      | 32.415            |                    |        |
| 6,658.4  | 6,560.3                | 6,572.4                | 6,559.3                | 25.4      | 14.6   | 89.79  | -155.0                                  | -84.1         | 988.7                   | 958.0                    | 30.73                      | 32.180            |                    |        |
| 6,700.0  | 6,602.0                | 6,613.9                | 6,600.8                | 25.4      | 14.7   | 89.77  | -154.7                                  | -84.1         | 988.7                   | 957.9                    | 30.88                      | 32.018            |                    |        |
| 6,800.0  | 6,702.0                | 6,711.7                | 6,698.1                | 25.5      | 14.8   | 89.23  | -145.3                                  | -84.0         | 988.9                   | 957.7                    | 31.19                      | 31.706            |                    |        |
| 6,900.0  | 6,802.0                | 6,805.4                | 6,789.2                | 25.7      | 15.0   | 87.99  | -123.9                                  | -83.9         | 989.5                   | 958.1                    | 31.42                      | 31.498            |                    |        |
| 7,000.0  | 6,902.0                | 6,892.1                | 6,870.5                | 25.8      | 15.1   | 86.25  | -93.7                                   | -83.8         | 991.6                   | 960.0                    | 31.61                      | 31.371            |                    |        |
| 7,100.0  | 7,002.0                | 6,970.8                | 6,940.5                | 25.9      | 15.2   | 83.83  | -58.0                                   | -83.7         | 996.0                   | 964.2                    | 31.80                      | 31.317            |                    |        |

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-8N - Wellbore #1 - Plan #1 (8 |                     |                     |                     |                |             |                       |                                   |            |                      |                       |                         |                   | Offset Site Error: | 0.0 ft |
|--|---------------------|---------------------|---------------------|----------------|-------------|-----------------------|-----------------------------------|------------|----------------------|-----------------------|-------------------------|-------------------|--------------------|--------|
| Survey Program: 0-MWD  |                     |                     |                     |                |             |                       |                                   |            |                      |                       |                         |                   | Offset Well Error: | 0.0 ft |
| Reference  | Offset              |                     | Semi Major Axis     |                | Distance    |                       |                                   |            |                      |                       |                         |                   |                    |        |
| Measured Depth (ft)  | Vertical Depth (ft) | Measured Depth (ft) | Vertical Depth (ft) | Reference (ft) | Offset (ft) | Highside Toolface (°) | Offset Wellbore Centre +N/-S (ft) | +E/-W (ft) | Between Centres (ft) | Between Ellipses (ft) | Minimum Separation (ft) | Separation Factor | Warning            |        |
| 0.0  | 0.0                 | 0.0                 | 0.0                 | 0.0            | 0.0         | 88.04                 | 3.6                               | 106.4      | 106.5                |                       |                         |                   |                    |        |
| 100.0  | 100.0               | 99.0                | 99.0                | 0.1            | 0.1         | 88.04                 | 3.6                               | 106.4      | 106.5                | 106.3                 | 0.22                    | 476.204           |                    |        |
| 200.0  | 200.0               | 199.0               | 199.0               | 0.3            | 0.3         | 88.04                 | 3.6                               | 106.4      | 106.5                | 105.8                 | 0.67                    | 158.471 CC, ES    |                    |        |
| 300.0  | 300.0               | 299.0               | 299.0               | 0.6            | 0.6         | -173.65               | 3.6                               | 106.4      | 108.2                | 107.1                 | 1.12                    | 96.997            |                    |        |
| 400.0  | 399.8               | 398.8               | 398.8               | 0.8            | 0.8         | -173.93               | 3.6                               | 106.4      | 113.4                | 111.9                 | 1.56                    | 72.615            |                    |        |
