

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

Case No. 14316

EXHIBIT

4

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF RSC RESOURCES LIMITED
PARTNERSHIP FOR A NON-STANDARD OIL
SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 14,316

VERIFIED STATEMENT OF RANDALL CATE

Randall Cate, being duly sworn upon his oath, deposes and states:

1. I am a petroleum engineer, and the principal of RSC Resources Limited Partnership. I have personal knowledge of the matters stated herein.
2. Exhibit A is a Form C-102 for the proposed well. The wellbore will be orthodox in the Wolfcamp formation.
3. Exhibit B is a structure map on top of the Wolfcamp formation in the area of the proposed well. The Wolfcamp dips gently to the east. Exhibit B also contains production data from older, vertical wells in the pool.
4. Exhibit C is a directional drilling plan for the well. Vertical Wolfcamp wells, while productive, are not economic. A horizontal wellbore will test a greater reservoir length, increasing the chances for an economic completion. ✓
5. All quarter-quarter sections in the well unit will be productive.
6. A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit D. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other horizontal wells of this depth drilled in this area of Eddy County.

Oil Conservation Division
Case No. 4
Exhibit No. 4

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

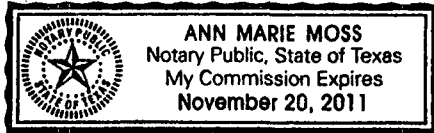
Randall Cate, being duly sworn upon his oath, deposes and states that: He is a petroleum engineer and the principal of RSC Resources Limited Partnership; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.



Randall Cate

SUBSCRIBED AND SWORN TO before me this 12th day of May, 2009 by Randall Cate.

My Commission Expires: 11-20-2011





Notary Public

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico**Energy, Minerals and Natural Resources****Oil Conservation Division****1220 S. St Francis Dr.****Santa Fe, NM 87505**

Form C-102
Permit 95583

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 17970	3. Pool Name DOG CANYON;WOLFCAMP
4. Property Code	5. Property Name LUCKY WOLF 31 FED. COM.	6. Well No. 001H
7. OGRID No. 245801	8. Operator Name RSC RESOURCES LIMITED PARTNERSHIP	9. Elevation 3472

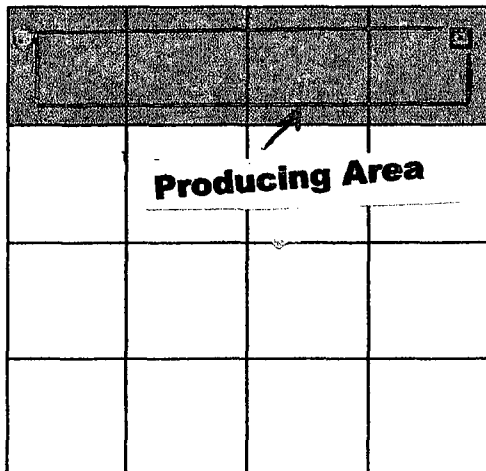
10. Surface Location

UL - Lot D	Section 31	Township 16S	Range 28E	Lot Idn	Feet From 330	N/S Line N	Feet From 150	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 31	Township 16S	Range 28E	Lot Idn A	Feet From 330	N/S Line N	Feet From 330	E/W Line E	County EDDY
12. Dedicated Acres 162.68		13. Joint or Infill		14. Consolidation Code		15. Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By:

Title:

Date:

