

VERDAD RESOURCES

WATTENBERG FIELD

9N-60W-25 PEGGY 2501 PAD

PEGGY 2501-14H

Plan B

Design #1

Anticollision Summary Report

08 October, 2021

Anticollision Summary Report

| | | | |
|---------------------------|--------------------------|-------------------------------------|-------------------------------|
| Company: | VERDAD RESOURCES | Local Co-ordinate Reference: | Well PEGGY 2501-14H |
| Project: | WATTENBERG FIELD | TVD Reference: | RKB = 16' @ 4909.00usft (RIG) |
| Reference Site: | 9N-60W-25 PEGGY 2501 PAD | MD Reference: | RKB = 16' @ 4909.00usft (RIG) |
| Site Error: | 0.00 usft | North Reference: | True |
| Reference Well: | PEGGY 2501-14H | Survey Calculation Method: | Minimum Curvature |
| Well Error: | 3.28 usft | Output errors are at | 2.45 sigma |
| Reference Wellbore | Plan B | Database: | EDM 5000.16 Single User Db |
| Reference Design: | Design #1 | Offset TVD Reference: | Offset Datum |

| | | | |
|-------------------------------------|---|-----------------------|-----------------------|
| Reference | Design #1 | | |
| Filter type: | NO GLOBAL FILTER: Using user defined selection & filtering criteria | | |
| Interpolation Method: | Stations | Error Model: | ISCWSA |
| Depth Range: | Unlimited | Scan Method: | Closest Approach 3D |
| Results Limited by: | Maximum centre distance of 1,500.00usft | Error Surface: | Pedal Curve |
| Warning Levels Evaluated at: | 2.45 Sigma | Casing Method: | Added to Error Values |

| | | | | |
|----------------------------|------------------|--------------------------|------------------|-------------------------------|
| Survey Tool Program | Date | 10/8/2021 | | |
| From (usft) | To (usft) | Survey (Wellbore) | Tool Name | Description |
| 0.00 | 1,590.00 | Design #1 (Plan B) | ISCWSA MWD | Fixed:v2:standard declination |
| 1,590.00 | 14,554.66 | Design #1 (Plan B) | ISCWSA MWD | Fixed:v2:standard declination |

