

09/23/2014

VIA ELECTRONIC TRANSMITTAL

Colorado Oil and Gas Conservation Commission  
Attn: Matt Lepore, Director  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

RE: 318A.m Exception Request

**Young 01N-65W-28-6N Well: 230' FNL, 1,305' FEL, Sec. 28-T1N-R65W, Weld County, Colorado**

Dear Mr. Lepore,

Verdad Oil & Gas Corp. (Verdad) hereby respectfully requests an exception to COGCC rule 318A.m which states that no horizontal wellbore lateral shall be located less than one hundred fifty (150) feet from any existing or permitted oil or gas wellbore. The offset well (Glen Young 1; API# 05-123-10319) has been evaluated per the COGCC Horizontal Offset Policy and the evaluation has shown that it was plugged sufficiently in February, 1993. Further, the operator (K P Kauffman, Inc) that plugged the well is no longer operating the well or retaining any mineral leasehold in the subject section. Thus, Verdad respectfully requests the Director grant an exception for the need to obtain a waiver from K P Kauffman, Inc. for encroachment upon the Glen Young 1. Should you have any questions or concerns please contact the undersigned at (214) 728 -1840.

Sincerely,



L. Arthur Beecherl, IV  
Vice President of Operations  
Verdad Oil and Gas Corporation  
5950 Cedar Springs Road, Suite 200  
Dallas, TX 75235