

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**

**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**

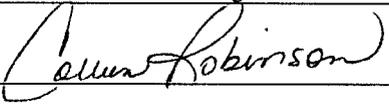
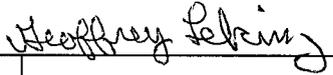
Type of Release: Crude Oil/Produced Water	Volume of Release: 7 BBLs	Volume Recovered: 3 BBLs
Source of Release: Flowline Leak	Date and Hour of Occurrence: 10/21/2008-1400	Date and Hour of Discovery: 10/21/2008-1400
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.\*:

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 was excavated to less than 500 mg/kg TPH and CHL and blended to ensure a uniform mixture and determine if the TPH/CHL levels are less than 1000/500 mg/kg. Oil Gator (biological degradation additive) was blended to the final mixture to further reduce hydrocarbon levels. Calcium Nitrate (a NaCl amendment) was added to soil mixture as well. Remediated soil was then placed back into the excavated area. Samples will be collected from the bottom of the excavation area and the blended material were analyzed for TPH & CHL before placing treated material back into the excavation. All analytical results were acceptable to the NMOCD Hobbs office and the site backfilled to grade. A report with photographs and copies of analysis 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 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: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Colleen Robinson	Approved by District Supervisor: 	
Title: Regulatory Compliance Specialist	Approval Date: 12/11/08	Expiration Date: —
E-mail Address: crobison@arenaresourcesinc.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12/10/2008	Phone: 575-738-1739	

\* Attach Additional Sheets If Necessary

IRP-1995



# Remediation Summary Report Form

## General Information

This section provides general information about the operator and the site where the spill occurred.

Date: 12/10/08

Client: Arena Reosurces, Inc.

Site Name: Phillip Lea #2

County: Lea

State: NM

Site Coordinates Latitude: 32° 47' 28.300"  
Longitude: 103° 35' 52.9"

Property Owner: State of New Mexico

State Report No.: 1RP-1995

## Release Description and Assessment

The information below is related to the spill (Date, Type, Cause and Quantity) and the area impacted.

Date of Spill: 10/21/2008

Type of Spill:  Oil  Produced Water  Condensate  Other (Specify):

Cause of Spill:  Equipment Failure  Valve Failure  Line Rupture  Leaking Tank  Tank Overfill  
 Other (List):

Other Contributing Factors or Comments:

Quantity Spilled: 7 bbls. Quantity Recovered: 3 bbls. Total Released: 4 bbls.

Method of Recovery:  Vacuum Truck  Other (Specify):

OCD Notified:  Yes  No C-141 Completed and Submitted:  Yes  No

Spill Area Impacted:  Inside Firewall  On Production Pad  In Pasture  In Cultivated Land  
 Other (List): Ditch adjacent to county road.

Total Square Footage Impacted: 600 Estimated Depth: .75' Volume (Cu. Yds): 17

Other Comments:

## Remediation Activity Summary

The following summarizes the activities used to remediate the spill.

Impacted soil was excavated to less than 500 mg/kg TPH and CHL and blended to ensure a uniform mixture and determine if the TPH/CHL levels are less than 1000/500 mg/kg. Oil Gator (biological degradation additive) was blended to the final mixture to further reduce hydrocarbon levels. Calcium Nitrate (a NaCl ammendment) was added to soil mixture as well. Remediated soil was then placed back into the excavated area. Samples will be collected from the bottom of the excavation area and the blended material were analyzed for TPH & CHL before placing treated material back into the excavation. All anlytical results were acceptable to the NMOCD Hobbs office and the site backfilled to grade.

