

RECEIVED

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

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505

SEP 17 2008

Form C-141
Revised October 10, 2003

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

HOBBS OCD

HOBBS OCD

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company: Arena Resources Inc	Contact: Bob Akin
Address: 2130 W. Bender Hobbs, NM 88240	Telephone No.: 575-738-1739
Facility Name: Seven Rivers Queen Unit Sat. 1 <i>Well K</i>	Facility Type: Satellite

Surface Owner: Private	Mineral Owner: State	Lease No.: 32447
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LOCATION OF RELEASE

API 30 025 09066

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	27	22S	36E	1445	South	2624	East	Lea

Latitude N 32.20476 Longitude W 103.14464

WTR 320'

NATURE OF RELEASE

Type of Release: Oil	Volume of Release : 4 BBLS	Volume Recovered
Source of Release: Flare	Date and Hour of Occurrence: 12:30 PM 9-16-08	Date and Hour of Discovery: 12:30 PM 9-16-08
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mark Whitaker (and left message for Larry Johnson)	
By Whom? Bob Akin	Date and Hour: 12:30 PM 9-16-08	
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.*
High level switch on the production satellite did not function correctly causing fluid to reach the gas vent line. We were flaring at the time due to DCP's shutdown. The oil caught fire and fell to the ground.

Describe Area Affected and Cleanup Action Taken.*
The oil stay contained within in the firepit, we let it burn out.

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>Bob Akin</i>	<u>OIL CONSERVATION DIVISION</u> <i>Johnson</i>	
Printed Name: Bob Akin	Approved by District <u>ENVIRONMENTAL ENGINEER</u>	
Title: Production Foreman	Approval Date: <i>9-23-08</i>	Expiration Date: <i>11-2-08</i>
E-mail Address: <i>crobinson@arenaresourcesinc.com</i>	Conditions of Approval: <i>Submit final C-141 by</i>	
Date: 9-17-08 Phone: 738-1739	Attached <input type="checkbox"/> <i>IRP # 1957</i>	

* Attach Additional Sheets If Necessary