

RSC REROURCES, L.P.
AUTHORITY FOR EXPENDITURE
DRILLING & COMPLETION

10/22/08

Well Name: Lucky Wolf 30 Fed Com. No. 1H Depth & Objective: 11,200' Wolfcamp
Surf: 330' FSL & 330' FEL, Sec. 30-T16S-R28E, Eddy County, New Mexico
BHL: 330' FSL & 330' FWL, Sec. 30-T16S-R28E, Eddy County, New Mexico

<u>INTANGIBLE COSTS</u>	<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
<u>Survey, Staking, ROW, Permits</u>	<u>15,000</u>	<u>2,000</u>	<u>17,000</u>
<u>Roads & Location, Pits, Remediate</u>	<u>60,000</u>	<u>62,000</u>	<u>122,000</u>
<u>Rig - \$17000/day, 50 :3</u>	<u>850,000</u>	<u>51,000</u>	<u>901,000</u>
<u>Completion Unit-\$4500/d</u>	<u>0,000</u>	<u>67,500</u>	<u>67,500</u>
<u>Fuel & Power</u>	<u>140,000</u>	<u>15,000</u>	<u>155,000</u>
<u>Mud, Water, Chemicals</u>	<u>120,000</u>	<u>25,000</u>	<u>145,000</u>
<u>Bits, Tools</u>	<u>100,000</u>	<u>10,000</u>	<u>110,000</u>
<u>Cement, Casing Crews, Testing</u>	<u>45,000</u>	<u>45,000</u>	<u>90,000</u>
<u>Float Equipment, Centralizers</u>	<u>5,000</u>	<u>3,000</u>	<u>8,000</u>
<u>Logging, Perforating, Wireline</u>	<u>40,000</u>	<u>40,000</u>	<u>80,000</u>
<u>Closed Loop Mud System</u>	<u>120,000</u>	<u>0,000</u>	<u>120,000</u>
<u>Mud Logging Unit</u>	<u>24,000</u>	<u>0,000</u>	<u>24,000</u>
<u>Directional Drilling</u>	<u>180,000</u>	<u>0,000</u>	<u>180,000</u>
<u>Stimulation, Treating</u>	<u>0,000</u>	<u>700,000</u>	<u>700,000</u>
<u>Rentals</u>	<u>90,000</u>	<u>20,000</u>	<u>110,000</u>
<u>Trucking, Rig Mobilization</u>	<u>110,000</u>	<u>5,000</u>	<u>115,000</u>
<u>Welding, Roustabout Crews</u>	<u>30,000</u>	<u>8,000</u>	<u>38,000</u>
<u>Water Disposal, Clean-up</u>	<u>22,000</u>	<u>20,000</u>	<u>42,000</u>
<u>Contract Labor, Supervision</u>	<u>50,000</u>	<u>5,000</u>	<u>55,000</u>
<u>Company Supervision</u>	<u>15,000</u>	<u>5,000</u>	<u>20,000</u>
<u>Miscellaneous, Other</u>	<u>25,000</u>	<u>25,000</u>	<u>50,000</u>
<u>Contingency</u>	<u>100,000</u>	<u>70,000</u>	<u>170,000</u>
<u>TOTAL INTANGIBLES</u>	<u>2,141,000</u>	<u>1,178,500</u>	<u>3,319,500</u>

<u>TANGIBLE COSTS</u>			
<u>Surface Casing, 500' 13.375"</u>	<u>30,000</u>		<u>30,000</u>
<u>Intermediate Casing, 2300' 9.625"</u>	<u>90,000</u>		<u>90,000</u>
<u>Production Casing, 11,200' 5.5"</u>		<u>300,000</u>	<u>300,000</u>
<u>Tubing, 6,700' 2.875"</u>		<u>44,000</u>	<u>44,000</u>
<u>Wellhead Equipment</u>	<u>15,000</u>	<u>6,000</u>	<u>21,000</u>
<u>Pumping Unit, Engine</u>		<u>120,000</u>	<u>120,000</u>
<u>Rods, Pump</u>		<u>60,000</u>	<u>60,000</u>
<u>Gas Compressor</u>		<u>0,000</u>	<u>0,000</u>
<u>Tanks</u>		<u>35,000</u>	<u>35,000</u>
<u>Heater Treater, Separator, Dehy</u>		<u>25,000</u>	<u>25,000</u>
<u>Packers, Anchors, Hangers</u>		<u>35,000</u>	<u>35,000</u>
<u>Flow lines, Fittings, Valves</u>		<u>20,000</u>	<u>20,000</u>
<u>Meters, Electrical</u>		<u>8,500</u>	<u>8,500</u>
<u>Miscellaneous, Other</u>	<u>5,000</u>	<u>10,500</u>	<u>15,500</u>
<u>Contingency</u>	<u>12,000</u>	<u>40,000</u>	<u>32,000</u>
<u>TOTAL TANGIBLES</u>	<u>152,000</u>	<u>704,000</u>	<u>856,000</u>

<u>TOTAL WELL COSTS</u>	<u>2,293,000</u>	<u>1,882,500</u>	<u>4,175,500</u>
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Prepared By: Randall Cate

This AFE is an estimate. Actual costs will vary and may be significantly higher. By signing you agree to pay your share of the actual costs.

Company: Anderson OIL LTD
 BY: [Signature]
 Printed Name: W. P. Anderson
 Title: V.P.
 Date: 11/19/08

Oil Conservation Division
 Case No. E
 Exhibit No. E