

RSC Resources, L.P.
6824 Island Cir.
Midland, Tx 79707

Guardian Operating Corp.
Guardian_op@yahoo.com
432-553-1849

May 25, 2013

Case 14932

New Mexico Oil Conservation Division
Attn: Examiner Richard I. Ezeanyim
1220 South St. Francis Dr.
Santa Fe, NM 87505

**RE: Marra No. 1 Itemized Schedule
of Actual Costs Under
NMOCD Pooling Order No. 13666
660' FNL & 1980' FWL
Sec 14-24S-28E: N2 Spacing Unit
Eddy County, NM**

Gentlemen,

On December 17, 2012, the NMOCD entered Order No. R-13666 pooling the uncommitted interests on the above referenced well. The Order requires that each known pooled working interest owner be furnished an itemized schedule of actual costs of re-entering, completing, and equipping the well. The Order states each pooled interest shall have the right to object to the reasonableness of costs within 45 days of receipt of the schedule.

Please find the enclosed itemized schedule of actual costs in the amount of \$1,791,542.78.

Also, a copy of this letter and the cost schedule has been sent to the known uncommitted interests on the enclosed list.

Please contact the undersigned with any questions.

Best Regards,



Randall Cate
President

RECEIVED OGD
RECEIVED OGD
2013 MAY 31 P 12:50
2013 JUN - 3 P 1:00

GUARDIAN OPERATING CORP.

ACTUAL WORKOVER / RE-ENTRY COSTS

PAGE 1 of 1

OPERATOR Guardian Operating Corp.				AFE # 1		DATE 5/25/2013	
WELL NAME AND NUMBER Marra #1				FIELD OR PROSPECT Malaga			
LOCATION 660' FN & 1980' FW				SECTION 14	TWSHP 24S	RANGE 28E	
PROJECT DESCRIPTION AND LOCATION Recomplete Marra 14 #1 to the Wolfcamp, fracture stimulate Replace surface facilities				COUNTY Eddy		STATE NM	
				PROPOSED FORMATION Wolfcamp		PROPOSED DEPTH (tvd/md) 11,400'MD PBTD	

INTANGIBLES				TOTAL
Completion Rig				84,576.92
Location, Roads, Pits, Survey, Permits, Cleanup, Damages & Title Opinion				32,638.42
Transportation and Hauling				10,747.77
Fuel, Power, Water				44,082.98
CIBP, cmt				35,502.87
Cased Hole logging, Perforating				84,064.36
Rental Equipment - Surface				19,200.62
Rental Equipment - Downhole				8,830.26
Other Well Services, NU/BOP, Casing Inspection				40,954.46
Overhead & Insurance				14,000.00
Supervision: Wellsite, Engineering, Geological, Consultants				34,151.18
Contract Services				18,411.25
Fluids Disposal				49,639.68
Environmental Charges				1,008.31
Stimulation Treatment				441,429.15
Frac Tank Rentals, trucking				69,562.35
Acquisition of Existing Marra wellbore				500,000.00
Miscellaneous Costs, Tax and Contingencies				2,992.91
TOTAL INTANGIBLES				1,491,793.49

TANGIBLES (155 Accounts)						TOTAL
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	COST/FT	
Conductor					\$ -	
Surface					\$ 35.00	
Surface					\$ -	
Intermediate					\$ 28.00	
Intermediate					\$ -	
Liner					\$ 28.00	
Production					\$ 16.00	
Production	11,300	5 1/2	20-23	P-110	\$13	141,000.00
Tubing						
Subsurface Well Equipment (Packers/Bottom Hole Pump)						16,427.07
Wellhead Equipment (Casing Head/Christmas Tree)						24,559.56
Lift Equipment						13,291.26
Flowlines						
Tanks						27,349.00
Sales Line Equipment						25,000.00
Separator-Prod. Equip.						16,578.52
Valves, Fittings etc.						9,527.46
Installation of Surface Lease Equipment						23,957.04
Other Lease & Well Equip.						2,059.38
TOTAL TANGIBLES						299,749.29
TOTAL WELL COSTS						1,791,542.78
ACTUAL PROJECT COST						1,791,542.78

RSC Resources, LP		Guardian Operating- COMPLETED COST 1,791,542.78	
		BY: Randall Cate	