| 500.0  | 499.5               | 498.5               | 498.5               | 1.0            | 1.0         | -174.35               | 3.6                               | 106.4      | 122.1                | 120.1                 | 2.02                    | 60.576            |                    |        |
| 600.0  | 598.7               | 597.7               | 597.7               | 1.3            | 1.2         | -174.84               | 3.6                               | 106.4      | 134.2                | 131.8                 | 2.47                    | 54.274            |                    |        |
| 700.0  | 697.5               | 696.5               | 696.5               | 1.6            | 1.5         | -175.35               | 3.6                               | 106.4      | 149.8                | 146.9                 | 2.93                    | 51.067            |                    |        |
| 800.0  | 795.8               | 794.8               | 794.8               | 2.0            | 1.7         | -175.85               | 3.6                               | 106.4      | 168.1                | 164.7                 | 3.39                    | 49.554            |                    |        |
| 900.0  | 894.1               | 893.1               | 893.1               | 2.4            | 1.9         | -176.26               | 3.6                               | 106.4      | 186.5                | 182.7                 | 3.85                    | 48.416            |                    |        |
| 1,000.0  | 992.3               | 991.3               | 991.3               | 2.8            | 2.1         | -176.60               | 3.6                               | 106.4      | 205.0                | 200.7                 | 4.32                    | 47.482            |                    |        |
| 1,100.0  | 1,090.6             | 1,089.6             | 1,089.6             | 3.2            | 2.3         | -176.88               | 3.6                               | 106.4      | 223.4                | 218.6                 | 4.78                    | 46.704            |                    |        |
| 1,200.0  | 1,188.9             | 1,187.9             | 1,187.9             | 3.7            | 2.6         | -177.12               | 3.6                               | 106.4      | 241.9                | 236.6                 | 5.25                    | 46.048            |                    |        |
| 1,300.0  | 1,287.2             | 1,286.2             | 1,286.2             | 4.1            | 2.8         | -177.32               | 3.6                               | 106.4      | 260.3                | 254.6                 | 5.72                    | 45.489            |                    |        |
| 1,400.0  | 1,385.4             | 1,384.4             | 1,384.4             | 4.5            | 3.0         | -177.50               | 3.6                               | 106.4      | 278.8                | 272.6                 | 6.19                    | 45.007            |                    |        |
| 1,500.0  | 1,483.7             | 1,482.7             | 1,482.7             | 4.9            | 3.2         | -177.65               | 3.6                               | 106.4      | 297.3                | 290.6                 | 6.67                    | 44.588            |                    |        |
| 1,600.0  | 1,582.0             | 1,581.0             | 1,581.0             | 5.3            | 3.4         | -177.79               | 3.6                               | 106.4      | 315.8                | 308.6                 | 7.14                    | 44.220            |                    |        |
| 1,700.0  | 1,680.3             | 1,679.3             | 1,679.3             | 5.7            | 3.7         | -177.91               | 3.6                               | 106.4      | 334.2                | 326.6                 | 7.61                    | 43.894            |                    |        |
| 1,800.0  | 1,778.5             | 1,777.5             | 1,777.5             | 6.2            | 3.9         | -178.02               | 3.6                               | 106.4      | 352.7                | 344.6                 | 8.09                    | 43.604            |                    |        |
| 1,900.0  | 1,876.8             | 1,875.8             | 1,875.8             | 6.6            | 4.1         | -178.12               | 3.6                               | 106.4      | 371.2                | 362.6                 | 8.56                    | 43.345            |                    |        |
| 2,000.0  | 1,975.1             | 1,974.1             | 1,974.1             | 7.0            | 4.3         | -178.21               | 3.6                               | 106.4      | 389.6                | 380.6                 | 9.04                    | 43.111            |                    |        |
| 2,100.0  | 2,073.4             | 2,072.4             | 2,072.4             | 7.4            | 4.5         | -178.29               | 3.6                               | 106.4      | 408.1                | 398.6                 | 9.51                    | 42.899            |                    |        |
