

# RSC Resources, L.P.

## AUTHORITY FOR EXPENDITURE ESTIMATED WORKOVER COSTS

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|   |  |  |
|---|--|--|
| <b>OPERATOR</b><br><b>Guardian Operating Corp.</b>  | <b>AFE #</b><br><b>1</b>                     | <b>DATE</b><br><b>9/10/2012</b>                        |
| <b>WELL NAME AND NUMBER</b><br><b>Marra #1</b>  | <b>FIELD OR PROSPECT</b><br><b>Malaga</b>    |  |
| <b>LOCATION</b><br><b>660' FN &amp; 1980' FW</b>  | <b>SECTION</b><br><b>14</b>                  | <b>TWSHP</b><br><b>24S</b>                             |
| <b>PROJECT DESCRIPTION AND LOCATION</b><br><b>Recomplete Marra 14 #1 to the Wolfcamp, fracture stimulate</b><br><b>Replace surface facilities</b> | <b>RANGE</b><br><b>28E</b>                   |  |
|   | <b>COUNTY</b><br><b>Eddy</b>                 | <b>STATE</b><br><b>NM</b>                              |
|   | <b>PROPOSED FORMATION</b><br><b>Wolfcamp</b> | <b>PROPOSED DEPTH (tvd/md)</b><br><b>11,400'MD PBD</b> |

| INTANGIBLES |  |  |  | TOTAL              |
|-------------|--|--|--|--------------------|
|             | Completion Rig 10 days   |  |  | \$40,000           |
|             | Location, Roads, Pits, Survey, Permits, Cleanup, Damages & Title Opinion |  |  | \$50,000           |
|             | Transportation and Hauling   |  |  | \$10,000           |
|             | Fuel, Power, Water   |  |  | \$30,000           |
|             | CIBP, cmt  |  |  | \$10,000           |
|             | Cased Hole logging, Perforating  |  |  | \$20,000           |
|             | Rental Equipment - Surface   |  |  | \$20,000           |
|             | Rental Equipment - Downhole  |  |  |                    |
|             | Other Well Services, NU/BOP, Casing Inspection                           |  |  | \$20,000           |
|             | Overhead & Insurance   |  |  | \$7,000            |
|             | Supervision: Wellsite, Engineering, Geological, Consultants              |  |  | \$10,000           |
|             | Contract Services  |  |  | \$10,000           |
|             | Fluids Disposal  |  |  | \$90,000           |
|             | Environmental Charges  |  |  | \$3,000            |
|             | Stimulation Treatment  |  |  | \$300,000          |
|             | Frac Tank Rentals, trucking  |  |  | \$25,000           |
|             | Acquisition of Existing Marra wellbore                                   |  |  | \$500,000          |
|             | Miscellaneous Costs, Tax and Contingencies                               |  |  | \$100,000          |
|             | <b>TOTAL INTANGIBLES</b>   |  |  | <b>\$1,245,000</b> |

| TANGIBLES (155 Accounts)                             |         |        |        |       |          |  | COMPLETION         | TOTAL              |
|--|---------|--------|--------|-------|----------|--|--------------------|--------------------|
| CASING   | FOOTAGE | SIZE   | WEIGHT | GRADE | COST/FT  |  |                    |                    |
| Conductor  |         |        |        |       | \$ -     |  |                    |                    |
| Surface  |         |        |        |       | \$ 35.00 |  |                    |                    |
| Surface  |         |        |        |       | \$ -     |  |                    |                    |
| Intermediate   |         |        |        |       | \$ 28.00 |  |                    |                    |
| Intermediate   |         |        |        |       | \$ -     |  |                    |                    |
| Liner  |         |        |        |       | \$ 28.00 |  |                    |                    |
| Production   |         |        |        |       | \$ 16.00 |  |                    |                    |
| Production   |         |        |        |       | \$ -     |  |                    |                    |
| Tubing   | 11,000  | 2 7/8" | 6.5    | N80   | \$ 7.00  |  | \$77,000           | \$77,000           |
| Subsurface Well Equipment (Packers/Bottom Hole Pump) |         |        |        |       |          |  | \$8,000            | \$8,000            |
| Wellhead Equipment (Casing Head/Christmas Tree)      |         |        |        |       |          |  | \$20,000           | \$20,000           |
| Gas Lift Equipment                                   |         |        |        |       |          |  | \$40,000           | \$40,000           |
| Flowlines  |         |        |        |       |          |  | \$2,000            | \$2,000            |
| Tanks  |         |        |        |       |          |  | \$25,000           | \$25,000           |
| Sales Line Equipment                                 |         |        |        |       |          |  | \$5,000            | \$5,000            |
| Separator-Prod. Equip.                               |         |        |        |       |          |  | \$30,000           | \$30,000           |
| Valves, Fittings etc.                                |         |        |        |       |          |  | \$20,000           | \$20,000           |
| Installation of Surface Lease Equipment              |         |        |        |       |          |  | \$25,000           | \$25,000           |
| Other Lease & Well Equip.                            |         |        |        |       |          |  | \$5,000            | \$5,000            |
| <b>TOTAL TANGIBLES</b>                               |         |        |        |       |          |  | <b>\$257,000</b>   | <b>\$257,000</b>   |
| <b>TOTAL WELL COSTS</b>                              |         |        |        |       |          |  | <b>\$1,502,000</b> | <b>\$1,502,000</b> |
| <b>ESTIMATED PROJECT COST</b>                        |         |        |        |       |          |  | <b>\$1,502,000</b> | <b>\$1,502,000</b> |

Oil Conservation Division  
Case No. 14932  
Exhibit No. 4

|                                   |                                    |  |
|-----------------------------------|------------------------------------|--|
| RSC Resources, LP                 |                                    | <b>RSC RESOURCES, LP- COMPLETED COST</b><br><b>\$1,502,000</b> |
|                                   |                                    | <b>BY:</b><br><b>Randall Cate</b>                              |
| <b>JOINT INTEREST SHARE</b>       |                                    |  |
| <b>COMPANY NAME/OWNER</b><br><br> | <b>Signature</b><br><br><b>BY:</b> | <b>DATE</b><br><br>  |