

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

7/1/10

Well Name: Lonesome Wolf 35 Fed Com No. 1H    Depth & Objective: 12,100' Wolfcamp  
Surf: 150' FNL & 1980' FWL, Sec. 35-T16S-R29E, Eddy County, New Mexico  
BHL: 330' FSL & 1980' FWL, Sec. 35-T16S-R29E, Eddy County, New Mexico

<u>INTANGIBLE COSTS</u>	<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Survey, Staking, ROW, Permits	10,000	2,000	12,000
Roads & Location, Pits, Remediate	60,000	30,000	90,000
Rig - \$10500/day, 40 :4	420,000	42,000	462,000
Completion Unit-\$3000/d	0,000	36,000	36,000
Fuel & Power	100,000	15,000	115,000
Mud, Water, Chemicals	70,000	25,000	95,000
Bits, Tools	70,000	10,000	80,000
Cement, Casing Crews, Testing	45,000	25,000	70,000
Float Equipment, Centralizers	5,000	3,000	8,000
Logging, Perforating, Wireline	50,000	20,000	70,000
Closed Loop Mud System	160,000	0,000	160,000
Mud Logging Unit	16,000	0,000	16,000
Directional Drilling	220,000	0,000	220,000
Stimulation, Treating	0,000	900,000	900,000
Rentals	90,000	20,000	110,000
Trucking, Rig Mobilization	80,000	5,000	85,000
Welding, Roustabout Crews	30,000	8,000	38,000
Water Disposal, Clean-up	22,000	20,000	42,000
Contract Labor, Supervision	40,000	16,000	56,000
Company Supervision	15,000	5,000	20,000
Miscellaneous, Other	25,000	25,000	50,000
Contingency	150,000	70,000	220,000
<b>TOTAL INTANGIBLES</b>	<b>1,678,000</b>	<b>1,277,000</b>	<b>2,955,000</b>

<u>TANGIBLE COSTS</u>			
Surface Casing, 500' 13.375"	15,000		15,000
Intermediate Casing, 2700' 9.625"	65,000		65,000
Production Casing, 11,400' 7" & 4.5"	160,000	110,000	270,000
Tubing, 7,000' 2.875"		30,000	30,000
Wellhead Equipment	10,000	6,000	16,000
Pumping Unit, Engine		75,000	75,000
Rods, Pump		40,000	40,000
Gas Compressor		0,000	0,000
Tanks		25,000	25,000
Heater Treater, Separator, Dehy		20,000	20,000
Packers, Anchors, Hangers		20,000	20,000
Flow lines, Fittings, Valves		20,000	20,000
Meters, Electrical		8,000	8,000
Miscellaneous, Other	5,000	10,000	15,000
Contingency	10,000	20,000	30,000
<b>TOTAL TANGIBLES</b>	<b>265,000</b>	<b>384,000</b>	<b>649,000</b>

<b>TOTAL WELL COSTS</b>	<b>1,943,000</b>	<b>1,661,000</b>	<b>3,604,000</b>
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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 # 14543  
EXHIBIT No. 8

Company : \_\_\_\_\_  
BY: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date \_\_\_\_\_

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<u>Roads &amp; 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 &amp; 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>
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<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>
<b><u>TOTAL INTANGIBLES</u></b>	<b><u>1,678,000</u></b>	<b><u>1,277,000</u></b>	<b><u>2,955,000</u></b>

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<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>
<b><u>TOTAL TANGIBLES</u></b>	<b><u>265,000</u></b>	<b><u>384,000</u></b>	<b><u>649,000</u></b>

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