[Signature]
PRESIDENT
5/12/09

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

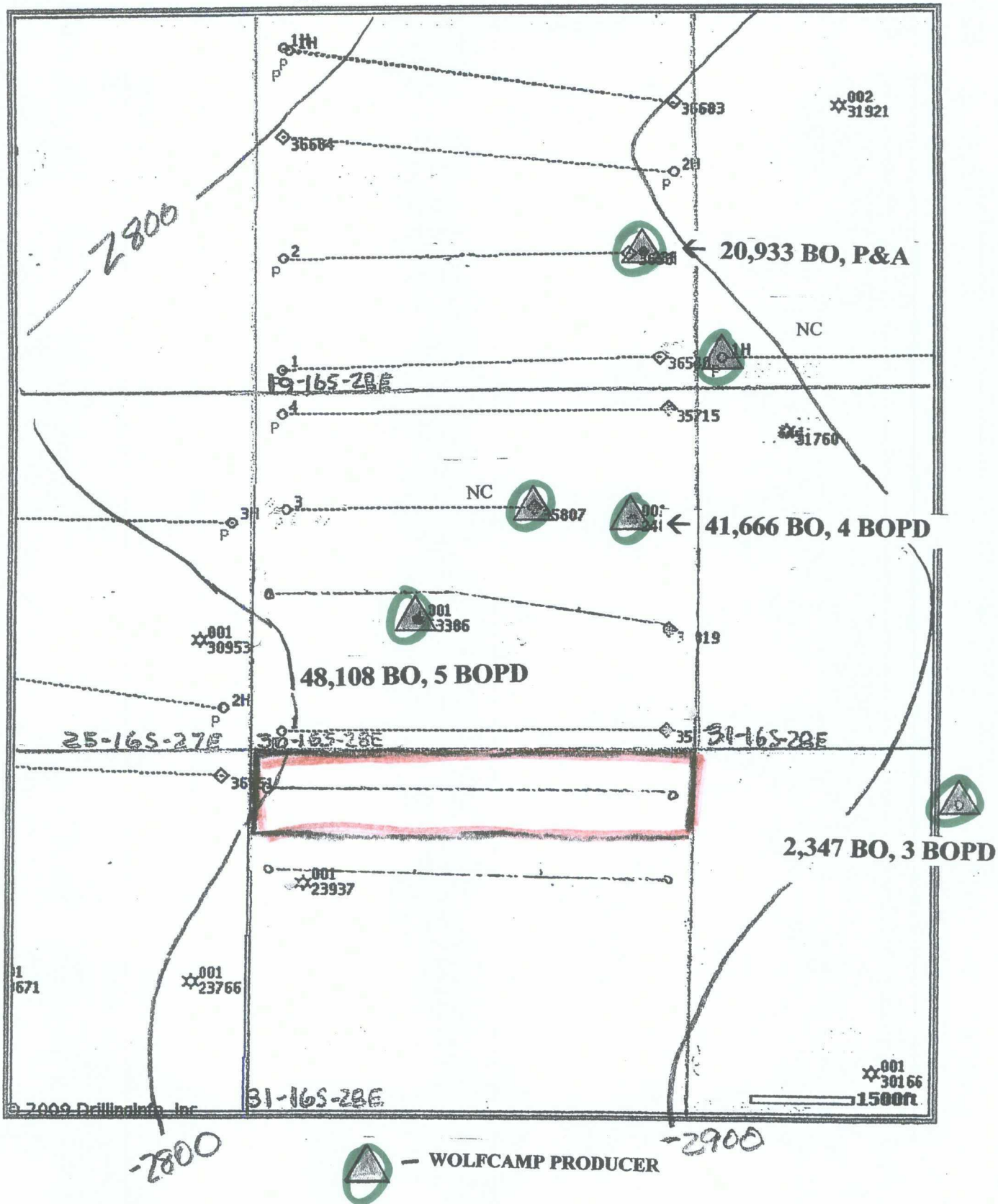
Surveyed By:

Date of Survey:

Certificate Number:

Oil Conservation Division**Case# 14316****Exhibit A**

WOLFCAMP PAY STRUCTURE



Oil Conservation Division

Case# 14316

Exhibit B

NC — New Completion, No Data

Lucky_Wolf_31_Fed_Com_1H_Lateral_1_Plan_1_Report_02-05-09[1]

RSC Resources, L.P.