**Analytical Summary**

Results of analyses following remediation activities are as follows:

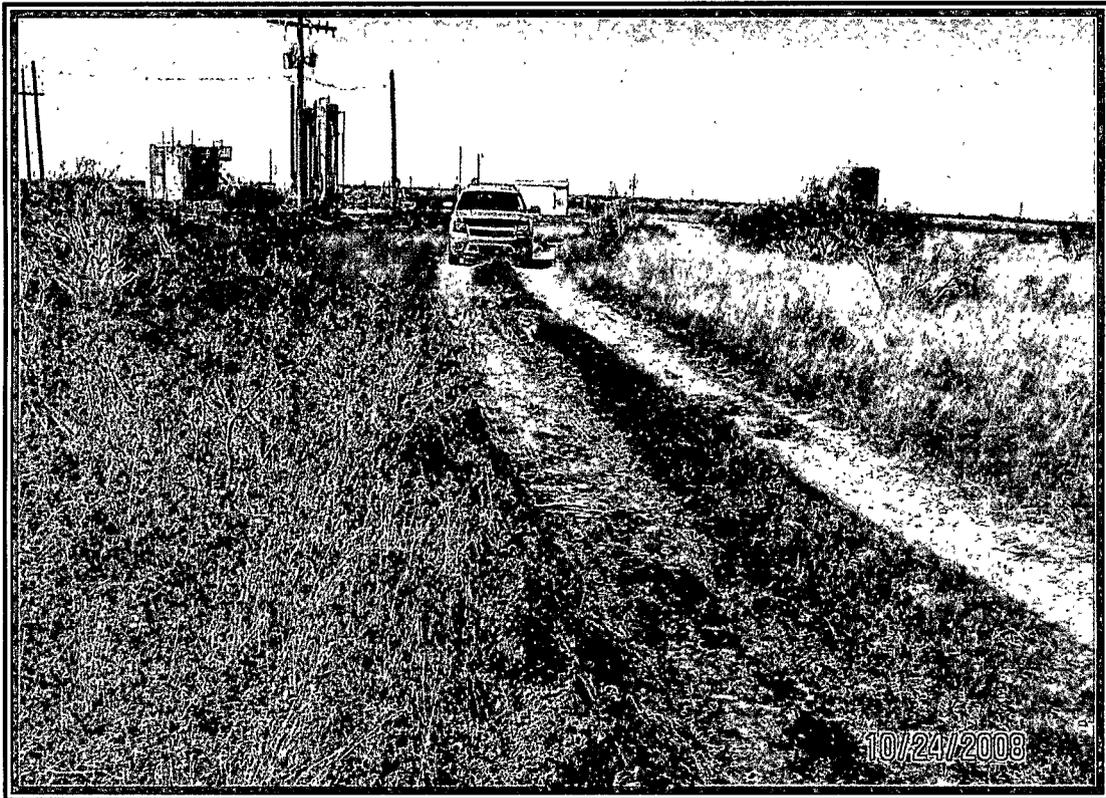
Summary of Remediation Sampling Analytical Results Total Petroleum Hydrocarbons - [TPH (mg/kg)] & Chlorides [Chl (mg/kg)]						
Sample #	Depth (ft)	Date	TPH C6-C10	TPH C10-C28	Total TPH	Chl
1 Blended	Surface	11/12	<10.0	84.6	84.6	464
Bottom 1	1'	11/12	<10.0	<10.0	<10.0	240
Bottom 2	2'	11/12	<10.0	<10.0	<10.0	192
Final Belnd	Surface	11/21	<10.0	50.5	50.5	160

A review of the analytical data indicated the sample is within the Oil Conservation Division (OCD) regulatory threshold limits. Based upon this information it has been determined that remediation of the site is complete. Copies of analytical reports and photographs are attached.

