RSC Resources, L.P. 6824 Island Cir. Midland, Tx 79707

Guardian Operating Corp. Guardian_op@yahoo.com 432-553-1849

Alfredo Hernandez 1111 Normandy St. Carlsbad, NM 88220 April 21, 2013

RE: Ann Com No. 1 Well Proposal 1650' FNL & 1980' FEL Sec 15-24S-28E: N2 Spacing Unit Eddy County, NM

Dear Mineral Owner,

RSC Resources, L.P. proposes the reentry and completion of the Ann Com No.1 to the Wolfcamp interval from 10,400'-11,200'. The designated orthodox spacing unit is the N2 of section 15-24S-28E, containing approximately 320 acres.

Please find the enclosed Authority for Expenditure(AFE) in the amount of \$1,451,000. Please be aware this is only an estimated cost and actual final costs may be different. If you decide to join in the operation as a working interest owner, please signify by executing the AFE in the space provided and return to RSC as soon as possible. RSC will then provide an invoice for your proportionate share of the costs. Guardian Operating Corp., wholly owned by RSC, will be designated as Operator.

As an alternative, RSC offers to take an oil and gas lease covering the above described lands and will pay \$500 per net acre as bonus for the lease, 1 yr term, 1/5th royalty. Execute the enclosed Lease witnessed by a Notary and return in the envelope provided. RSC will then send the bonus payment within 3 business days. Please, fill in the information requested below and return this letter also. You must provide your number in order to receive the payment.

<u>Please provide proof of ownership; i.e., copy of deed, will or probate, if available.</u> Thank you for your cooperation.

Please contact the undersigned with any questions or to discuss possible leasing of the interest.

| Will participate: | Best Regards, |
|-----------------------|-------------------------|
| Will not participate: | P5 Cata Randall Cate |
| Will Lease: | President |
| | |

Oil Conservation Division Case No. ____/5022_ Exhibit No. ____/

RSC Resources, L.P. 6824 Island Cir. Midland, Tx 79707

432-553-1849 Guardian Operating Corp. Guardian op@yahoo.com

May 25, 2013

Pamala Gay Carter 416 W. 4th St. Hominy, OK 74035

RE:

Ann Com. No. 1 Proposed Reentry Or Enter into Oil and Gas Lease Agreement 1665' FNL & 1980' FEL Sec 15-24S-28E: N2 Spacing Unit

Sec 15-245-28E: N2 Spacing Unit

Eddy County, NM

Dear Sirs,

RSC Resources, L.P. hereby proposes the reentry and completion of the Ann Com. No.1 to the Wolfcamp interval from 10,400'-11,000'. The designated orthodox spacing unit is the N2 of section 15-24S-28E, containing approximately 320 acres. You are being provided this letter because records indicate you may be a mineral owner. You should have already received a previous letter, but we have not received either a signed AFE or Oil and Gas Lease from you. Please indicate your election below and return the AFE or OGL..

To reiterate, RSC is willing to take an Oil and Gas Lease with a term of 1 yr, 1/5th royalty, and bonus of \$500/ net acre. Please indicate your preference below. If you elect to enter into a Lease agreement and have not already received one, we will send you one upon receipt of your election. If you choose to participate in the drilling and completion attempt, you will be invoiced for your share of the anticipated \$1,451,000 expenditure. If you are aware of title changes, please provide details/proof.

Please contact the undersigned with any questions. Thank you for your quick consideration.

| Will participate: signed AFE included | Best Regards, |
|---------------------------------------|---------------------------|
| Will DO Neither: | Randall Cate President |
| Title changes/other owners: | |