JOINT INTEREST SHARE		
COMPANY NAME/OWNER	Signature	DATE
	BY:	

OWNER	ADDRESS	CITY	STATE	ZIP
THE LAUNDRY BASKET, LLC C/O TERRY WAYNE AMERINE	520 N. HERSHEY AVE.	BELOIT	KS	67420
ELSIE R. and ROBERT BARKER	515 MAGISTRATE COURT	RENO	NV	89509
LEWIS and ELAINE CROMWELL C/O BETTY GRIMM	4320 KENSINGTON	DETROIT	MI	48224
DALLMAN, JOHN Heirs c/o Dara Lynn Bobbitt	1065 TRONA DR	GREEN RIVER	WY	82935
KELLY D. EVENSEN	13303 Rocky Lane	Grass Valley	CA	95949
Nancy L. Galloway	P.O. BOX 1485	CARLSBAD	NM	88221-1485
Royal Zane Galloway, Jr., c/o Nancy L. Galloway	P.O. BOX 1485	CARLSBAD	NM	88221-1485
Clyde Shane Galloway c/o Nancy L. Galloway	P.O. BOX 1485	CARLSBAD	NM	88221-1485
Debra Lynn Harris c/o Nancy L. Galloway	P.O. BOX 1485	CARLSBAD	NM	88221-1485
HEAPHY, MARY LOU	1635 HARVARD N.E	ALBUQUERQUE	NM	87106
DONALD JOHNSON,	8764 Bud Stel Rd	LAKE CHARLES	LA	70605
Carla Doty	3605 Dover	LAKE CHARLES	LA	70605
WALLY JOHNSON	BOX 6161	LAKE CHARLES	LA	70605
HERBERT and BARBARA MCNAMA C/O MARJORIE S McCAMENT	3421 Calle Del Monte NE	ALBUQUERQUE	NM	87106
HEIRS OF JACK MCNAMA C/O MARJORIE S McCAMENT	3421 Calle Del Monte NE	ALBUQUERQUE	NM	87106
MILLER FAMILY TRUST	ROUTE 1 BOX 137	SNYDER	OK	73566
DAVID HOLLOWAY	24040 ST. HWY 5	CHATTANOOGA	OK	73528
FELICIA MUNOZ	PO BOX 1954	CARLSBAD	NM	88220

JAMES F. and BETTY JOE FARRER	2718 Rio Bravo Blvd SW	Albuquerque	NM	87105
QUINN, STEPHEN	PO BOX 490	CLOVIS	NM	88101
EVELYN L. RAMSEY, TRUSTEE	9415 FOREST HILLS BLVD	DALLAS	TX	75218
MCCAMENT, MARJORIE SCOTT	3421 Calle Del Monte NE	ALBUQUERQUE	NM	87106
Janet Sperling	2924 CONCORD BLVD.	CONCORD	CA	94519
SPERLING, OPAL L.	4338 TANDA N.W.	BREMERTON	WA	98312
CELENIA F HARRIS.	1402 MEADOWS DR. TX.	ROUNDROCK	TX	78681
THELMA L. RAMSEY	711 N. HAPPY VALLEY RD.	CARLSBAD	NM	88220
REBA N. ROBERTSON	1814 S. MAIN AVE.	PORTALES	NM	88130

THE PARTIES BELOW ARE DROPPED FROM THE POOLING

DEVON ENERGY Mr. Ken Gray	Attn.	20 N. Broadway Ave.	Oklahoma City	OK	73102
HELENE SOOBY ELLER, Heirs c/o DEANNA POTEET		921 MONTCREST DR.	REDDING	CA	96003
GOSSETT, LONNIE RAY		PO BOX 361	Loving	NM	88256
GOSSETT, JUANITA F.		PO BOX 361	Loving	NM	88256
MYCO INDUSTRIES, INC		105 S. FOURTH ST.	ARTESIA	NM	88210
DEANNA POTEET		921 MONTCREST DR.	REDDING	CA	96003
Wendell F. Berry and Stanley E. Berry		1840 NE BERLIN RD	MAYSVILLE	MO	64469
MARY NEARHOOD		425 Random RD.	El Dorado	KS	67042
PATRICIA A. MUNOZ		PO BOX 1954	CARLSBAD	NM	88220
LENORE M. JOHNSON		1146 Robinhood Lane	Norman	Ok	73072