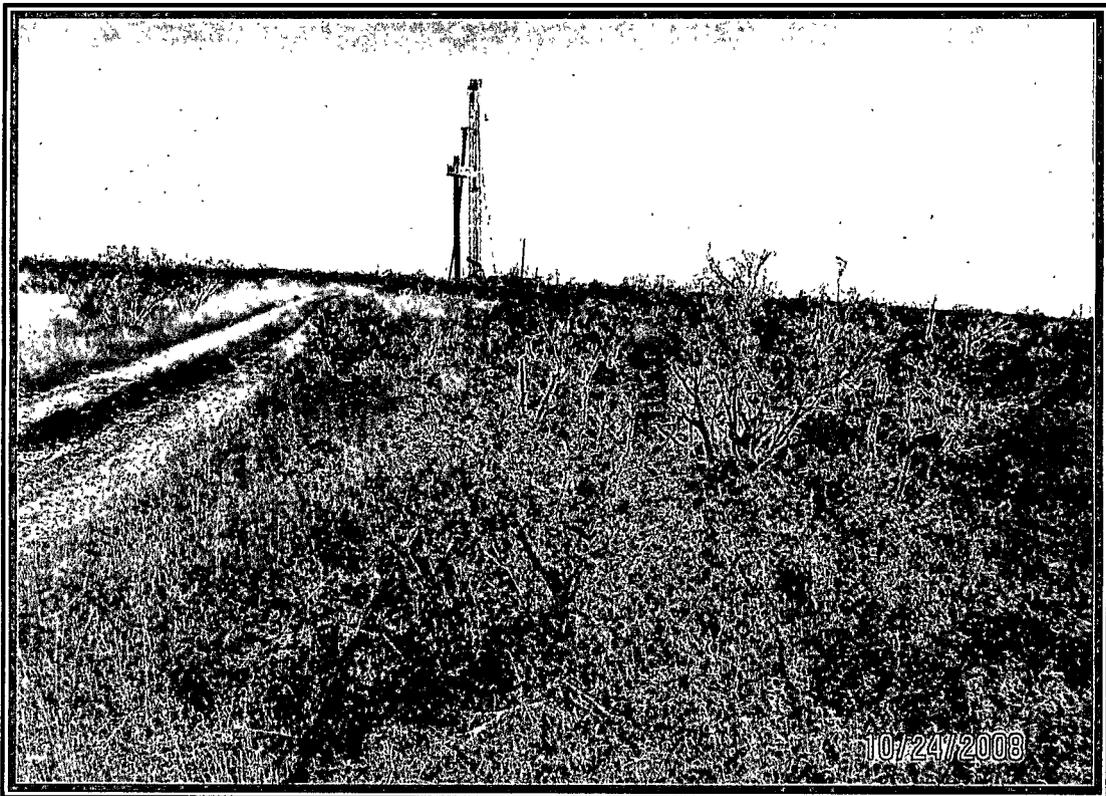
Prepared by:



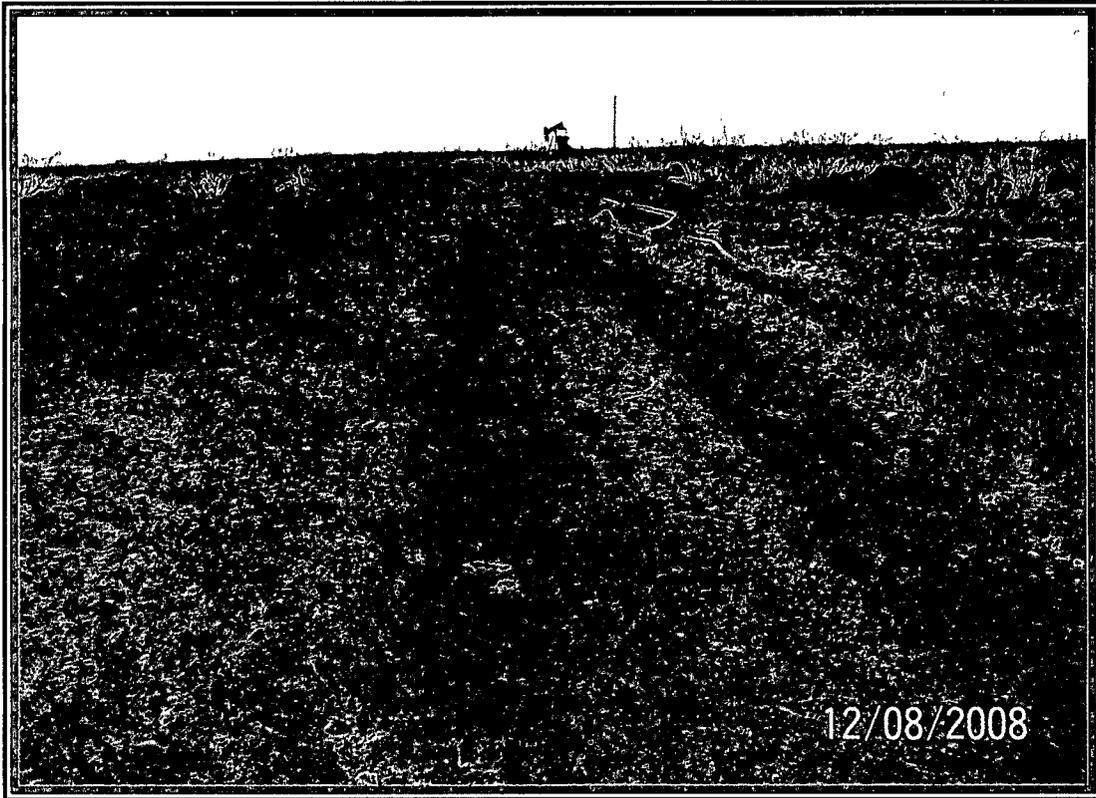
Fred Holmes  
Etech Environmental & Safety Solutions, Inc.



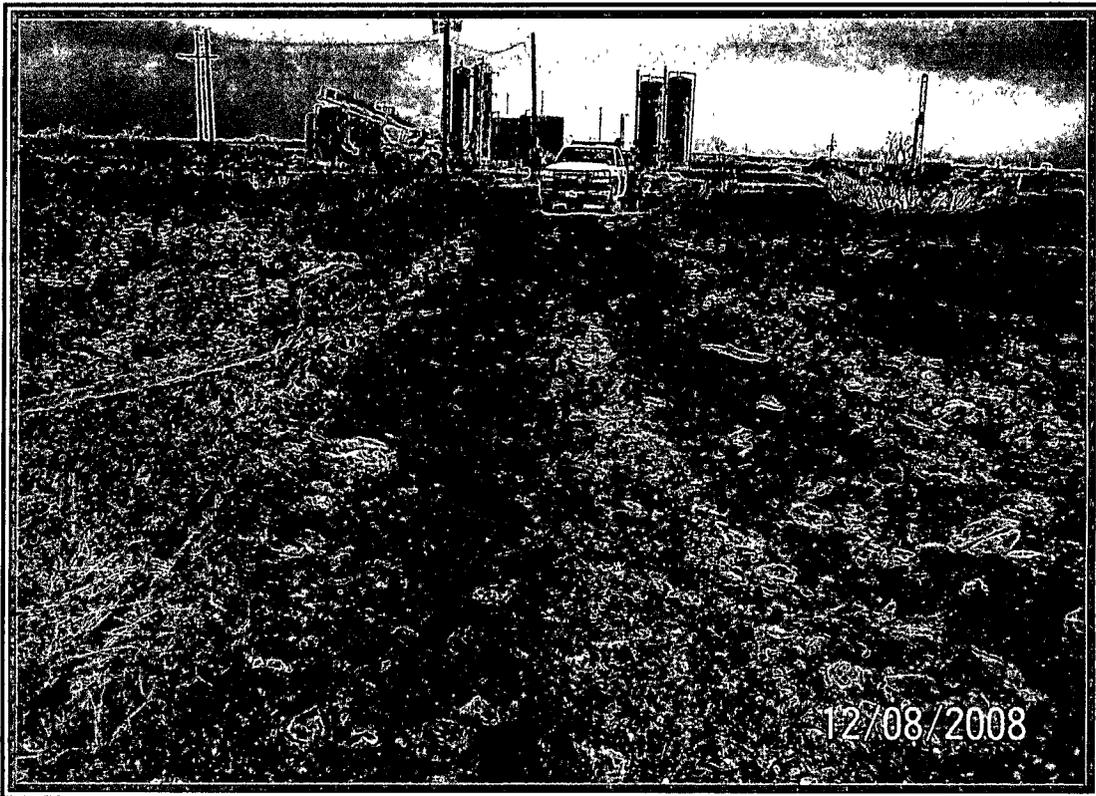
View of road and impacted area looking northwest.