| | | | | | | |
|---|--|-------------------------------------|--|---|--------------------------|---------------------|
| Summary | | | | | | |
| Site Name | Reference Measured Depth (usft) | Offset Measured Depth (usft) | Distance Between Centres (usft) | Distance Between Ellipses (usft) | Separation Factor | Warning |
| Offset Well - Wellbore - Design | | | | | | |
| 8N-60W-11 SONIC STAR 1101 PAD | | | | | | |
| SONIC STAR 1101-01H - Plan B - Design #2 | | | | | | Out of range |
| SONIC STAR 1101-03H - Plan B - Design #2 | | | | | | Out of range |
| SONIC STAR 1101-05H - Plan B - Design #2 | | | | | | Out of range |
| SONIC STAR 1101-07H - Plan B - Design #2 | 14,554.66 | 15,037.39 | 1,464.10 | 1,085.15 | 3.864 | CC, ES, SF |
| SONIC STAR 1101-09H - Plan B - Design #2 | 14,554.66 | 15,183.77 | 787.51 | 408.97 | 2.080 | CC, ES, SF |
| SONIC STAR 1101-11H - Plan B - Design #2 | 14,554.66 | 15,571.19 | 137.25 | -196.70 | 0.411 | Level 1, CC, ES, SF |
| SONIC STAR 1101-13H - Plan B - Design #2 | 14,554.66 | 16,147.31 | 582.44 | 225.40 | 1.631 | CC, ES, SF |
| SONIC STAR 1101-16H - Plan B - Design #2 | 12,131.07 | 18,864.15 | 1,126.77 | 743.20 | 2.938 | CC, ES, SF |
| 9N-60W-25 Offsets | | | | | | |
| Shull 1-25-9-60 - Verdad Original Well - Actual Precision | 6,314.54 | 6,028.89 | 374.26 | 335.15 | 9.570 | CC, ES |
| Shull 1-25-9-60 - Verdad Original Well - Actual Precision | 6,500.00 | 6,038.00 | 421.04 | 371.75 | 8.542 | SF |
| Shull 1-25-9-60 - Verdad PR Sidetrack Well - Actual Prec | 6,314.54 | 6,028.89 | 374.26 | 335.15 | 9.570 | CC, ES |
| Shull 1-25-9-60 - Verdad PR Sidetrack Well - Actual Prec | 6,500.00 | 6,038.00 | 421.04 | 371.75 | 8.542 | SF |
| Shull 2-25-9-60 - Verdad PR Well - Actual Precision Surv | 5,400.67 | 5,212.70 | 231.89 | 181.31 | 4.584 | ES |
| Shull 2-25-9-60 - Verdad PR Well - Actual Precision Surv | 5,500.00 | 5,305.40 | 234.06 | 182.21 | 4.515 | SF |
| Shull 2-25-9-60 - Verdad PR Well - Actual Precision Surv | 6,184.44 | 6,028.02 | 220.41 | 183.14 | 5.914 | CC |
| Shull 3-25-9-60 - Verdad PR Well - Actual Precision Surv | 4,170.84 | 4,071.55 | 192.07 | 151.51 | 4.735 | CC, ES |
| Shull 3-25-9-60 - Verdad PR Well - Actual Precision Surv | 4,200.00 | 4,098.48 | 192.42 | 151.55 | 4.708 | SF |
| Shull 4-25-9-60 - Verdad Original Wellbore - Actual Preci | 3,897.75 | 3,823.73 | 169.40 | 132.41 | 4.580 | CC |
| Shull 4-25-9-60 - Verdad Original Wellbore - Actual Preci | 3,900.00 | 3,825.70 | 169.40 | 132.39 | 4.577 | ES |
| Shull 4-25-9-60 - Verdad Original Wellbore - Actual Preci | 4,200.00 | 4,093.91 | 217.52 | 145.68 | 3.028 | SF |
| Shull 4-25-9-60 - Verdad PR Sidetrack Well - Actual Prec | 3,918.94 | 3,841.83 | 208.25 | 171.27 | 5.631 | CC, ES, SF |
| Shull 5-25-9-60 - Verdad PR Well - Actual Titan Surveys | 5,800.00 | 5,482.00 | 423.08 | 377.70 | 9.323 | ES |
| Shull 5-25-9-60 - Verdad PR Well - Actual Titan Surveys | 5,862.47 | 5,525.00 | 425.21 | 379.08 | 9.217 | SF |
| Shull 5-25-9-60 - Verdad PR Well - Actual Titan Surveys | 6,359.83 | 5,929.98 | 417.50 | 380.71 | 11.346 | CC |
| Shull 6-25-9-60 - Verdad PR Well - Actual Titan Surveys | 6,256.77 | 6,018.30 | 66.01 | 28.70 | 1.769 | CC, ES, SF |
| Shull 7-25-9-60 - Verdad PR Well - Actual Titan Surveys | 4,474.22 | 4,282.00 | 201.67 | 161.13 | 4.975 | CC |
| Shull 7-25-9-60 - Verdad PR Well - Actual Titan Surveys | 4,500.00 | 4,305.77 | 201.86 | 160.97 | 4.936 | ES, SF |
| Shull 8-25-9-60 - Verdad PR Well - Actual Titan Surveys | 3,448.05 | 3,330.26 | 171.02 | 138.24 | 5.216 | CC, ES |
| Shull 8-25-9-60 - Verdad PR Well - Actual Titan Surveys | 3,500.00 | 3,377.61 | 172.38 | 139.09 | 5.179 | SF |

