

Arena Resources Inc.
West Satellite Battery Pit Closure
North Benson Queen Unit, Well No. 029

While preparing the surface to reconfigure the West Satellite Battery, Arena Resources uncovered the original drilling pit for the now P&A'd production well number 029. Initial laboratory analysis of the top 2 to 3 feet of pit material showed hydrocarbon levels below 100 ppm TPH and no evidence of chloride contamination (see attached analyses).

Per NMOCD guidance, Arena Resources will excavate the remaining original drill cuttings and pit materials and stockpile on location for further analysis. Once this is complete, soil samples will be taken from the open pit to determine if any impacts from hydrocarbons or chlorides are present.

Once the NMOCD is satisfied that the pit has been remediated per NMOCD guidelines, the pit will be lined per NMOCD rule 50, the excavated materials will be returned to the lined pit, the pit will be capped with another liner per NMOCD rule 50, and the battery will be rebuilt on top of the location. This will effectively provide an extra measure of containment for the new battery with two liners beneath it.

Arena Resources, Inc.
NBQU No. 029 (W. Satellite Battery)
990' FSL, 2310' FWL
Sec. 29, T18S, R30E
Eddy County, New Mexico

Conditions of Approval




1. The old drilling pit will be excavated to clean soils as indicated by bottom sample, or three feet. The excavated material can be disposed of in one of the new drilling pits. This will include deep burial inside an approved liner per NMOCD rule 50. This will also require NMOCD approval.
2. The excavation will be inspected by BLM prior to closure.
3. The excavation will be backfilled with clean caliche, this can be obtained from abandoned locations or from nearby caliche pits.

Contact Jim Amos at 505-234-5909, or Terry Gregston at 505-234-5958, if you have questions.



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

PLEASE NOTE: Liability and Damages. Cardiac's liability and others' exclusive remedy for any design defect, whether based in contract or tort, shall be limited to the amount paid by the user for the implants. An adult, including parents for a minor child, shall be deemed to have read and understood the warning and release in writing and received by Cardiac within 30 days after completion of the implantable device. In no event shall Cardiac be liable for incidental or consequential damages, including without limitation, business interruption, loss of data, or loss of profits hereunder by either, its subsidiaries, affiliates, or any other person or entity in connection with the performance of services provided by Cardiac. Agreement of user that this claim is based upon any of the above stated reasons or otherwise.

Relinquished By: 		Date: <u>4/6/07</u>	Received By: 	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Phone #: _____
Time: <u>1120</u>				Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Fax #: _____
Relinquished By: _____		Date: _____	Received By: _____	REMARKS: <u>H12435-2 sample jar designated "Corner SE" XB</u>
Time: _____				
Delivered By: (Circle One)		Sample Condition ; CHECKED BY:		
Sampler - UPS - Bus - Other: _____		Cool Intact (Initials)		
		<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No 		

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



ARDINAL LABORATORIES

PHONE (325) 873-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
ARENA RESOURCES
ATTN: DANNY PALMER
4212 GRIMES, STE. B-4
HOBBS, NM 88240
FAX TO:

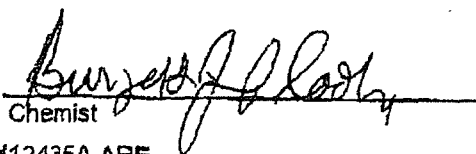
Receiving Date: 04/06/07
Reporting Date: 04/12/07
Project Number: NOT GIVEN
Project Name: NORTH BENSON WEST SATELLITE
Project Location: AND WELL 29-

Sampling Date: 04/05/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: LB
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (C ₁₀ -C ₂₈) (mg/Kg)	Cl* (mg/Kg)
ANALYSIS DATE		04/11/07	04/11/07	04/07/07
H12435-1	NW CORNER	<10.0	50.8	<16
H12435-2	SE CORNER	<10.0	12.1	<16
H12435-3	NE CORNER	<10.0	87.1	<16
H12435-4	SW CORNER	<10.0	16.8	<16
H12435-5	CENTER	<10.0	26.6	<16
H12435-6	WEST PILE	<10.0	46.5	<16
H12435-7	EAST PILE	<10.0	47.3	<16
Quality Control		724	793	500
True Value QC		800	800	500
% Recovery		90.5	99.1	100
Relative Percent Difference		0.8	1.6	0.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-ClB

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


Chemist
H12435A ARE

4/12/07
Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis of the sample. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the analytical service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

DEC 10 2007
OCD-ARTESIA

**PRICE ENERGY CONSULTING
P. O. BOX 50676
MIDLAND, TX 79710-0676
(432) 528-2777**

December 5, 2007

Mike Bratcher
New Mexico Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM 88210

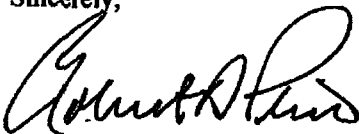
**Re: C-144 Filing for Arena Resources, Inc. – North Benson Queen Unit, West Satellite
Battery**

Dear Mr. Bratcher:

As we discussed on the telephone, Arena Resources, Inc. is submitting the enclosed C-144 for closure of the old drilling pit at the above referenced facility. The old pit was uncovered during surface preparation for the reconfiguration of the battery.

If you have any questions or require additional information, please contact me at the above address or telephone.

Sincerely,



Robert "Andy" Price
Principal Consultant

Enclosures

Cc: Danny Palmer, Production Foreman - Arena Resources, Inc.

Terry Gregston, Bureau of Land Management - Carlsbad, NM