

September 26, 2014

State of Colorado, Oil & Gas Conservation Commission

Attn: Matt Lepore

1120 Lincoln Street, Suite 801

Denver, CO 80203

Re: **Letter to the Director, Rule 317.o Exception**

Pastelak 01N-64W-02 Pad, NWNW, Section 2, T1N, R64W, Weld County, Colorado

Well Names:

Pastelak 01N-64W-02-1C

Pastelak 01N-64W-02-6N

Pastelak 01N-64W-02-2N

Pastelak 01N-64W-02-7N

Pastelak 01N-64W-02-3N

Pastelak 01N-64W-02-8N

Pastelak 01N-64W-02-4N

Pastelak 01N-64W-02-9C

Pastelak 01N-64W-02-5C

Dear Director:

Verdad Oil and Gas Corporation (Verdad) intends to drill and produce the above referenced horizontal oil and gas well(s), to be located as described above. Verdad respectfully requests the Director to approve an exception to Rule 317.o for the referenced proposed wells, as suitable gamma ray and resistivity logs exist in the records from a prior well drilled in the vicinity of the surface hole location of the proposed new well(s).

The logs from the following prior-drilled well are proposed to provide adequate log coverage to characterize the geology of the area.

Well name(s) with Log	API #	Distance to Well Measured from lateral	Direction to Well	Document Numbers	Type of Log
Schweitzer 11-2	05-123-11025	~60' to ~800'	South	12311025 12311025	Induction Log Neutron Log

CBL and gamma logs will be run on the 7" first string, from the top of the curve to surface, on the proposed new well(s), and submitted to COGCC. The Drilling Completion Report- Form 5 submitted for each well will indicate that no open-hole logs were run. Verdad hereby requests the Director to grant an exception to Rule 317.o.

If you should have any questions or concerns regarding this permit, please contact the undersigned at (720) 299-4495.

Sincerely,



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