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 COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 14,932

VERIFIED STATEMENT OF DIANE MAGEE

Diane MaGee, being duly sworn upon his oath, deposes and states:

1. I am a Contract Landman for RSC Resources Limited Partnership, and have personal knowledge of the matters stated herein.

2. Pursuant to Division Rule NMAC 19.15.4.12.A(1), the following information is submitted in support of the application filed herein:

(a) No opposition is expected because the working interest owners and unleased mineral owners being pooled have (i) been contacted regarding the proposed well, but have not yet decided whether to join in the well or farm out their interests, or (2) are not locatable.

(b) Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 14, Township 24 South, Range 28 East, NMPM, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent; the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NE/4NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the Marra Well No. 1, to be re-entered at an orthodox location in the NE/4NW/4 of Section 14. Also to be considered will be the cost of re-entering and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Guardian Operating Corp. as operator of the well, and a 200% charge for the risk involved in re-entering and completing the well.

(c) The parties being pooled, their working interests in the well unit, and their last known addresses, are set forth in a separate exhibit.

Oil Conservation Division Case No. _/4932____ Exhibit No. ____

(d) In order to determine working interest ownership, I reviewed prior title opinions, examined the Eddy County records, and reviewed title data from the prior operator.

(e) In addition, to determine the names of interest owners of record, or their successors, and current or possible addresses for the parties, I performed internet and telephone searches to try to locate them, whether inside or outside of New Mexico. I have also spoken with family members of parties who we could not locate to try obtain the names and addresses of parties or their heirs. Applicant has made a good faith effort to locate and obtain the voluntary joinder of the working interest owners in the well unit.

VERIFICATION

STATE OF TEXAS)) ss. COUNTY OF MIDLAND)

Diane K. Magee, being duly sworn upon her oath, deposes and states that: She is a Contract Landman for RSC Resources Limited Partnership; she is authorized to make this verification on its behalf; she has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of her knowledge, information, and belief.

Diane K. Magee

SUBSCRIBED AND SWORN TO before me this $\frac{27}{200}$ day of November, 2012 by Diane K. Magee.

My Commission Expires: <u>2-19-2014</u>

LAURA LEE EMFINGER My Commission Expires February 19, 2016

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