View of road and impacted area looking southeast.



View of site following remediation looking southeast.



View of site following remediation looking northwest.



ANALYTICAL RESULTS FOR  
 ETECH ENVIRONMENTAL & SAFETY SOLUTIONS, INC.  
 ATTN: FRED HOLMES  
 P.O. BOX 8469  
 MIDLAND, TX 79708  
 FAX TO: (432) 563-2213

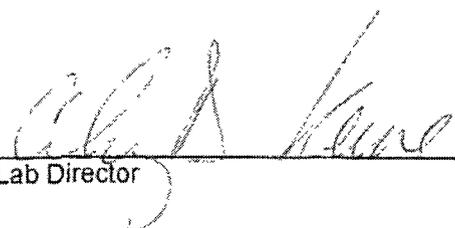
Receiving Date: 11/10/08  
 Reporting Date: 11/12/08  
 Project Number: NOT GIVEN  
 Project Name: PHILLIP LEA #2 F/L SPILL  
 Project Location: LOCO HILLS, NM

Sampling Date: 11/10/08  
 Sample Type: SOIL  
 Sample Condition: INTACT  
 Sample Received By: ML  
 Analyzed By: CK/HM

LAB NUMBER	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/kg)	*Cl <sup>-</sup> (mg/kg)
ANALYSIS DATE		11/12/08	11/12/08	11/11/08
H16295-1	1 BLENDED	<10.0	84.6	464
H16295-2	1 FT.	<10.0	<10.0	240
H16295-3	BOTTOM 2 FT.	<10.0	<10.0	192
Quality Control		614	414	490
True Value QC		500	500	500
% Recovery		123	82.8	98.0
Relative Percent Difference		12.1	6.1	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl<sup>-</sup> : Standard Methods 4500-Cl-B.

\*Note: Analyses performed on 1:4 w:v aqueous extracts.

  
 Lab Director

  
 Date

H16295TCL ETECH

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# CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2926 Fax (575) 393-2476

Page \_\_\_\_ of \_\_\_\_

Company Name: <u>Eteck</u>	<b>BILL TO</b>	<b>ANALYSIS REQUEST</b>											
Project Manager: <u>Fred Holms</u>	P.O. #:												
Address: <u>12800 W. Hwy 80 East</u>	Company:												
City: <u>Midland</u> State: <u>Tx.</u> Zip: <u>79708</u>	Attn:												
Phone #: <u>432-563-2200</u> Fax #: <u>563-22013</u>	Address:												
Project #: _____ Project Owner: <u>Arend</u>	City:												
Project Name: <u>Phillip Lee #2 FL Spill</u>	State: _____ Zip: _____												
Project Location: <u>1000 Hills</u>	Phone #:												
Sampler Name: <u>Troy Baker</u>	Fax #:												

Lab I.D.	Sample I.D.	SIG/FRAC OR (C)COMP.	# CONTAINERS	MATRIX						PRESERV.			SAMPLING		DATE	TIME	C1	TPH
				GROUNDWATER	WASTEWATER	SLURRY	SOIL	SLUDGE	OTHER	ACIDBASE	ICE/COOL	OTHER						
H10295-1	Blended	✓	1											11/10	2:10pm	✓	✓	
-2	4ft.	✓	1											11/10	2:00pm	✓	✓	
-3	bottom 2ft.	✓	1											11/10	3:00pm	✓	✓	

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Sampler Relinquished By: <u>Troy Baker</u>	Date: <u>11/10/08</u>	Received By: <u>Steve M. Burt</u>	Phone Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Phone #:
Relinquished By: _____	Date: _____	Received By: _____	Fax Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Fax #:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Temp. <u>not</u>	Sample Condition Cool Intact Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>	CHECKED BY: (Initials) <u>MSB</u>

1 Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.