Lucky Wolf 31 Fed Com #1H - Plan #1

Eddy County, NM

Lucky Wolf 31 Fed Com #1H

Measured Depth (ft)	Incl.	Azim.	Vertical Depth (ft)	Northings (ft)	Eastings (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)
6000.00	0.000	0.000	6000.00	0.00 N	0.00 E	0.00	0.00
6133.56	0.000	0.000	6133.56	0.00 N	0.00 E	0.00	0.00
6140.00	1.288	90.000	6140.00	0.00 N	0.07 E	0.07	20.00
6150.00	3.288	90.000	6149.99	0.00 N	0.47 E	0.47	20.00
6160.00	5.288	90.000	6159.96	0.00 N	1.22 E	1.22	20.00
6170.00	7.288	90.000	6169.90	0.00 N	2.31 E	2.31	20.00
6180.00	9.288	90.000	6179.80	0.00 N	3.76 E	3.75	20.00
6190.00	11.288	90.000	6189.64	0.00 N	5.54 E	5.53	20.00
6200.00	13.288	90.000	6199.41	0.00 N	7.67 E	7.66	20.00
6210.00	15.288	90.000	6209.10	0.00 N	10.14 E	10.12	20.00
6220.00	17.288	90.000	6218.69	0.00 N	12.94 E	12.92	20.00
6230.00	19.288	90.000	6228.19	0.00 N	16.08 E	16.05	20.00
6240.00	21.288	90.000	6237.57	0.00 N	19.55 E	19.51	20.00
6250.00	23.288	90.000	6246.82	0.00 N	23.34 E	23.30	20.00
6260.00	25.288	90.000	6255.93	0.00 N	27.45 E	27.40	20.00
6270.00	27.288	90.000	6264.90	0.00 N	31.88 E	31.82	20.00
6280.00	29.288	90.000	6273.71	0.00 N	36.62 E	36.55	20.00
6290.00	31.288	90.000	6282.34	0.00 N	41.66 E	41.59	20.00
6300.00	33.288	90.000	6290.79	0.00 N	47.00 E	46.92	20.00
6310.00	35.288	90.000	6299.06	0.00 N	52.64 E	52.54	20.00
6320.00	37.288	90.000	6307.12	0.00 N	58.56 E	58.45	20.00
6330.00	39.288	90.000	6314.96	0.00 N	64.75 E	64.64	20.00
6340.00	41.288	90.000	6322.59	0.00 N	71.22 E	71.09	20.00
6350.00	43.288	90.000	6329.99	0.00 N	77.95 E	77.81	20.00
6360.00	45.288	90.000	6337.15	0.00 N	84.93 E	84.78	20.00
6370.00	47.288	90.000	6344.06	0.00 N	92.16 E	91.99	20.00
6380.00	49.288	90.000	6350.71	0.00 N	99.62 E	99.44	20.00
6390.00	51.288	90.000	6357.10	0.00 N	107.31 E	107.12	20.00
6400.00	53.288	90.000	6363.22	0.00 N	115.22 E	115.02	20.00
6410.00	55.288	90.000	6369.05	0.00 N	123.34 E	123.12	20.00
6420.00	57.288	90.000	6374.60	0.00 N	131.66 E	131.43	20.00
6430.00	59.288	90.000	6379.86	0.00 N	140.17 E	139.92	20.00
6440.00	61.288	90.000	6384.82	0.00 N	148.85 E	148.59	20.00
6450.00	63.288	90.000	6389.47	0.00 N	157.70 E	157.42	20.00
6460.00	65.288	90.000	6393.80	0.00 N	166.71 E	166.42	20.00
6470.00	67.288	90.000	6397.82	0.00 N	175.87 E	175.56	20.00
6480.00	69.288	90.000	6401.52	0.00 N	185.16 E	184.83	20.00
6490.00	71.288	90.000	6404.90	0.00 N	194.57 E	194.23	20.00
6500.00	73.288	90.000	6407.94	0.00 N	204.10 E	203.73	20.00
6510.00	75.288	90.000	6410.65	0.00 N	213.72 E	213.34	20.00
6520.00	77.288	90.000	6413.02	0.00 N	223.44 E	223.04	20.00
6530.00	79.288	90.000	6415.05	0.00 N	233.23 E	232.81	20.00
6540.00	81.288	90.000	6416.73	0.00 N	243.09 E	242.65	20.00
6550.00	83.288	90.000	6418.08	0.00 N	253.00 E	252.54	20.00
6560.00	85.288	90.000	6419.07	0.00 N	262.95 E	262.48	20.00
6570.00	87.288	90.000	6419.72	0.00 N	272.92 E	272.44	20.00
6578.61	89.010	90.000	6420.00	0.00 N	281.53 E	281.03	20.00
6580.00	89.010	90.000	6420.02	0.00 N	282.92 E	282.41	0.00
6590.00	89.010	90.000	6420.19	0.00 N	292.92 E	292.39	0.00
6600.00	89.010	90.000	6420.37	0.00 N	302.92 E	302.37	0.00
6650.00	89.010	90.000	6421.23	0.00 N	352.91 E	352.28	0.00
6700.00	89.010	90.000	6422.09	0.00 N	402.90 E	402.18	0.00
6750.00	89.010	90.000	6422.96	0.00 N	452.89 E	452.08	0.00

