<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

Date: 4/18/2006

Phone: 918-747-6060

State of New Mexico

Form C-101 Permit 27819

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

| APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEE 1. Operator Name and Address ARENA RESOURCES, INC 4920 S LEWIS TULSA, OK 74105 | | | | | | | 2. OGRID Number 220420 3. API Number | | | |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------|---------------|----------------------------|---------------|----------------|--------------------------------------------|----------------------------|-----------------|--|
| | | - | | | 30-025-37814 | | | | | |
| 4. Property Code | | | S.7 | aty Name an Andres Unit | | | 6. Well No. | | | |
| | 300385 | 4 | | | | | ì | 8 | 207 | |
| | Τ | I | 1 - | 1 1 | e Location | . | | | | |
| UL - Lot | Section 30 | Township | Range 39E | Lot Idm Feet 1 | | ine | Feet From | E/W Line | County LEA | |
| Н | 30 | 18S | 39E | <u> </u> | | | 1197 | E | LEA | |
| OBBCC | AN ANDRE | C EACT | | 8. Pool Ir | formation | | | | 22 | |
| CBBS | AN ANDRE | 5, EA51 | | XONOROS XXXXXX | Spinestina (c | | | | 32 | |
| | | | | Additional We | | | | - | | |
| 9. Word | 0.45500 | 10. Well | 895 T. S | 11. Cable/Rot | ary | 12. Lease Type | | 13. Ground Level Elevation | | |
| New Well OIL | | | N. | | | | Private | | 3606 | |
| 14. Multiple 15. Proposed Depth | | | 16. Formation | | | 17. Contractor | | 18. Spud Date | | |
| N 4700 San And | | | | | res | 25 | | | | |
| Depth to Ground water Distance from near | | | | | | | | | | |
| 30 T A 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | | | | | 000 | | | | > 1000 | |
| | Synthetic 🗶 Loop System | | mils thick | Clay Pit Volume: 4 | A | | Method: ater 🔀 Brine 🦳 | Diesel/Oil-ba | sed Gas/Air G | |
| | • | | 19. | Proposed Casing | and Cemen | . Pro | gram | | | |
| Туре | Hole Size | Casing 7 | | Casing Weight/ft | Setting Dep | | | Estimated TOO | | |
| Surf | 12.25 | 8.62 | | 24 | 1925 | | | | | |
| Prod | 7.875 | 5.5 | | 15.5 | 4700 | | 950 | | | |
| | | | Casing | /Cement Program | n: Additiona | ıl Co | mments | | | |
| | | | | 300 A | | | | | | |
| | - | | 1200000 | roposed Blowout | | | | 3.7 | | |
| Type Working Pressu DoubleRam 3000 | | | 7,000 | Test Pressure 3000 | | e | Manufac SHAFFER | | | |
| יסע | ioigrafii | | | 000 | 30 | UU | 300 | эпА. | PPERLWF | |
| my knowl further ce | edge and belief tify that the d | hilling pit w | all be constr | e and complete to the best | OII | L CC | NSERVA | TION D | IVISION | |
| MOCD gu CD-appro | (attached) alternative | Approved By: Paul Kautz | | | | | | | | |
| | nie Mefford | Title: Geologist | | | | | | | | |
| itle: Ma | nager | | | | Approved Da | te: 4/1 | 18/2006 | Expiration | Date: 4/18/2007 | |
| mail Ado | lress: arenare | | _ | | | | | | | |
| | N 4400000 P1 040 040 000 | | | | | | | | | |

Conditions of Approval Attached

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 86240

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005 Submit to Appropriate District Office

DISTRICT II 1301 W. GRAND AVENUE, ARTESIA, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT III

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

State Lease - 4 Copies Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT DISTRICT IV ☐ AMENDED REPORT 1220 S. ST. FRANCIS DR., SANTA FE, NM 87605 Pool Name Pool Code API Number Property Name Well Number Property Code 207 **EHSAU Elevation** Operator Name OGRID No. ARENA RESOURCES, INC. 3606

Surface Location

| UL | or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | Rast/West line | County |
|----|------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | H | 30 | 18-S | 39-E | | 2330 | NORTH | 1197 | EAST | LEA |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|---------|--------------|-------------|----------|---------------|------------------|---------------|----------------|--------|
| Dedicated Acres | Joint o | or Infill Co | nsolidation | Code Ore | der No. | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

| OR A NON-STANDARD UNIT HAS BEEN APPROVED | BY THE DIVISION |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2330 | OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature Date Printed Name |
| 1197 | SURVEYOR CERTIFICATION |
| GEODETIC COORDINATES NAD 27 NME Y=627638.8 N X=885631.6 E | I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. |
| LAT.=32*43*09.14" N | APRIL 4, 2006 |
| LAT.=32 43 09.74 TV LONG.=103°04'46.18" W | Date Surveyed MR Signature & Seal of Professional Surveyor BONG 12 Corres 4/11/06 06.11.0573 Certificate No. GARY EIDSON 12641 |

Permit Conditions of Approval

Operator: ARENA RESOURCES, INC , 220420 Well: East Hobbs San Andres Unit #207

API: 30-025-37814

| OCD Reviewer | Condition |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| IDKAUTZ | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| pkautz Prior to any pit construction notify Gary Wink at 505-393-6161 ext 114 | |