

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 116 on back
side of form

Release Notification and Corrective Action

SEB0823457186
NSEB0823456801

OPERATOR Initial Report Final Report

Name of Company: Arena Resources Inc 220420	Contact: Bob Akin
Address: 2130 W. Bender Hobbs, NM 88240	Telephone No.: 575-602-8601
Facility Name: NBQU Battery	Facility Type: Production Battery

Surface Owner: BLM	Mineral Owner: BLM	Lease No. 33129
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	28	18S	30E	1743	SL	784	EL	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: 530	Volume Recovered: 530
Source of Release: Produced Water tank ran over	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher	
By Whom? Bob Akin	Date and Hour: 08-03-08 8:20 AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Electrical storm shut down the power at this lease, the sand tanks continued to send water to the Water tank causing it to run over.

Describe Area Affected and Cleanup Action Taken.*
Was contained inside the firewall at the battery location. 530 bbls of water was recovered by vacuum truck. Electricity was restored.

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: Bob Akin	OIL CONSERVATION DIVISION	
Printed Name: Bob Akin	Approved by District Supervisor: <i>Kenby SB</i>	
Title: Production Foreman	Approval Date: 8/27/08	Expiration Date:
E-mail Address:	Conditions of Approval: SEE ATTACHED STIPULATIONS	Attached <input checked="" type="checkbox"/> 2RP-219
Date: 08-04-2008 Phone: 575-738-1739		

* Attach Additional Sheets If Necessary

SEB 0824052815
cc: WELL FILE

Notify OCD 48 hours prior to
obtaining samples where analyses
are to be presented to OCD



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Reese Fullerton

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



CERTIFIED MAIL—RETURN RECEIPT REQUESTED

7007 2680 0001 6451 1080

August 27, 2008

Arena Resources Inc

2130 W Bender

Hobbs, NM 88240

RE: North Benson Queen Unit 016 30-015-10087

J-28-18S-30E Eddy County, New Mexico

2RP-219

Dear Operator:

This office is in receipt of your C-141 regarding the produced water release at this facility.

NMOCD Rule 19.15.3.116 states in part, "...The responsible person must complete **division approved corrective action** for releases which endanger public health or the environment. Releases will be addressed in accordance with a **remediation plan** submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site at the following link:

http://www.emnrd.state.nm.us/oed/documents/7C_spill1.pdf

The following actions are **required** to be addressed in the **remediation plan**:

- Determine the horizontal and vertical delineation of the spill by sampling.
- Prepare a sketch of the site indicating where and at what depths the samples were taken.
- Submit laboratory results of sampling as well as the proposed remediation with the plan.

Notify the OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD.



August 27, 2008

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Remediation requirements may be subject to other federal, state, and local laws or regulations.

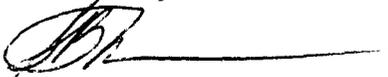
Within 30 days, **on or before September 27, 2008**, completion of a remediation work plan should be finalized and submitted to the Division summarizing all actions taken or to be taken to mitigate environmental damage related to the leak, spill or release for approval.

In the event that a satisfactory response is not received to this letter, further enforcement may occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of civil penalties for your violation of OCD rules.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further assistance with this matter or should you have any questions, please feel free to contact me.

Sincerely,



Sherry Bonham
NMOCD District II, Artesia
(505) 748-1283 ext 109
E-mail: sherry.bonham@state.nm.us