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Exhibit C

Lucky_wolf_31_Fed_Com_1H_Lateral_1_Plan_1_Report_02-05-09[1]

6800.00	89.010	90.000	6423.82	0.00 N	502.89 E	501.99	0.00
6850.00	89.010	90.000	6424.69	0.00 N	552.88 E	551.89	0.00
6900.00	89.010	90.000	6425.55	0.00 N	602.87 E	601.79	0.00
6950.00	89.010	90.000	6426.41	0.00 N	652.86 E	651.70	0.00
7000.00	89.010	90.000	6427.28	0.00 N	702.86 E	701.60	0.00
7100.00	89.010	90.000	6429.01	0.00 N	802.84 E	801.41	0.00
7200.00	89.010	90.000	6430.73	0.00 N	902.83 E	901.21	0.00
7300.00	89.010	90.000	6432.46	0.00 N	1002.81 E	1001.02	0.00
7400.00	89.010	90.000	6434.19	0.00 N	1102.80 E	1100.83	0.00
7500.00	89.010	90.000	6435.92	0.00 N	1202.78 E	1200.63	0.00
7600.00	89.010	90.000	6437.64	0.00 N	1302.77 E	1300.44	0.00
7700.00	89.010	90.000	6439.37	0.00 N	1402.75 E	1400.25	0.00
7800.00	89.010	90.000	6441.10	0.00 N	1502.74 E	1500.05	0.00
7900.00	89.010	90.000	6442.83	0.00 N	1602.72 E	1599.86	0.00
8000.00	89.010	90.000	6444.56	0.00 N	1702.71 E	1699.67	0.00
8500.00	89.010	90.000	6453.19	0.00 N	2202.63 E	2198.70	0.00
9000.00	89.008	93.252	6461.84	0.00 N	2702.47 E	2697.92	2.00
9500.00	89.010	97.722	6470.48	0.00 N	3198.81 E	3196.87	0.00
10000.00	89.010	97.722	6479.12	0.00 N	3694.20 E	3695.39	0.00
10500.00	89.010	97.722	6487.76	0.00 N	4189.59 E	4193.91	0.00
11000.00	89.010	97.722	6496.39	0.00 N	4684.98 E	4692.43	0.00
11200.00	89.010	97.722	6499.85	0.00 N	4883.14 E	4891.83	0.00
11208.74	89.010	97.722	6500.00	0.00 N	4891.80 E	4900.55	0.00

All data are in feet unless otherwise stated. Directions and coordinates are relative to Grid North.

Vertical depths are relative to WELL. Northings and Eastings are relative to well.

The Dogleg Severity is in Degrees per 100 feet.

Vertical Section is from slot and calculated along an Azimuth of 93.424° (Grid).

Coordinate system is NAD 1927 (NADCON CONUS) US State Plane 1927 (Exact solution), New Mexico East 3001.

Central meridian is -104.333°.

Grid Convergence at Surface is 0.060°.

