

04/14/2016

Via Electronic Mail with Return Receipt Requested

State of Colorado Land Board
Attn: Steve Freese
1127 Sherman Street, Suite 300
Denver, CO 80203

RE: Rule 305.f.(3) Statutory Notice to Surface Owner:

State 02-63-16-1H Well: 300' FSL, 212' FEL, Sec. 16-T2N-R63W, Weld County, Colorado

Dear Mr. Freese,

You are being provided this as a mandatory notice due to land ownership that Weld County identifies as belonging to the State of Colorado in the SE/4 of Section 16 2N-63W. Verdad Oil & Gas Corp. ("Verdad") intends to move in construction equipment to build the above referenced well's described location within 30-45 days of the date of this letter. Colorado Oil and Gas Conservation Commission Rule 305.f.(2), stipulates that we must notify the surface owner not less than 30 days of our intention to commence operations with heavy equipment. We recommend you notify any tenants of our intention. Per the provisions of COGCC rule 305.f.(3), you are entitled to the following information:

a. Operator name and contact info:

Verdad Oil & Gas Corporation
5950 Cedar Springs Road, Suite 200
Dallas, TX 75235
Contact Name: Arthur Beecherl
Contact Cell: (214) 728-1840
Contact Email: abeecherl@verdadoil.com

- b. A site diagram or plat of the proposed well location and any associated roads and production facilities. These are attached below.**
- c. We intend to move in heavy equipment sometime after May 15th, 2016 and before May 30th, 2016.**
- d. A copy of the COGCC Informational Brochure for Surface Owners is attached below.**
- e. You may use my email address and contact information above to request any further consultation pursuant to rule 306.**
- f. A copy of the COGCC Onsite Inspection Policy is attached below as well.**

You may contact the following me concerning the proposed operations at my contact information above with any questions or concerns regarding this notice.

Should you wish to waive your rights under provisions 305.f, please indicate so on the following page and send back to me via email or mail at the contact information in Part A of this letter.

Thank you for your attention to this matter.

Sincerely,



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

Waiver of COGCC Rule 305.f

For:

State of Colorado Land Board
1127 Sherman Street, Suite 300
Denver, CO 80203

Should you have no objections to the Surface Owner notice in this proposal, please indicate so by signing the section below.

I, _____, acting as agent of the State of Colorado Land Board do hereby approve of Verdad Oil & Gas Corporation's surface use on the above described lands and do hereby waive all notification provisions of COGCC Rule 305.f for drilling the subject well.

Signed _____ this _____ day of _____, 2016

Title _____

Please return this page to:

Arthur Beecherl
Email: abeecherl@verdadoil.com

or

Philip Davis
Email: pdavis@verdadoil.com