| 2,200.0  | 2,171.7             | 2,170.7             | 2,170.7             | 7.8            | 4.8         | -178.36               | 3.6                               | 106.4      | 426.6                | 416.6                 | 9.99                    | 42.706            |                    |        |
| 2,300.0  | 2,269.9             | 2,268.9             | 2,268.9             | 8.3            | 5.0         | -178.43               | 3.6                               | 106.4      | 445.1                | 434.6                 | 10.46                   | 42.530            |                    |        |
| 2,400.0  | 2,368.2             | 2,367.2             | 2,367.2             | 8.7            | 5.2         | -178.50               | 3.6                               | 106.4      | 463.6                | 452.6                 | 10.94                   | 42.369            |                    |        |
| 2,500.0  | 2,466.5             | 2,465.5             | 2,465.5             | 9.1            | 5.4         | -178.55               | 3.6                               | 106.4      | 482.0                | 470.6                 | 11.42                   | 42.220            |                    |        |
| 2,600.0  | 2,564.8             | 2,563.8             | 2,563.8             | 9.5            | 5.6         | -178.54               | 3.1                               | 106.3      | 500.4                | 488.5                 | 11.88                   | 42.118            |                    |        |
| 2,700.0  | 2,663.0             | 2,662.0             | 2,662.0             | 10.0           | 5.8         | -178.26               | 0.0                               | 105.8      | 518.0                | 505.7                 | 12.32                   | 42.048            |                    |        |
| 2,800.0  | 2,761.3             | 2,760.3             | 2,760.3             | 10.4           | 6.0         | -177.71               | -5.8                              | 104.9      | 534.9                | 522.2                 | 12.76                   | 41.935            |                    |        |
| 2,900.0  | 2,859.6             | 2,858.6             | 2,858.6             | 10.8           | 6.2         | -176.92               | -14.3                             | 103.5      | 551.3                | 538.1                 | 13.20                   | 41.751            |                    |        |
| 3,000.0  | 2,957.9             | 2,956.9             | 2,956.9             | 11.2           | 6.4         | -176.09               | -23.6                             | 102.0      | 567.4                | 553.7                 | 13.66                   | 41.542            |                    |        |
| 3,100.0  | 3,056.1             | 3,055.1             | 3,055.1             | 11.6           | 6.5         | -175.30               | -32.8                             | 100.5      | 583.6                | 569.5                 | 14.12                   | 41.328            |                    |        |
| 3,200.0  | 3,154.4             | 3,153.4             | 3,153.4             | 12.1           | 6.7         | -174.55               | -42.1                             | 99.0       | 600.0                | 585.4                 | 14.59                   | 41.111            |                    |        |
| 3,300.0  | 3,252.7             | 3,251.7             | 3,251.7             | 12.5           | 6.9         | -173.85               | -51.4                             | 97.5       | 616.4                | 601.3                 | 15.08                   | 40.889            |                    |        |
| 3,400.0  | 3,351.0             | 3,350.0             | 3,350.0             | 12.9           | 7.2         | -173.18               | -60.7                             | 96.0       | 632.9                | 617.4                 | 15.56                   | 40.668            |                    |        |
| 3,500.0  | 3,449.3             | 3,448.3             | 3,448.3             | 13.3           | 7.4         | -172.55               | -70.0                             | 94.5       | 649.5                | 633.5                 | 16.06                   | 40.446            |                    |        |
| 3,600.0  | 3,547.5             | 3,546.5             | 3,546.5             | 13.8           | 7.6         | -171.95               | -79.3                             | 93.0       | 666.2                | 649.7                 | 16.56                   | 40.227            |                    |        |
| 3,700.0  | 3,645.8             | 3,644.8             | 3,644.8             | 14.2           | 7.8         | -171.37               | -88.6                             | 91.4       | 683.0                | 665.9                 | 17.07                   | 40.011            |                    |        |
| 3,800.0  | 3,744.1             | 3,743.1             | 3,743.1             | 14.6           | 8.0         | -170.83               | -97.9                             | 89.9       | 699.8                | 682.2                 | 17.58                   | 39.798            |                    |        |