Anticollision Summary Report

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| Company: | VERDAD RESOURCES | Local Co-ordinate Reference: | Well PEGGY 2501-14H |
| Project: | WATTENBERG FIELD | TVD Reference: | RKB = 16' @ 4909.00usft (RIG) |
| Reference Site: | 9N-60W-25 PEGGY 2501 PAD | MD Reference: | RKB = 16' @ 4909.00usft (RIG) |
| Site Error: | 0.00 usft | North Reference: | True |
| Reference Well: | PEGGY 2501-14H | Survey Calculation Method: | Minimum Curvature |
| Well Error: | 3.28 usft | Output errors are at | 2.45 sigma |
| Reference Wellbore | Plan B | Database: | EDM 5000.16 Single User Db |
| Reference Design: | Design #1 | Offset TVD Reference: | Offset Datum |

| Summary | | | | | | |
|---|---------------------------------|------------------------------|---------------------------------|----------------------------------|-------------------|---------|
| Site Name | Reference Measured Depth (usft) | Offset Measured Depth (usft) | Distance Between Centres (usft) | Distance Between Ellipses (usft) | Separation Factor | Warning |
| Offset Well - Wellbore - Design | | | | | | |
| 9N-60W-25 PEGGY 2501 PAD | | | | | | |
| PEGGY 2501-01H - Verdad PR Well - Actual Baker Survey | 0.00 | 9.00 | 116.27 | | | |
| PEGGY 2501-01H - Verdad PR Well - Actual Baker Survey | 100.00 | 108.97 | 116.27 | 108.74 | 15.433 | ES |
| PEGGY 2501-01H - Verdad PR Well - Actual Baker Survey | 300.00 | 307.12 | 117.12 | 109.44 | 15.252 | SF |
| PEGGY 2501-02H - Verdad PR Well - Actual Baker Survey | 130.52 | 139.52 | 96.09 | 88.54 | 12.737 | CC, ES |
| PEGGY 2501-02H - Verdad PR Well - Actual Baker Survey | 400.00 | 407.60 | 96.99 | 89.19 | 12.434 | SF |
| PEGGY 2501-04H - Plan B - Design #1 | 391.32 | 392.32 | 80.01 | 72.23 | 10.289 | CC, ES |
| PEGGY 2501-04H - Plan B - Design #1 | 400.00 | 401.00 | 80.02 | 72.23 | 10.274 | SF |
| PEGGY 2501-06H - Plan B - Design #1 | 391.32 | 392.32 | 63.98 | 56.21 | 8.228 | CC, ES |
| PEGGY 2501-06H - Plan B - Design #1 | 400.00 | 401.00 | 64.00 | 56.21 | 8.217 | SF |
| PEGGY 2501-08H - Plan B - Design #1 | 391.32 | 391.32 | 47.99 | 40.21 | 6.172 | CC, ES |
| PEGGY 2501-08H - Plan B - Design #1 | 400.00 | 400.00 | 48.00 | 40.21 | 6.164 | SF |
| PEGGY 2501-10H - Plan B - Design #1 | 391.32 | 392.32 | 31.99 | 24.22 | 4.114 | CC, ES |
| PEGGY 2501-10H - Plan B - Design #1 | 14,554.66 | 14,216.20 | 1,248.11 | 863.00 | 3.241 | SF |
| PEGGY 2501-12H - Plan B - Design #1 | 391.32 | 392.32 | 16.00 | 8.22 | 2.057 | CC, ES |
| PEGGY 2501-12H - Plan B - Design #1 | 14,554.66 | 14,349.74 | 624.29 | 238.28 | 1.617 | SF |
| PEGGY 2501-16H - Plan B - Design #1 | 200.00 | 199.00 | 16.00 | 8.43 | 2.113 | CC, ES |
| PEGGY 2501-16H - Plan B - Design #1 | 14,554.66 | 14,772.67 | 625.56 | 232.68 | 1.592 | SF |
| 9N-60W-36 Offsets | | | | | | |
| STATE-HUSKY #1 - Bennett D/A Well - No Surveys | 3,018.61 | 2,888.81 | 925.57 | 807.30 | 7.826 | CC |
| STATE-HUSKY #1 - Bennett D/A Well - No Surveys | 3,400.00 | 3,249.86 | 933.69 | 799.77 | 6.972 | ES |
| STATE-HUSKY #1 - Bennett D/A Well - No Surveys | 7,100.00 | 6,177.00 | 1,150.11 | 902.31 | 4.641 | SF |

