

August 8, 2014

State of Colorado  
Attn: Matt Lepore  
Oil & Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

Re: **Rule 318A.a. and Rule 318A.c. Exception Location Request (Johnson 01N-65W-30 Pad)**  
**Johnson 01N-65W-30-1C, Johnson 01N-65W-30-2N, Johnson 01N-65W-30-3N, Johnson 01N-65W-30-4N,**  
**Johnson 01N-65W-30-5C, Johnson 01N-65W-30-6N, Johnson 01N-65W-30-7N, Johnson 01N-65W-30-8N**  
**and Johnson 01N-65W-30-9C**  
SESW, Section 30, T1N R65W  
Weld County, Colorado

Dear Director:

Verdad Oil & Gas Corp. (Verdad) is requesting an exception to Rule 318A.a. and Rule 318A.c. for the above-captioned wells.

The locations are planned outside of a GWA window and are not within 50' of an existing well. This location is a good location in order to drill horizontal wells with sufficient lateral length in the producible zone and build sufficient production facilities on location.

A waiver from the affected surface owner is part of the signed Surface Use Agreement as noted on page 4, #9 COGCC Waivers.

If you have any questions, please contact the undersigned at 214-838-2783.

Sincerely,

A handwritten signature in blue ink that reads "L. Arthur Beecherl, IV". The signature is stylized with a large, sweeping "L" and a prominent "B".

L. Arthur Beecherl, IV  
Vice President of Operations  
Verdad Oil and Gas Corporation