| 3,900.0  | 3,842.4             | 3,841.4             | 3,841.4             | 15.0           | 8.3         | -170.31               | -107.2                            | 88.4       | 716.6                | 698.5                 | 18.10                   | 39.589            |                    |        |
| 4,000.0  | 3,940.6             | 3,939.6             | 3,939.6             | 15.5           | 8.5         | -169.81               | -116.5                            | 86.9       | 733.6                | 714.9                 | 18.63                   | 39.385            |                    |        |
| 4,100.0  | 4,038.9             | 4,037.9             | 4,037.9             | 15.9           | 8.7         | -169.33               | -125.7                            | 85.4       | 750.5                | 731.4                 | 19.15                   | 39.186            |                    |        |
| 4,200.0  | 4,137.2             | 4,136.2             | 4,136.2             | 16.3           | 9.0         | -168.88               | -135.0                            | 83.9       | 767.6                | 747.9                 | 19.68                   | 38.994            |                    |        |
| 4,300.0  | 4,235.5             | 4,234.5             | 4,234.5             | 16.7           | 9.2         | -168.57               | -142.6                            | 82.7       | 784.8                | 764.6                 | 20.20                   | 38.856            |                    |        |
| 4,400.0  | 4,333.7             | 4,332.7             | 4,332.7             | 17.2           | 9.4         | -168.44               | -147.9                            | 81.8       | 802.3                | 781.6                 | 20.69                   | 38.772            |                    |        |
| 4,500.0  | 4,432.0             | 4,431.0             | 4,431.0             | 17.6           | 9.6         | -168.49               | -150.8                            | 81.3       | 820.1                | 799.0                 | 21.17                   | 38.747 SF         |                    |        |
| 4,600.0  | 4,530.3             | 4,529.3             | 4,529.3             | 18.0           | 9.8         | -168.69               | -151.4                            | 81.2       | 838.2                | 816.6                 | 21.62                   | 38.772            |                    |        |
| 4,700.0  | 4,628.6             | 4,627.6             | 4,627.6             | 18.4           | 10.0        | -168.94               | -151.4                            | 81.2       | 856.3                | 834.3                 | 22.07                   | 38.801            |                    |        |
| 4,800.0  | 4,726.8             | 4,725.8             | 4,725.8             | 18.8           | 10.2        | -169.17               | -151.4                            | 81.2       | 874.5                | 852.0                 | 22.52                   | 38.823            |                    |        |
| 4,900.0  | 4,825.1             | 4,824.1             | 4,824.1             | 19.3           | 10.4        | -169.39               | -151.4                            | 81.2       | 892.7                | 869.7                 | 22.98                   | 38.843            |                    |        |
| 5,000.0  | 4,923.4             | 4,922.4             | 4,922.4             | 19.7           | 10.7        | -169.60               | -151.4                            | 81.2       | 910.8                | 887.4                 | 23.44                   | 38.861            |                    |        |

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

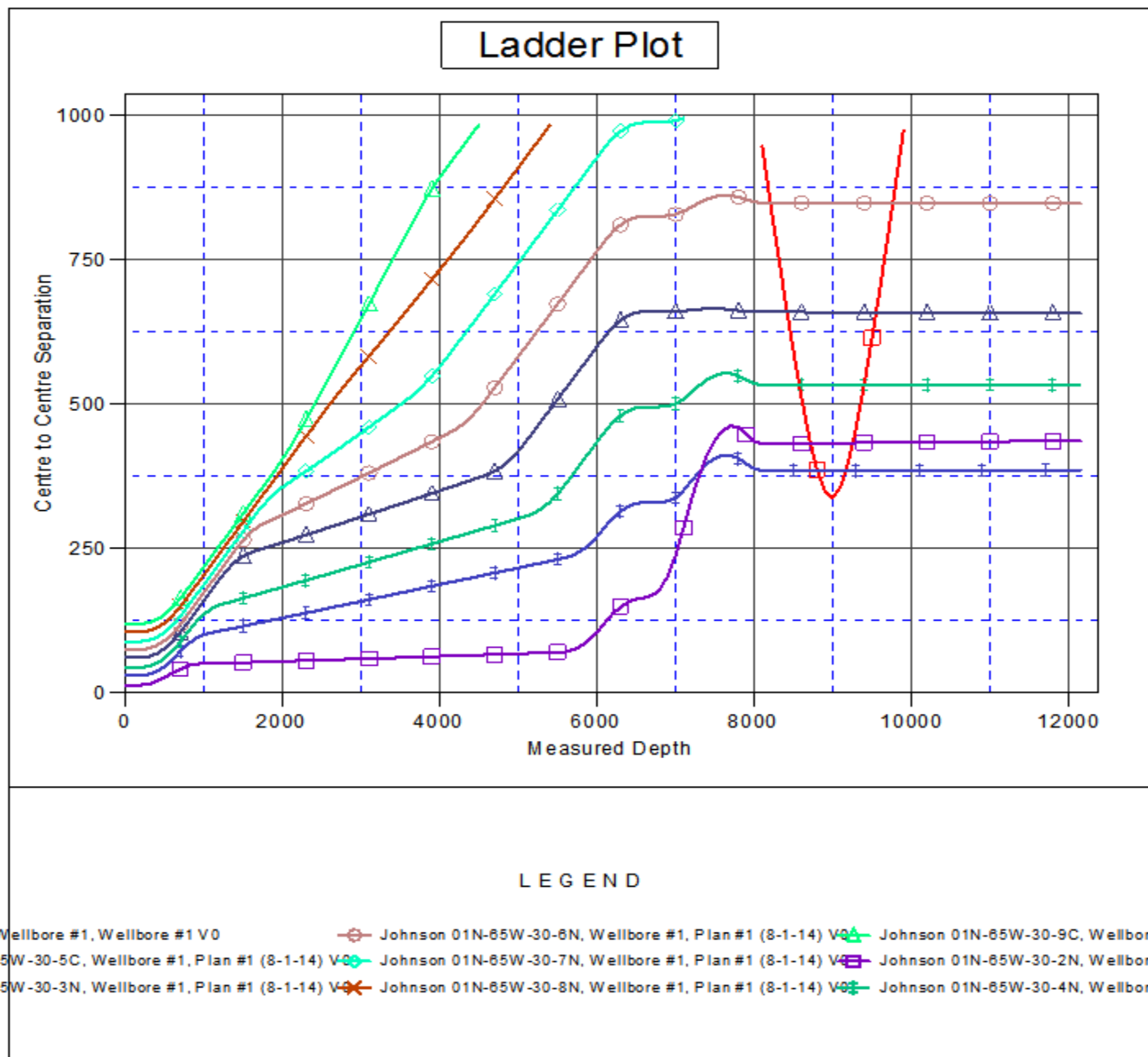
|  |                |                |                |                 |        |                   |                        |            |                 |                    |                    |         |                   |
|--|----------------|----------------|----------------|-----------------|--------|-------------------|------------------------|------------|-----------------|--------------------|--------------------|---------|-------------------|
| Offset Design Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-8N - Wellbore #1 - Plan #1 (8 |                |                |                |                 |        |                   |                        |            |                 | Offset Site Error: |                    | 0.0 ft  |                   |
| Survey Program: 0-MWD  |                |                |                |                 |        |                   |                        |            |                 | Offset Well Error: |                    | 0.0 ft  |                   |
| Reference  |                | Offset         |                | Semi Major Axis |        | Distance          |                        |            |                 |                    |                    | Warning |                   |