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| Reference Site: | 9N-60W-25 PEGGY 2501 PAD | MD Reference: | RKB = 16' @ 4909.00usft (RIG) |
| Site Error: | 0.00 usft | North Reference: | True |
| Reference Well: | PEGGY 2501-14H | Survey Calculation Method: | Minimum Curvature |
| Well Error: | 3.28 usft | Output errors are at | 2.45 sigma |
| Reference Wellbore | Plan B | Database: | EDM 5000.16 Single User Db |
| Reference Design: | Design #1 | Offset TVD Reference: | Offset Datum |

Reference Depths are relative to RKB = 16' @ 4909.00usft (RIG)

Offset Depths are relative to Offset Datum

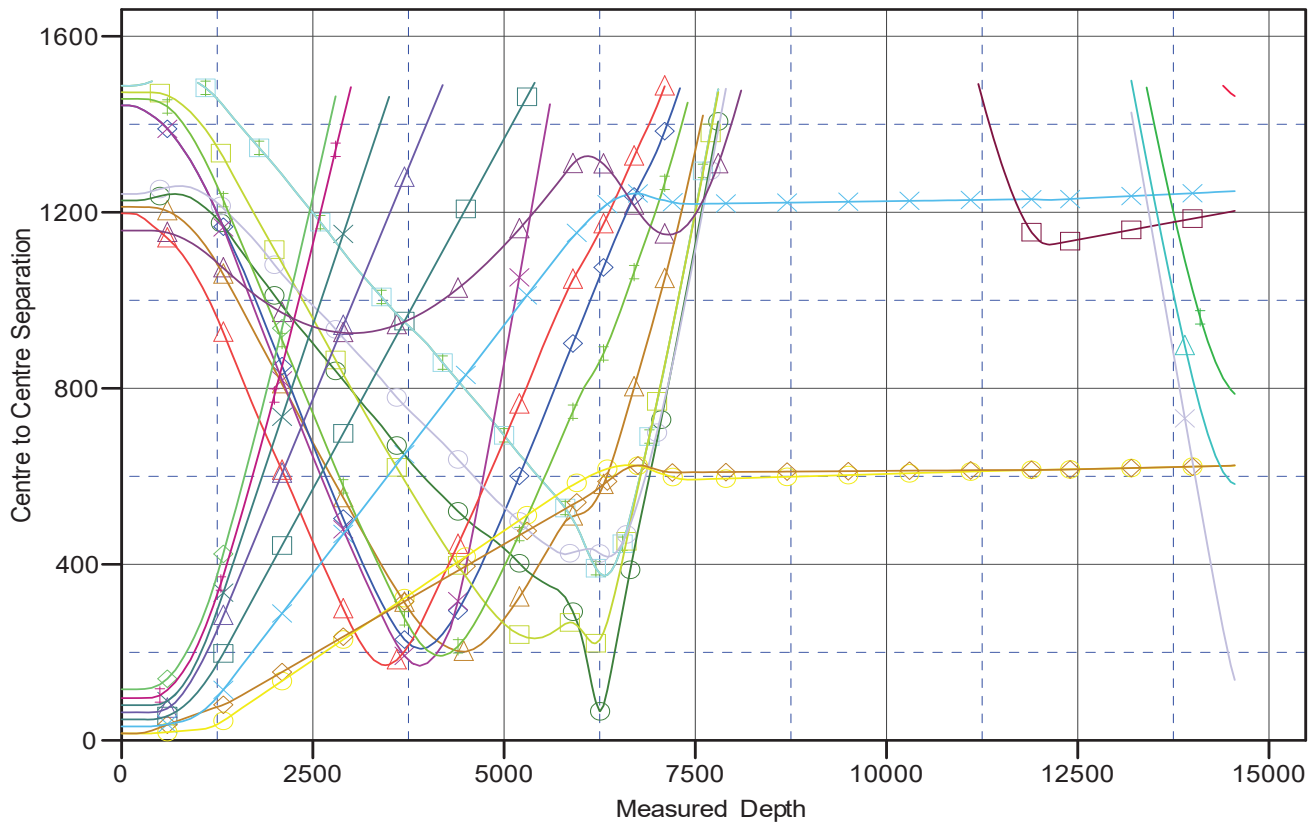
Central Meridian is -105.500000

Coordinates are relative to: PEGGY 2501-14H

Coordinate System is US State Plane 1983, Colorado Northern Zone

Grid Convergence at Surface is: 0.94°

Ladder Plot



LEGEND

| | | |
|---|---|---|
| Shul 7-25-960, Verdad PR Well, Actual Titan Surveys V0 | Shul 5-25-960, Verdad PR Well, Actual Titan Surveys Grid to True V0 | PEGGY 2501-02H, Verdad PR Well, Actual Baker Surveys V0 |
| Shul 1-25-960, Verdad PR Sidetrack Well, Actual Precision Surveys Grid to True V0 | Shul 3-25-960, Verdad PR Well, Actual Precision Surveys Grid to True V0 | PEGGY 2501-10H, Plan B, Design#1 V0 |
