

RECEIVED
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W Grand Avenue, Las Alamos, NM 88212
 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 District IV
 1220 S. Francis Dr., Santa Fe, NM 87505

DEC 17 2008

HOBBS (II)

AMMENDED

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

OPERATOR Initial Report Final Report

Name of Company: Arena Resources, Inc.	Contact: Fred Holmes
Address: 2130 W. Bender	Telephone No.: 575-738-1739 - 432-563-2200
Facility Name: Phillip Lea Well No 2	Facility Type: Producing Oil Well

Surface Owner: State of New Mexico	Mineral Owner: State of New Mexico	Lease No.: API # 30-025-02163
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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
G	31	17S	34E	2310	NL	1650	EL	Lea

Latitude: N32 47' 28.300" **Longitude:** W103 35' 52.9"

NATURE OF RELEASE

Type of Release: Crude Oil/Produced Water	Volume of Release: 7 BBLs	Volume Recovered: 3 BBLs
Source of Release: Flowline Leak	Date and Hour of Occurrence: 10/21/2008-1400	Date and Hour of Discovery: 10/21/2008-1400
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoffrey Leking	
By Whom? Fred Holmes	Date and Hour 10/24/2008-1100	
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.*:
GW > 100'
(135')

Describe Cause of Problem and Remedial Action Taken.*: Pulling unit ran over flowline causing it to break. Pumper shut well in immediately.

Describe Area Affected and Cleanup Action Taken.* : Release was confined mostly to the road area. Some of the spill migrated southeast off of the road for approximately 10'. Total impacted area is approximately 30 feet by 55 feet including the road area. Impacted soil will be excavated to less than 500 mg/kg TPH and CHL and blended with clean fill until the TPH/CHL levels are less than 1000/500 mg/kg. Oil Gator (biological degradation additive) will be blended to the final mixture to further reduce hydrocarbon levels. Calcium Nitrate (a NaCl ammendment) will be added to soil mixture as well. Remediated soil will then be placed back into the excavated area. Samples will be collected from the bottom of the excavation area and the blended material and analyzed for TPH & CHL before placing treated material back into the excavation. Site location map is attached.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCDD 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 NMOCDD 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, NMOCDD 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>Colleen Robinson</i>	OIL CONSERVATION DIVISION	
Printed Name: Colleen Robinson	Approved by District Supervisor: <i>Geoffrey Leking</i>	
Title: Regulatory Compliance Specialist	Approval Date: <i>11/03/08</i>	Expiration Date: <i>01/03/08</i>
E-mail Address: crobinson@arenareourcesinc.com	Conditions of Approval: SAMPLE TO CLEAN +1. SUBMIT FINAL C-141 BY 01/03/08	Attached <input type="checkbox"/>
Date: 10/24/2008 Phone: 575-738-1739		

* Attach Additional Sheets If Necessary

FGRL 0833656629 IRP-1995

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Oil Conservation Division
1220 South St. Francis Dr.
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RECEIVED
OCT 31 2008
HOBBS (11)

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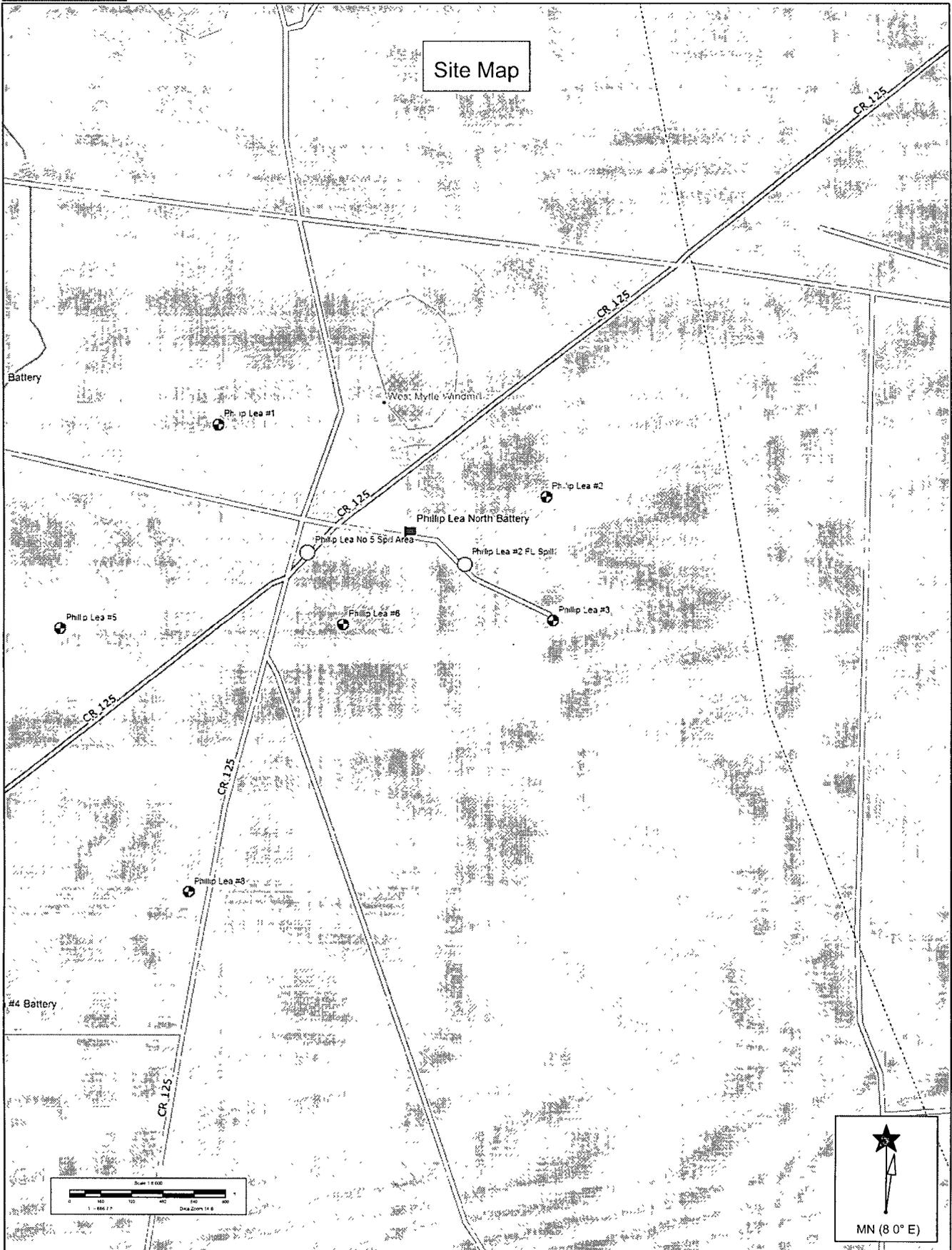
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Signature: <i>Fred Holmes</i>	OIL CONSERVATION DIVISION	
Printed Name: Fred Holmes	Approved by District Supervisor: <i>Geoffrey Leking</i>	
Title: Consultant	Approval Date: 11/03/08	Expiration Date: 01/03/08
E-mail Address: fred@etechnv.com	Conditions of Approval. Sample to clean + 1. submit	Attached <input type="checkbox"/>
Date: 10/24/2008 Phone: 432-563-2200	Final C-141 by 01/03/08.	

* Attach Additional Sheets If Necessary

IRP-1995



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