

Memorandum of Surface Use Agreement

WHEREAS on the 21ST day of May, 2014, Stephen Roscoe Johnson, as Trustee of The Stephen Roscoe Johnson Revocable Trust, dated the 28th Day of October, 2008, whose address is 2121 Night Sky Lane, Lafayette, CO 80026, hereinafter referred to as "Owner" entered into a Surface Use Agreement (hereinafter the "Agreement") with Verdad Oil and Gas Corporation, a Texas Corporation, whose address is 5950 Cedar Springs Road, Suite 200, Dallas, Texas 75235, hereinafter referred to as "Operator," covering and affecting property with the legal description identified as the following ("Property"):

TOWNSHIP 1 NORTH, RANGE 65 WEST, 6TH P.M.

Section 30: S2SW4, being more particularly described in that certain Warranty Deed dated December 9, 2008, from Stephen R. Johnson, as Grantor, to The Stephen Roscoe Johnson Revocable Trust, dated the 28th Day of October, 2008, as Grantee, and recorded under Reception No. 3594551 in the Records of the Clerk and Recorder of Weld County, Colorado.

WHEREAS said Agreement provides for, among other things, the right to enter upon and use the Owner's property for the purpose of erecting and maintaining well site locations and to perform other services as Operator and other functions described in the Agreement, and it also sets forth payment of specific amounts to cover damages resulting thereto. The Agreement, with all of its terms, conditions, covenants and other provisions, is referred to and incorporated into this Memorandum for all purposes.

NOW THEREFORE this Memorandum is placed of record for the purpose of giving notice of the Surface Use Agreement. Any person having the lawful right or legitimate interest therein may examine a copy of the Surface Use Agreement in Verdad Oil and Gas Corporation's office during normal business hours.

IN WITNESS WHEREOF, the parties hereto have executed this instrument this 27TH day of MARCH, 2015.

Owner:
The Stephen Roscoe Johnson Revocable Trust dated the 28th Day of October, 2008.

Signature of Stephen Roscoe Johnson, Trustee
By: Stephen Roscoe Johnson, Trustee

Operator:
Verdad Oil and Gas Corporation

Signature of Philip W. Davis
Philip W. Davis
Vice President Land

STATE OF COLORADO
COUNTY OF BOULDER

ss.

This instrument was acknowledged before me this 27th day of MARCH, 2015, by

WITNESS MY HAND AND OFFICIAL SEAL.

Notary Seal: KAREN C. RICHMOND, NOTARY PUBLIC, STATE OF COLORADO, NOTARY ID 20094019634, MY COMMISSION EXPIRES JUNE 29, 2017

Signature of Karen C. Richmond, Notary Public, State of CO

STATE OF TEXAS
COUNTY OF DALLAS

ss.

This instrument was acknowledged before me this 19 day of March, 2015, by Philip W. Davis, Vice President Land of Verdad Oil and Gas Corporation.

WITNESS MY HAND AND OFFICIAL SEAL.

Notary Seal: RENEE WARNOCK, Notary Public, State of Texas, My Commission Expires December 16, 2018

Signature of Renee Warnock, Notary Public, State of TX



8. Waivers

Except as otherwise agreed in a subsequent writing subscribed to by both parties, no waiver by Owner of any breach by the Operator of any of its obligations, agreements, or covenants hereunder shall be deemed to be a waiver of any subsequent or continuing breach of the same, nor shall any forbearance by Owner to seek a remedy for any particular alleged or actionable breach by the Operator be deemed to be a waiver by Owner of its rights or remedies with respect to any other alleged or actionable breach; however in no event shall Operator be liable for consequential damages.

9. COGCC Waivers

Owner hereby waives the minimum 30-day written notice requirement for operations to begin and any other and/or future notice or consultation requirements of the COGCC, including without limitation the provisions and allowed waivers under COGCC Rules 305 and 306.

Additionally, Owner hereby waives the Greater Wattenberg Area ("GWA") special well location, spacing and unit designation requirements of the COGCC, including without limitation the provisions and allowed waivers under COGCC rules 318A.a, 318A.c and 603.a.(2). These GWA waivers are solely intended to minimize surface disturbance on Owner's lands while fully complying with Owner's wishes of this Surface Use Agreement.

10. Indemnity/Release

Owner hereby releases and agrees to hold harmless Operator from any and all liability and further payment, other than what has been provided herein, for damages on the Lands which arise from, out of or in connection with the Operator's operations on the Lands, but only as to those operations which are described in and permitted by this Agreement, and for those operations which the Amount has been paid and received by Owner pursuant to this Agreement. Operator agrees to indemnify and hold Owner harmless from any and all claims, damages and causes of action arising out of and caused by Operator's operations on the Lands that may be asserted by any of Operator's agents, employees, subcontractors, contractors or persons entering upon the premises at the request of Operator.

11. Notice for Additional Operations

Operator shall comply with COGCC rules and regulations requiring that advance notice be provided to Owner for subsequent operations on the Wells, including, but not limited to, reworking operations thereto.

12. Notices

Notice by either Party shall be timely given, orally if possible (with the exception of notices described in Paragraphs 6(C)(ii) and 7 above), with additional and immediate subsequent written confirmation sent by United States mail, postage prepaid and addressed to either Party at the address as designated below; or to such other place as either Party may from time to time designate by written notice delivered in the way described in this paragraph to the other:



Exhibit A

TOWNSHIP 1 NORTH, RANGE 65 WEST, 6TH P.M.

Section 30: S/2 SW/4, recorded under Reception No. 3594551, Weld County, Colorado.

