

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Energy, Minerals and Natural Resources

Form C-103
Permit 87352

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

WELL API NUMBER

30-025-39209

5. Indicate Type of Lease

P

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

EAST HOBBS SAN ANDRES
UNIT

8. Well Number

999

9. OGRID Number

220420

10. Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

2. Name of Operator

ARENA RESOURCES, INC

3. Address of Operator

6555 S LEWIS , TULSA , OK 74136

4. Well Location

Unit Letter A : 990 feet from the N line and 990 feet from the E line
Section 31 Township 18S Range 39E NMPM Lea County

11. Elevation (Show whether DR, KB, BT, GR, etc.)

3592 GR.

Pit or Below-grade Tank Application or Closure

Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON TEMPORARILY ABANDON CHANGE OF PLANS PULL OR ALTER CASING MULTIPLE COMPL

Other: _____

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTER CASING COMMENCE DRILLING OPNS. PLUG AND ABANDON CASING/CEMENT JOB Other: **Drilling/Cement**

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

12/15/2008 - 12/18/2008

Drill to 207'. WLS @ 167' = 1/2degree. Drill to 655. WLS @ 615' = 1/4degree. Drill to 992'. WLS @ 952' = 1/2degree. Drill to 1373. WLS @ 1333' = 1/2degree. Drill to 1754. WLS @ 1714' = 1/2degree. Drill to 1900'. Rig up casing crew. Run 47 jts 8 5/8 24# J-55. Wash 30' to bottom, tag bottom at 1901', set @ 1899'. Cement with 730 sks lead, C+4%gel+4%salt+25#/sk CF+3/SK LCM-1; 200 sks tail' C+1% CALC. Circ 161sks to pit. WOC 6hrs. Test BOP, blind & pipe rams to 1000#, held ok. Tag Cmt #1854, float collar @ 1857. Test shoe to 200 PSI, held OK. **12/15/2008** Spudded well.

Casing and Cement Program

| Date | String | Fluid Type | Hole Size | Csg Size | Weight lb/ft | Grade | Est TOC | Dpth Set | Sacks | Yield | Class | 1" Dpth | Pres Held | Pres Drop | Open Hole |
|------|--------|------------|-----------|----------|--------------|-------|---------|----------|-------|-------|-------|---------|-----------|-----------|-----------|
| | Surf | FreshWater | 12.25 | 8.625 | 24 | J55 | | 1899 | 930 | 1.78 | C | 1000 | | | |

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Electronically Signed

TITLE Compliance Analyst

DATE 12/23/2008

Type or print name Colleen Robinson

E-mail address c Robinson@arenaresourcesinc.com

Telephone No. 575-738-1739

For State Use Only:

APPROVED BY: Paul Kautz

TITLE Geologist

DATE 12/24/2008 7:40:11 AM