| Measured Depth   | Vertical Depth | Measured Depth | Vertical Depth | Reference       | Offset | Highside Toolface | Offset Wellbore Centre |            | Between Centres | Between Ellipses   | Minimum Separation |         | Separation Factor |
| (ft)   | (ft)           | (ft)           | (ft)           | (ft)            | (ft)   | (°)               | +N/-S (ft)             | +E/-W (ft) | (ft)            | (ft)               | (ft)               |         |                   |
|  |                |                |                |                 |        |                   |                        |            |                 |                    |                    |         |                   |
| 5,100.0  | 5,021.7        | 5,027.6        | 5,020.7        | 20.1            | 10.9   | -169.81           | -151.4                 | 81.2       | 929.0           | 905.1              | 23.90              | 38.878  |                   |
| 5,200.0  | 5,120.0        | 5,125.9        | 5,119.0        | 20.5            | 11.1   | -170.01           | -151.4                 | 81.2       | 947.2           | 922.9              | 24.36              | 38.893  |                   |
| 5,300.0  | 5,218.2        | 5,224.2        | 5,217.2        | 21.0            | 11.3   | -170.20           | -151.4                 | 81.2       | 965.5           | 940.6              | 24.81              | 38.907  |                   |
| 5,400.0  | 5,316.5        | 5,322.5        | 5,315.5        | 21.4            | 11.5   | -170.38           | -151.4                 | 81.2       | 983.7           | 958.4              | 25.27              | 38.920  |                   |

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

| Offset Design Johnson 01N-65W-30-1C Pad Sec.30-T1N-R65W - Johnson 01N-65W-30-9C - Wellbore #1 - Plan #1 (8 |                     |                     |                     |           |        |                 |                       |                                   |                                   |                               |                                |                         | Offset Site Error: | 0.0 ft  |
|--|---------------------|---------------------|---------------------|-----------|--------|-----------------|-----------------------|-----------------------------------|-----------------------------------|-------------------------------|--------------------------------|-------------------------|--------------------|---------|
| Survey Program: 0-MWD  |                     |                     |                     |           |        |                 |                       |                                   |                                   |                               |                                |                         | Offset Well Error: | 0.0 ft  |
| Measured Depth (ft)  | Vertical Depth (ft) | Measured Depth (ft) | Vertical Depth (ft) | Reference | Offset | Semi Major Axis | Highside Toolface (°) | Offset Wellbore Centre +N/-S (ft) | Offset Wellbore Centre +E/-W (ft) | Distance Between Centres (ft) | Distance Between Ellipses (ft) | Minimum Separation (ft) | Separation Factor  | Warning |
| 0.0  | 0.0                 | 0.0                 | 0.0                 | 0.0       | 0.0    | 88.27           |                       | 3.6                               | 120.4                             | 120.5                         |                                |                         |                    |         |
| 100.0  | 100.0               | 99.0                | 99.0                | 0.1       | 0.1    | 88.27           |                       | 3.6                               | 120.4                             | 120.5                         | 120.3                          | 0.22                    | 538.793            |         |
| 200.0  | 200.0               | 199.0               | 199.0               | 0.3       | 0.3    | 88.27           |                       | 3.6                               | 120.4                             | 120.5                         | 119.8                          | 0.67                    | 179.299 CC, ES     |         |
| 300.0  | 300.0               | 299.0               | 299.0               | 0.6       | 0.6    | -173.41         |                       | 3.6                               | 120.4                             | 122.2                         | 121.1                          | 1.12                    | 109.541            |         |
| 400.0  | 399.8               | 398.8               | 398.8               | 0.8       | 0.8    | -173.67         |                       | 3.6                               | 120.4                             | 127.4                         | 125.9                          | 1.56                    | 81.574             |         |
| 500.0  | 499.5               | 498.5               | 498.5               | 1.0       | 1.0    | -174.06         |                       | 3.6                               | 120.4                             | 136.1                         | 134.1                          | 2.02                    | 67.515             |         |
