

PL
1/30/04

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 1.16 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company	Arena Resources Inc	Contact	Danny M Palmer
Address	4212 N. Grimes, Ste B4	Telephone No.	505-631-4113
Facility Name	Seven Rivers Queen Unit	Facility Type	Oil

Surface Owner	State	Mineral Owner	State	Lease No.	32447
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100 yards south of

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	34	22S	36E	160	S	315	E	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Oil and water	Volume of Release	200	Volume Recovered	130
Source of Release	Separator & Settling	Date and Hour of Occurrence	1-23-06	Date and Hour of Discovery	8:00 AM 1-23-06
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Nisbet 1-23-06		
By Whom?	Danny M Palmer	Date and Hour	1-23-06	10:00 AM	
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse?	0		

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Bypass valve on separator did not open. Pop off released.

Describe Area Affected and Cleanup Action Taken.* separator yard and 40x20 area next to settling. Picked up fluid. Clean up.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Danny M Palmer</i>	OIL CONSERVATION DIVISION	
Printed Name: Danny M Palmer		
Title: Production Supervisor	Approved by District Supervisor:	Approval Date:
E-mail Address:	Conditions of Approval:	Expiration Date:
Date: 1-25-06 Phone: 505-631-4113	Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

Arena - 220420
facility - PPAC 0603034402
incident - PPAC 0603034529
application PPAC 0603050102