

**Arena Resources Inc.
West Satellite Battery Pit Closure
North Benson Queen Unit, Well No. 029**

While preparing the surface to reconfigure the West Satellite Battery, Arena Resources uncovered the original drilling pit for the now P&A'd production well number 029. Initial laboratory analysis of the top 2 to 3 feet of pit material showed hydrocarbon levels below 100 ppm TPH and no evidence of chloride contamination (see attached analyses).

Per NMOCD guidance, Arena Resources will excavate the remaining original drill cuttings and pit materials and stockpile on location for further analysis. Once this is complete, soil samples will be taken from the open pit to determine if any impacts from hydrocarbons or chlorides are present.

Once the NMOCD is satisfied that the pit has been remediated per NMOCD guidelines, the pit will be lined per NMOCD rule 50, the excavated materials will be returned to the lined pit, the pit will be capped with another liner per NMOCD rule 50, and the battery will be rebuilt on top of the location. This will effectively provide an extra measure of containment for the new battery with two liners beneath it.

Arena Resources, Inc.
NBQU No. 029 (W. Satellite Battery)
990' FSL, 2310' FWL
Sec. 29, T18S, R30E
Eddy County, New Mexico

Conditions of Approval

1. The old drilling pit will be excavated to clean soils as indicated by bottom sample, or three feet. The excavated material can be disposed of in one of the new drilling pits. This will include deep burial inside an approved liner per NMOCD rule 50. This will also require NMOCD approval.
2. The excavation will be inspected by BLM prior to closure.
3. The excavation will be backfilled with clean caliche, this can be obtained from abandoned locations or from nearby caliche pits.

Contact Jim Amos at 505-234-5909, or Terry Gregston at 505-234-5958, if you have questions.



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>Arena Resources</u>		BILL TO		ANALYSIS REQUEST											
Project Manager: <u>DANNY Polmar</u>		P.O. #:													
Address: <u>4212 Grimes Ste B-4</u>		Company:													
City: <u>Hobbs NM</u> State: Zip: <u>88240</u>		Attn:													
Phone #: <u>631 4113</u> Fax #:		Address: <u>GAME</u>													
Project #: Project Owner:		City:													
Project Name: <u>North Benson west satellite</u>		State: Zip:													
Project Location: <u>And well 29-</u>		Phone #:													
Sampler Name:		Fax #:													

Lab I.D.	Sample I.D.	G/RAB OR (C)OMP	# CONTAINERS	MATRIX						PRESERV		SAMPLING		DATE	TIME	TPH	SOILS	CI-
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER						
H12435-1	NW Corner	G	1			X							4/5/07	1200	X	X		
-2	E Corner	G	1			X									X	X		
-3	NE Corner	G	1			X									X	X		
-4	SW Corner	G	1			X									X	X		
-5	Center	G	1			X									X	X		
-6	West Pile	G	1			X									X	X		
-7	East Pile	G	1			X									X	X		

PLEASE NOTE: Liability and Damages: Cardinal's liability shall extend to the analysis only for any claim arising out of the analysis. Cardinal shall not be liable for any claim arising out of the analysis. Cardinal shall not be liable for any claim arising out of the analysis. Cardinal shall not be liable for any claim arising out of the analysis.

Relinquished By:	Date: <u>4/6/07</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Phone #:
Time: <u>1120</u>			Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS:
			H12435-2 sample jar designated "Corner SE" XB
Delivered By: (Circle One)	Sampler: UPS - Bus - Other:	Sample Condition; Cool Intact	CHECKED BY: (Initials)
		<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes	<u>JB</u>
		<input type="checkbox"/> No <input type="checkbox"/> No	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



ARDINAL LABORATORIES

PHONE (325) 873-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
ARENA RESOURCES
ATTN: DANNY PALMER
4212 GRIMES, STE. B-4
HOBBS, NM 88240
FAX TO:

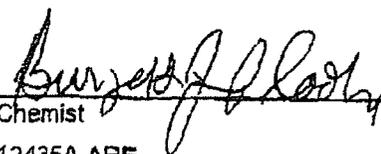
Receiving Date: 04/06/07
Reporting Date: 04/12/07
Project Number: NOT GIVEN
Project Name: NORTH BENSON WEST SATELLITE
Project Location: AND WELL 29-

Sampling Date: 04/05/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: LB
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C ₅ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₀) (mg/Kg)	Cl* (mg/Kg)
ANALYSIS DATE		04/11/07	04/11/07	04/07/07
H12435-1	NW CORNER	<10.0	50.8	<16
H12435-2	SE CORNER	<10.0	12.1	<16
H12435-3	NE CORNER	<10.0	87.1	<16
H12435-4	SW CORNER	<10.0	16.8	<16
H12435-5	CENTER	<10.0	26.6	<16
H12435-6	WEST PILE	<10.0	46.5	<16
H12435-7	EAST PILE	<10.0	47.3	<16
Quality Control		724	793	500
True Value QC		800	800	500
% Recovery		90.5	99.1	100
Relative Percent Difference		0.8	1.6	0.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-G1B

*Analysis performed on 1:4 w:v aqueous extracts.


Chemist
H12435A ARE

4/12/07
Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

DEC 10 2007
OCD-ARTESIA

PRICE ENERGY CONSULTING
P. O. BOX 50676
MIDLAND, TX 79710-0676
(432) 528-2777

December 5, 2007

Mike Bratcher
New Mexico Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM 88210

Re: C-144 Filing for Arena Resources, Inc. – North Benson Queen Unit, West Satellite Battery

Dear Mr. Bratcher:

As we discussed on the telephone, Arena Resources, Inc. is submitting the enclosed C-144 for closure of the old drilling pit at the above referenced facility. The old pit was uncovered during surface preparation for the reconfiguration of the battery.

If you have any questions or require additional information, please contact me at the above address or telephone.

Sincerely,



Robert "Andy" Price
Principal Consultant

Enclosures

Cc: Danny Palmer, Production Foreman - Arena Resources, Inc.

Terry Gregston, Bureau of Land Management - Carlsbad, NM