Based upon Minimum Curvature type calculations, at a Measured Depth of 11208.74ft., the Bottom Hole Displacement is 4900.55ft., in the Direction of 93.424° (Grid).

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

3/12/09

Well Name: Lucky Wolf 31 Fed Com No. 1H Depth & Objective: 11,200' Wolfcamp
Surf:330' FNL & 150' FWL, Sec. 31-T16S-R28E, Eddy County, New Mexico
BHL:330' FNL & 330' FEL, Sec. 31-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>40,000</u>	<u>100,000</u>
<u>Rig - \$12000/day, 40 :4</u>	<u>480,000</u>	<u>48,000</u>	<u>528,000</u>
<u>Completion Unit-\$4000/d</u>	<u>0,000</u>	<u>48,000</u>	<u>48,000</u>
<u>Fuel & Power</u>	<u>100,000</u>	<u>15,000</u>	<u>115,000</u>
<u>Mud, Water, Chemicals</u>	<u>70,000</u>	<u>25,000</u>	<u>95,000</u>
<u>Bits, Tools</u>	<u>70,000</u>	<u>10,000</u>	<u>80,000</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>30,000</u>	<u>30,000</u>	<u>60,000</u>
<u>Closed Loop Mud System</u>	<u>100,000</u>	<u>0,000</u>	<u>100,000</u>
<u>Mud Logging Unit</u>	<u>24,000</u>	<u>0,000</u>	<u>24,000</u>
<u>Directional Drilling</u>	<u>120,000</u>	<u>0,000</u>	<u>120,000</u>
<u>Stimulation, Treating</u>	<u>0,000</u>	<u>400,000</u>	<u>400,000</u>
<u>Rentals</u>	<u>90,000</u>	<u>20,000</u>	<u>110,000</u>
<u>Trucking, Rig Mobilization</u>	<u>80,000</u>	<u>5,000</u>	<u>85,000</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>40,000</u>	<u>16,000</u>	<u>56,000</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>1,521,000</u>	<u>835,000</u>	<u>2,356,000</u>

<u>TANGIBLE COSTS</u>			
<u>Surface Casing, 500' 13.375"</u>	<u>20,000</u>		<u>20,000</u>
<u>Intermediate Casing, 2000' 9.625"</u>	<u>60,000</u>		<u>60,000</u>
<u>Production Casing, 11,400' 7" & 4.5"</u>	<u>168,000</u>	<u>120,000</u>	<u>288,000</u>
<u>Tubing, 6,200' 2.875"</u>		<u>30,000</u>	<u>30,000</u>
<u>Wellhead Equipment</u>	<u>12,000</u>	<u>6,000</u>	<u>18,000</u>
<u>Pumping Unit, Engine</u>		<u>85,000</u>	<u>85,000</u>
<u>Rods, Pump</u>		<u>40,000</u>	<u>40,000</u>
<u>Gas Compressor</u>		<u>0,000</u>	<u>0,000</u>
<u>Tanks</u>		<u>25,000</u>	<u>25,000</u>
<u>Heater Treater, Separator, Dehy</u>		<u>25,000</u>	<u>25,000</u>
<u>Packers, Anchors, Hangers</u>		<u>25,000</u>	<u>25,000</u>
<u>Flow lines, Fittings, Valves</u>		<u>20,000</u>	<u>20,000</u>
<u>Meters, Electrical</u>		<u>8,000</u>	<u>8,000</u>
<u>Miscellaneous, Other</u>	<u>5,000</u>	<u>10,000</u>	<u>15,000</u>
<u>Contingency</u>	<u>10,000</u>	<u>20,000</u>	<u>30,000</u>
<u>TOTAL TANGIBLES</u>	<u>275,000</u>	<u>414,000</u>	<u>689,000</u>

<u>TOTAL WELL COSTS</u>	<u>1,796,000</u>	<u>1,249,000</u>	<u>3,045,000</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 : _____
BY: _____
Printed Name: _____
Title: _____
Date _____

Oil Conservation Division

Case# 14316

Exhibit D