| Shul 1-25-960, Verdad Original Well, Actual Precision Surveys Grid to True V0 | PEGGY 2501-09H, Plan B, Design#1 V0 | SONIC STAR 1101-09H, Plan B, Design #2 V0 |
| Shul 6-25-960, Verdad PR Well, Actual Titan Surveys V0 | PEGGY 2501-01H, Verdad PR Well, Actual Baker Surveys V0 | SONIC STAR 1101-16H, Plan B, Design #2 V0 |
| Shul 4-25-960, Verdad PR Sidetrack Well, Actual Precision Surveys Grid to True V0 | PEGGY 2501-04H, Plan B, Design#1 V0 | SONIC STAR 1101-07H, Plan B, Design #2 V0 |
| Shul 4-25-960, Verdad Original Wellbore, Actual Precision Surveys Grid to True V0 | PEGGY 2501-12H, Plan B, Design#1 V0 | SONIC STAR 1101-11H, Plan B, Design #2 V0 |
| Shul 2-25-960, Verdad PR Well, Actual Precision Surveys Grid to True V0 | PEGGY 2501-06H, Plan B, Design#1 V0 | SONIC STAR 1101-13H, Plan B, Design #2 V0 |
| Shul 8-25-960, Verdad PR Well, Actual Titan Surveys V0 | PEGGY 2501-16H, Plan B, Design#1 V0 | STATE-HUSKY #1, Bennett D/A Well, No Surveys V0 |

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| Reference Design: | Design #1 | Offset TVD Reference: | Offset Datum |

Reference Depths are relative to RKB = 16' @ 4909.00usft (RIG)

