

September 29, 2014

VIA ELECTRONIC TRANSMITTAL

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

**RE: Rule 318A.a. and Rule 318A.c. Exception Location Request (Young 01N-65W-28 Pad)**  
**Young 01N-65W-28-1C, Young 01N-65W-28-2N, Young 01N-65W-28-3N, Young 01N-65W-28-7N, Young 01N-65W-28-8N, Young 01N-65W-28-9C**  
NENW of Section 2, Twp 1N, Range 64W, 6<sup>th</sup> PM  
Weld County, CO

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,

L. Arthur Beecherl, IV



Vice President of Operations  
Verdad Oil and Gas Corporation  
5950 Cedar Springs Road, Suite 200  
Dallas, TX 75235