

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., Rule 318A.c. and Rule 318.A.m Exception Location Request**
Young 01N-65W-28 Pad - Young 01N-65W-28-6N
NENW of Section 2, Twp 1N, Range 64W, 6th PM
Weld County, CO

Dear Director:

Verdad Oil & Gas Corp. (Verdad) hereby respectfully requests exception to rule 318A.a., rule 318A.c. and rule 318.A.m for the above-captioned well.

The location is planned outside of a GWA window. 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.

COGCC rule 318A.m states that no horizontal wellbore lateral shall be located less than one hundred fifty (150) feet from any existing or permitted oil or gas wellbore. The offset well (Glen Young 1; API# 05-123-10319) has been evaluated per the COGCC Horizontal Offset Policy and the evaluation has shown that it was plugged sufficiently in February, 1993. Further, the operator (K P Kauffman, Inc) that plugged the well is no longer operating the well or retaining any mineral leasehold in the subject section. Thus, Verdad respectfully requests the Director grant an exception for the need to obtain a waiver from K P Kauffman, Inc. for encroachment upon the Glen Young 1. Should you have any questions or concerns please contact the undersigned at (214) 728 -1840.

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
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