

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

Form C-141
Revised October 10, 2003

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

AUG - 7 2008
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

SEB0826651154
NSEB0526650355

OPERATOR

Initial Report Final Report

Name of Company: Arena Resources Inc 220420	Contact: Tony Tucker
Address: 2130 W. Bender Hobbs, NM 88240	Telephone No.: 575-602-8601
Facility Name: NBQU #16	Facility Type: Injection Well

Surface Owner: BLM	Mineral Owner: BLM	Lease No. 33129
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30-015-10087

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: 125 BBLS	Volume Recovered: 0
Source of Release: Ruptured Injection Line	Date and Hour of Occurrence: 7-29-08 8:00 pm	Date and Hour of Discovery: 7-29-08 11:00 PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
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.*
Injection line ruptured. Will excavate, sample and dispose.

Describe Area Affected and Cleanup Action Taken.*
Location and pasture land. Water soaked into the sand.

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:	OIL CONSERVATION DIVISION	
Printed Name: Tony Tucker	Approved by District Supervisor: <i>Tucker by SD</i>	Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date
Title: Production Foreman	Approval Date: <i>09.22.08</i>	Expiration Date: <i>11-24-08</i>
E-mail Address: ttucker@arenaresourcesinc.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 8-4-08 Phone: 575-738-1739		<i>ZRP-226</i>

* Attach Additional Sheets If Necessary

SEB0826651254

SEE ATTACHED
STIPULATIONS



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



September 22, 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-226

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/ocd/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. Constituents of concern (TPH, BTEX, and Chlorides) are to be addressed in the delineation and remediation plan.
- 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.

Oil Conservation Division

1301 West Grand Avenue • Artesia, NM 88210

Phone 575.748.1283 • Fax 575.748.9720 • www.emnrd.state.nm.us/OCD



September 22, 2008

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

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

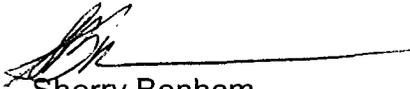
Within 30 days, **on or before October 22, 2008**, completion of a remediation work plan should be finalized and submitted to the Division summarizing all actions taken or to be taken to mitigate environmental damage related to the leak, spill or release for approval.

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