

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

7/1/10

Well Name: Lonesome Wolf 35 Fed Com No. 2H Depth & Objective: 12,100' Wolfcamp
Surf: 150' FSL & 660' FWL, Sec. 35-T16S-R29E, Eddy County, New Mexico
BHL: 330' FNL & 660' FWL, Sec. 35-T16S-R29E, Eddy County, New Mexico

<u>INTANGIBLE COSTS</u>	<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
<u>Survey, Staking, ROW, Permits</u>	<u>10,000</u>	<u>2,000</u>	<u>12,000</u>
<u>Roads & Location, Pits, Remediate</u>	<u>60,000</u>	<u>30,000</u>	<u>90,000</u>
<u>Rig - \$10500/day, 40 :4</u>	<u>420,000</u>	<u>42,000</u>	<u>462,000</u>
<u>Completion Unit-\$3000/d</u>	<u>0,000</u>	<u>36,000</u>	<u>36,000</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>25,000</u>	<u>70,000</u>
<u>Float Equipment, Centralizers</u>	<u>5,000</u>	<u>3,000</u>	<u>8,000</u>
<u>Logging, Perforating, Wireline</u>	<u>50,000</u>	<u>20,000</u>	<u>70,000</u>
<u>Closed Loop Mud System</u>	<u>160,000</u>	<u>0,000</u>	<u>160,000</u>
<u>Mud Logging Unit</u>	<u>16,000</u>	<u>0,000</u>	<u>16,000</u>
<u>Directional Drilling</u>	<u>220,000</u>	<u>0,000</u>	<u>220,000</u>
<u>Stimulation, Treating</u>	<u>0,000</u>	<u>900,000</u>	<u>900,000</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>150,000</u>	<u>70,000</u>	<u>220,000</u>
<u>TOTAL INTANGIBLES</u>	<u>1,678,000</u>	<u>1,277,000</u>	<u>2,955,000</u>

<u>TANGIBLE COSTS</u>			
<u>Surface Casing, 500' 13.375"</u>	<u>15,000</u>		<u>15,000</u>
<u>Intermediate Casing, 2700' 9.625"</u>	<u>65,000</u>		<u>65,000</u>
<u>Production Casing, 11,400' 7" & 4.5"</u>	<u>160,000</u>	<u>110,000</u>	<u>270,000</u>
<u>Tubing, 7,000' 2.875"</u>		<u>30,000</u>	<u>30,000</u>
<u>Wellhead Equipment</u>	<u>10,000</u>	<u>6,000</u>	<u>16,000</u>
<u>Pumping Unit, Engine</u>		<u>75,000</u>	<u>75,000</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>20,000</u>	<u>20,000</u>
<u>Packers, Anchors, Hangers</u>		<u>20,000</u>	<u>20,000</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>265,000</u>	<u>384,000</u>	<u>649,000</u>

<u>TOTAL WELL COSTS</u>	<u>1,943,000</u>	<u>1,661,000</u>	<u>3,604,000</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.

Oil Conservation Commission
CASE # 14542
EXHIBIT No. 8

Company : _____
BY: _____
Printed Name: _____
Title: _____
Date _____