| 600.0  | 598.7               | 597.7               | 597.7               | 1.3       | 1.2    | -174.52         |                       | 3.6                               | 120.4                             | 148.2                         | 145.8                          | 2.47                    | 59.925             |         |
| 700.0  | 697.5               | 696.5               | 696.5               | 1.6       | 1.5    | -175.02         |                       | 3.6                               | 120.4                             | 163.8                         | 160.9                          | 2.93                    | 55.825             |         |
| 800.0  | 795.8               | 794.8               | 794.8               | 2.0       | 1.7    | -175.51         |                       | 3.6                               | 120.4                             | 182.0                         | 178.7                          | 3.39                    | 53.664             |         |
| 900.0  | 894.1               | 893.1               | 893.1               | 2.4       | 1.9    | -175.92         |                       | 3.6                               | 120.4                             | 200.5                         | 196.6                          | 3.85                    | 52.032             |         |
| 1,000.0  | 992.3               | 991.3               | 991.3               | 2.8       | 2.1    | -176.27         |                       | 3.6                               | 120.4                             | 218.9                         | 214.6                          | 4.32                    | 50.705             |         |
| 1,100.0  | 1,090.6             | 1,089.6             | 1,089.6             | 3.2       | 2.3    | -176.56         |                       | 3.6                               | 120.4                             | 237.4                         | 232.6                          | 4.78                    | 49.610             |         |
| 1,200.0  | 1,188.9             | 1,187.9             | 1,187.9             | 3.7       | 2.6    | -176.81         |                       | 3.6                               | 120.4                             | 255.8                         | 250.6                          | 5.25                    | 48.693             |         |
| 1,300.0  | 1,287.2             | 1,286.2             | 1,286.2             | 4.1       | 2.8    | -177.02         |                       | 3.6                               | 120.4                             | 274.3                         | 268.6                          | 5.72                    | 47.915             |         |
| 1,400.0  | 1,385.4             | 1,384.4             | 1,384.4             | 4.5       | 3.0    | -177.21         |                       | 3.6                               | 120.4                             | 292.7                         | 286.5                          | 6.20                    | 47.247             |         |
| 1,500.0  | 1,483.7             | 1,482.7             | 1,482.7             | 4.9       | 3.2    | -177.37         |                       | 3.6                               | 120.4                             | 311.2                         | 304.5                          | 6.67                    | 46.668             |         |
| 1,600.0  | 1,582.0             | 1,581.0             | 1,581.0             | 5.3       | 3.4    | -177.52         |                       | 3.6                               | 120.4                             | 329.7                         | 322.5                          | 7.14                    | 46.161             |         |
| 1,700.0  | 1,680.3             | 1,679.3             | 1,679.3             | 5.7       | 3.7    | -177.65         |                       | 3.6                               | 120.4                             | 348.1                         | 340.5                          | 7.62                    | 45.715             |         |
| 1,800.0  | 1,778.5             | 1,777.5             | 1,777.5             | 6.2       | 3.9    | -177.77         |                       | 3.6                               | 120.4                             | 366.6                         | 358.5                          | 8.09                    | 45.318             |         |
| 1,900.0  | 1,876.8             | 1,871.9             | 1,871.9             | 6.6       | 4.1    | -177.79         |                       | 3.1                               | 120.9                             | 385.5                         | 376.9                          | 8.54                    | 45.143 SF          |         |
| 2,000.0  | 1,975.1             | 1,964.6             | 1,964.5             | 7.0       | 4.2    | -177.54         |                       | 0.9                               | 122.7                             | 405.6                         | 396.6                          | 8.97                    | 45.223             |         |