ANALYTICAL RESULTS FOR  
 ETECH ENVIRONMENTAL & SAFETY SOLUTIONS, INC.  
 ATTN: FRED HOLMES  
 P.O. BOX 8469  
 MIDLAND, TX 79708  
 FAX TO: (432) 563-2213

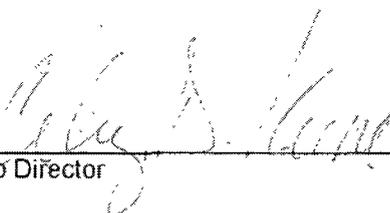
Receiving Date: 11/20/08  
 Reporting Date: 11/24/08  
 Project Owner: ARENA  
 Project Name: PHILLIP LEA #2 F/L  
 Project Location: LOCO HILLS, NM

Sampling Date: 11/20/08  
 Sample Type: SOIL  
 Sample Condition: INTACT  
 Sample Received By: ML  
 Analyzed By: AB/HM

LAB NUMBER	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/kg)	*Cl <sup>-</sup> (mg/kg)
ANALYSIS DATE		11/21/08	11/21/08	11/20/08
H16368-1	FINAL BLENDED	<10.0	50.5	160
Quality Control		586	517	500
True Value QC		500	500	500
% Recovery		117	103	100
Relative Percent Difference		10.9	0.1	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl<sup>-</sup>: Standard Methods 4500-Cl-B.

\*Note: Analysis performed on a 1:4 w:v aqueous extract.

  
 Lab Director

11/24/08  
 Date

H16368 TCL ETECH

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# CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Company Name: <u>E-Tech</u>				<b>BILL TO</b>				<b>ANALYSIS REQUEST</b>																			
Project Manager: <u>Fred Holms</u>				P.O. #:																							
Address: <u>12800 W. Hwy 80 East</u>				Company:																							
City: <u>Midland</u>		State: <u>TX</u>		Zip: <u>79701</u>		Attn:																					
Phone #: <u>432-567-2200</u>		Fax #: <u>432-563-213</u>		Address:																							
Project #:		Project Owner: <u>Arend</u>		City:																							
Project Name: <u>Phillie Lea #2 FIL</u>				State: _____ Zip: _____																							
Project Location: <u>1000 Hills</u>				Phone #:																							
Sampler Name: <u>Troy Baker</u>				Fax #:																							
FOR LAB USE ONLY																											
Lab I.D.		Sample I.D.				(G)RAB OR (C)OMP.		# CONTAINERS		MATRIX				PRESERV.		SAMPLING											
						GROUNDWATER		WASTEWATER		SOIL		OIL		SLUDGE		OTHER		ACID/BASE:		ICE / COOL		OTHER:		DATE		TIME	
<u>H16368-1</u>		<u>final blended</u>				<u>G</u>		<u>1</u>		<u>X</u>														<u>11/20</u>		<u>2:40</u>	

T.H.  
chlorides

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Sampler Relinquished: <u>Troy Baker</u>		Date: <u>11-20-08</u>		Received By: <u>Christy Lambert</u>		Phone Result: <input type="checkbox"/> No		Add'l Phone #:	
Relinquished By:		Time: <u>2:25</u>		Received By:		Fax Result: <input type="checkbox"/> No		Add'l Fax #:	
Delivered By: (Circle One)		Date:		Temp.:		REMARKS:			
Sampler - UPS - Bus - Other:		Time:		Sample Condition:		CHECKED BY:			
				Cool Intact		(Initials)			
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<u>TCB</u>			
				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					

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