Offset Depths are relative to Offset Datum

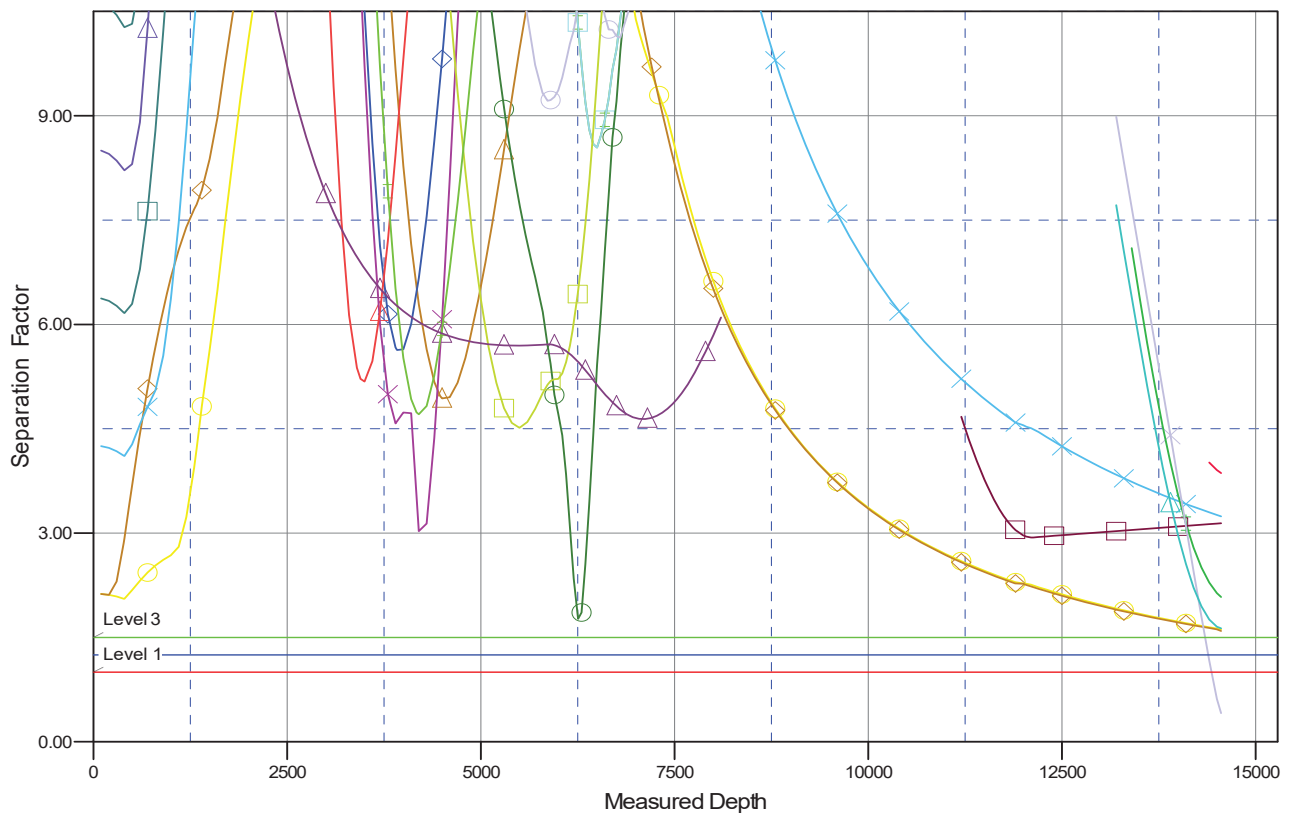
Central Meridian is -105.500000

Coordinates are relative to: PEGGY 2501-14H

Coordinate System is US State Plane 1983, Colorado Northern Zone

Grid Convergence at Surface is: 0.94°

Separation Factor Plot



LEGEND

| | | |
|--|--|---|
| Shul 7-25-960, Verdad PR Well, Actual Titan Surveys V0 | Shul 5-25-960, Verdad PR Well, Actual Titan Surveys Gtd to True V0 | PEGGY 2501-02H, Verdad PR Well, Actual Baker Surveys V0 |
| Shul 1-25-960, Verdad PR Sidetrack Well, Actual Precision Surveys Gtd to True V0 | Shul 3-25-960, Verdad PR Well, Actual Precision Surveys Gtd to True V0 | PEGGY 2501-04H, Plan B, Design#1 V0 |
| Shul 1-25-960, Verdad Original Well, Actual Precision Surveys Gtd to True V0 | PEGGY 2501-08H, Plan B, Design#1 V0 | SONIC STAR 1101-09H, Plan B, Design #2 V0 |
| Shul 6-25-960, Verdad PR Well, Actual Titan Surveys V0 | PEGGY 2501-01H, Verdad PR Well, Actual Baker Surveys V0 | SONIC STAR 1101-16H, Plan B, Design #2 V0 |
| Shul 4-25-960, Verdad PR Sidetrack Well, Actual Precision Surveys Gtd to True V0 | PEGGY 2501-04H, Plan B, Design#1 V0 | SONIC STAR 1101-07H, Plan B, Design #2 V0 |
| Shul 4-25-960, Verdad Original Wellbore, Actual Precision Surveys Gtd to True V0 | PEGGY 2501-12H, Plan B, Design#1 V0 | SONIC STAR 1101-11H, Plan B, Design #2 V0 |
| Shul 2-25-960, Verdad PR Well, Actual Precision Surveys Gtd to True V0 | PEGGY 2501-06H, Plan B, Design#1 V0 | SONIC STAR 1101-13H, Plan B, Design #2 V0 |
| Shul 8-25-960, Verdad PR Well, Actual Titan Surveys V0 | PEGGY 2501-16H, Plan B, Design#1 V0 | STATE-HUSKY #1, Bennett D/A Well, No Surveys V0 |