| 2,100.0  | 2,073.4             | 2,056.7             | 2,056.5             | 7.4       | 4.4    | -177.05         |                       | -3.0                              | 125.9                             | 427.0                         | 417.6                          | 9.40                    | 45.441             |         |
| 2,200.0  | 2,171.7             | 2,148.0             | 2,147.6             | 7.8       | 4.6    | -176.38         |                       | -8.7                              | 130.4                             | 449.8                         | 440.0                          | 9.83                    | 45.744             |         |
| 2,300.0  | 2,269.9             | 2,239.3             | 2,238.3             | 8.3       | 4.8    | -175.54         |                       | -15.9                             | 136.3                             | 474.0                         | 463.7                          | 10.28                   | 46.107             |         |
| 2,400.0  | 2,368.2             | 2,335.9             | 2,334.3             | 8.7       | 5.0    | -174.65         |                       | -24.3                             | 143.2                             | 498.8                         | 488.0                          | 10.75                   | 46.418             |         |
| 2,500.0  | 2,466.5             | 2,432.5             | 2,430.3             | 9.1       | 5.2    | -173.85         |                       | -32.7                             | 150.0                             | 523.7                         | 512.5                          | 11.22                   | 46.681             |         |
| 2,600.0  | 2,564.8             | 2,529.1             | 2,526.3             | 9.5       | 5.4    | -173.12         |                       | -41.1                             | 156.8                             | 548.7                         | 537.0                          | 11.70                   | 46.895             |         |
| 2,700.0  | 2,663.0             | 2,625.7             | 2,622.3             | 10.0      | 5.7    | -172.45         |                       | -49.5                             | 163.7                             | 573.7                         | 561.6                          | 12.19                   | 47.078             |         |
| 2,800.0  | 2,761.3             | 2,722.3             | 2,718.2             | 10.4      | 5.9    | -171.84         |                       | -57.9                             | 170.5                             | 598.9                         | 586.2                          | 12.68                   | 47.229             |         |
| 2,900.0  | 2,859.6             | 2,818.9             | 2,814.2             | 10.8      | 6.1    | -171.28         |                       | -66.3                             | 177.3                             | 624.1                         | 610.9                          | 13.18                   | 47.356             |         |
| 3,000.0  | 2,957.9             | 2,915.5             | 2,910.2             | 11.2      | 6.4    | -170.76         |                       | -74.8                             | 184.2                             | 649.3                         | 635.6                          | 13.68                   | 47.461             |         |
| 3,100.0  | 3,056.1             | 3,012.1             | 3,006.2             | 11.6      | 6.6    | -170.28         |                       | -83.2                             | 191.0                             | 674.6                         | 660.4                          | 14.19                   | 47.550             |         |
| 3,200.0  | 3,154.4             | 3,108.7             | 3,102.2             | 12.1      | 6.9    | -169.83         |                       | -91.6                             | 197.8                             | 699.9                         | 685.2                          | 14.70                   | 47.624             |         |
| 3,300.0  | 3,252.7             | 3,205.3             | 3,198.2             | 12.5      | 7.2    | -169.42         |                       | -100.0                            | 204.7                             | 725.3                         | 710.1                          | 15.21                   | 47.686             |         |
| 3,400.0  | 3,351.0             | 3,301.9             | 3,294.2             | 12.9      | 7.4    | -169.03         |                       | -108.4                            | 211.5                             | 750.7                         | 735.0                          | 15.73                   | 47.737             |         |
| 3,500.0  | 3,449.3             | 3,398.5             | 3,390.2             | 13.3      | 7.7    | -168.67         |                       | -116.8                            | 218.3                             | 776.2                         | 759.9                          | 16.24                   | 47.780             |         |
| 3,600.0  | 3,547.5             | 3,495.1             | 3,486.2             | 13.8      | 8.0    | -168.33         |                       | -125.2                            | 225.2                             | 801.6                         | 784.8                          | 16.76                   | 47.816             |         |
| 3,700.0  | 3,645.8             | 3,593.4             | 3,583.9             | 14.2      | 8.2    | -168.01         |                       | -133.7                            | 232.1                             | 827.1                         | 809.8                          | 17.29                   | 47.837             |         |
| 3,800.0  | 3,744.1             | 3,707.3             | 3,697.3             | 14.6      | 8.5    | -167.77         |                       | -142.0                            | 238.9                             | 851.4                         | 833.6                          | 17.82                   | 47.776             |         |
| 3,900.0  | 3,842.4             | 3,822.5             | 3,812.2             | 15.0      | 8.8    | -167.70         |                       | -147.8                            | 243.5                             | 873.8                         | 855.4                          | 18.34                   | 47.650             |         |
| 4,000.0  | 3,940.6             | 3,938.6             | 3,928.3             | 15.5      | 9.0    | -167.81         |                       | -150.8                            | 246.0                             | 894.1                         | 875.3                          | 18.84                   | 47.463             |         |
| 4,100.0  | 4,038.9             | 4,048.2             | 4,037.9             | 15.9      | 9.2    | -168.05         |                       | -151.4                            | 246.4                             | 912.6                         | 893.3                          | 19.31                   | 47.256             |         |
| 4,200.0  | 4,137.2             | 4,146.5             | 4,136.2             | 16.3      | 9.4    | -168.29         |                       | -151.4                            | 246.4                             | 930.7                         | 910.9                          | 19.77                   | 47.087             |         |
| 4,300.0  | 4,235.5             | 4,244.8             | 4,234.5             | 16.7      | 9.6    | -168.52         |                       | -151.4                            | 246.4                             | 948.8                         | 928.6                          | 20.22                   | 46.919             |         |
| 4,400.0  | 4,333.7             | 4,343.1             | 4,332.7             | 17.2      | 9.8    | -168.73         |                       | -151.4                            | 246.4                             | 966.9                         | 946.2                          | 20.68                   | 46.757             |         |
| 4,500.0  | 4,432.0             | 4,441.3             | 4,431.0             | 17.6      | 10.0   | -168.94         |                       | -151.4                            | 246.4                             | 985.1                         | 963.9                          | 21.14                   | 46.602             |         |

|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

Reference Depths are relative to WELL @ 5013.0ft (Original Well Elev) Coordinates are relative to: Johnson 01N-65W-30-1C  
 Offset Depths are relative to Offset Datum  
 Central Meridian is -105.500000 °  
 Coordinate System is US State Plane 1983, Colorado Northern Zone  
 Grid Convergence at Surface is: 0.51°



|                           |  |                                     |                                      |
|---------------------------|--|-------------------------------------|--------------------------------------|
| <b>Company:</b>           | Verdad Oil & Gas Corporation                 | <b>Local Co-ordinate Reference:</b> | Well Johnson 01N-65W-30-1C           |
| <b>Project:</b>           | SEC.30-T1N-R65W                              | <b>TVD Reference:</b>               | WELL @ 5013.0ft (Original Well Elev) |
| <b>Reference Site:</b>    | Johnson 01N-65W-30-1C Pad<br>Sec.30-T1N-R65W | <b>MD Reference:</b>                | WELL @ 5013.0ft (Original Well Elev) |
| <b>Site Error:</b>        | 0.0ft  | <b>North Reference:</b>             | True                                 |
| <b>Reference Well:</b>    | Johnson 01N-65W-30-1C                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                    |
| <b>Well Error:</b>        | 0.0ft  | <b>Output errors are at</b>         | 2.00 sigma                           |
| <b>Reference Wellbore</b> | Wellbore #1                                  | <b>Database:</b>                    | landmark                             |
| <b>Reference Design:</b>  | Plan #2 (8-5-14)                             | <b>Offset TVD Reference:</b>        | Offset Datum                         |

Reference Depths are relative to WELL @ 5013.0ft (Original Well Elev) Coordinates are relative to: Johnson 01N-65W-30-1C  
 Offset Depths are relative to Offset Datum  
 Central Meridian is -105.500000 °  
 Coordinate System is US State Plane 1983, Colorado Northern Zone  
 Grid Convergence at Surface is: 0.51°

