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

DEC 1 0 2007 June 1, 2004

For drilling and production facilities, submit to appropriate NEW DEAL A For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure Is pit or below-grade tank covered by a "general plan"? Yes \Boxed No \Boxed

Type of action: Registration of a pit	or below-grade tank Closure of a pit or below-grade	de tank
Operator: ARENA KESOURLES INC. Telephon	ne: (585) 739 · / 739 e-mail address:	
Address: 2130 W. BENGER HORSS NO	m 88240	
Facility or well name: NBQU No. 029 API #: County: E089 Latitude	300 151 0 1 2 2 U/L or Qtr/Qtr N	Sec 29 T /85 R 30E
County: EDAY Latitude	32° 42' 50.2" Longitude /03°5	59' 42.6" NAD: 1927 1983
Surface Owner: Federal 🗹 State 🗌 Private 🔲 Indian 🗍		
Pit	Below-grade tank	
Type: Drilling Production Disposal	Volume:bbl Type of fluid:	
Workover	Construction material:	
Lined Unlined	Double-walled, with leak detection? Yes 1f not	
Liner type: Synthetic Thickness mil Clay		
Pit Volumebbl		
Depth to ground water (vertical distance from bottom of pit to seasonal	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
high water elevation of ground water.)	100 feet or more	(0 points)
Wellhead protection area: (Less than 200 feet from a private domestic	Yes	(20 points)
water source, or less than 1000 feet from all other water sources.)	(RO)	(0 points)
	Less than 200 feet	(20 points)
Distance to surface water: (horizontal distance to all wetlands, playas,	200 feet or more, but less than 1000 feet	(10 points)
irrigation canals, ditches, and perennial and ephemeral watercourses.)	000 feet or more	(0 points)
	Ranking Score (Total Points)	1
		1 9
If this is a pit closure: (1) Attach a diagram of the facility showing the pit		•
your are burying in place) onsite (offsite (tf offsite, name of facility_		
remediation start date and end date. (4) Groundwater encountered: No		ft. and attach sample results.
(5) Attach soil sample results and a diagram of sample locations and excava	tions.	
Additional Comments:		
Drong will is sace rottacked	closure plan -m	
Ora-obisting and	succepture p	
ME 543/10/ 1/24		
I hereby certify that the information above is true and complete to the best has been/will be constructed or closed according to NMOCD guideline	of my knowledge and belief. I further certify that the	te above-described pit or below-grade tank
i .		/ Complete pass 3.
Date: 12.04.2007	(9u . Ad	人
Printed Name/Title ROBERT A. PRICE, CONSULTA	NT Signature Mut NT	w
Your certification and NMOCD approval of this application/closure does r		
otherwise endanger public health or the environment. Nor does it relieve t regulations.	ne operator of its responsibility for compliance with an	ny omer rederal, state, or local laws and/or
Approval:	1,	, P
Printed Name/Title	Signature Signed By Mil4 B	CARRY ADDEE DEC 1 0 2007

NOTIFY OCD 24 HOURS PRIOR to beginning closure and 24 HOURS PRIOR to obtaining samples. Samples are to be obtained from pit area and analyses submitted to OCD prior to back-filling.

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.

ARDINAL LABORATORIES

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603

Company Name:	ArenA Resources		100	0, 07.	-,-	-	T	1020			TO		 	-			ANA	YSIS	R	QUE	ST	· · · · · · · · · · · · · · · · · · ·		
						Ρ.	P.O. #:					П							T					
						Co	Солграпу:					1	1	İ						}				
AT STATE OF						Attn: 141											1							
Phone #: 631		<u> </u>					_	dres	<u>/</u>	\mathcal{L}	FIFIC													i 1
Project #:	Project Owner						Ci		7	Ħ	H-1-						<u> </u>		1		i			
	Voith Rencon west 5		:7.	+			_	ale:		71	ip:		1 1				1		1					
		24!	⊆ <i>L</i> /	40-			-1-	one			ip		1							İ				
	And well 29-							X#:	<i>B</i> .				4	i				•	1			!		
Sampler Name:		T			MAT	RIX	Jr.		SERV	1	SAMPLL	NG	5											
		ے			1	T	T	H	T	T			c										1	()
		Ź	g.	HE SE	İ			1					20		ĺ					{				
Lab I.D.	Sample I.D.	E E	# CONTAINERS	SROUNDWATER WASTEWATER	!		1	Įį,	히				1 4	١,	İ	ĺ	1			1				
		84	Ž	3 1			3 3	\$	8 6	1			HOA						ı	İ				
		C) (C) RAB OR (C) OMP	ថ្ន	SRC WAS	ਲ੍ਹ	ᇹ	OTHER	ACIDIBASE.	ICE / COOL		DATE	TIME	-		1	L	<u> </u>				1	i		l '
H124351	NW Connex	G	l		X				T	4	115/67	1200	k	X										
-2	E Concy	G	1		X		1			Ι	\overline{Z}	/	\mathcal{L}	X										
3	NE CONEX	G	1		X				1	L	(5	Ý	X										
~4	Sw coner	G	1	<u> </u>	X		<u> </u>						X	LX_		<u> </u>	<u> </u>	<u> </u>	<u> </u>		1			
	Center	G	<u></u>		X.	-			<u> </u>	1			1×	X	!	<u> </u>	 	ļ	<u> </u>	4	<u> </u>	 		
		↓_	_		4_	-	+	1		╀	_(<u> ` </u>	-	ļ	↓	 	}		-	-			
tim money-programmy		1_	_		 -	1	+			+			-	 		 	┼	-	-		-		<u> </u>	
	west Pile	4	4	-	14	-		-		╀	-\		X_	X.	-	├ ──	-	 	 		+	 		
= 7	Esta Pile	G	+-	├	K	+	-	-		╀			X	X	├					+				
PLEASE HOTE: LAGAY D	od Oderang ca. C probring's whiching that changs a national a removely bar	nay chain	3/15/	www.che) Disco	n con	ed e	nt, abail) e Hooked	4	ne status) pri	by the clent to	1 lbp			<u></u>	1	<u></u>	<u> </u>			<u> </u>		
sormia. In his death and C	ng sambi ku nagyabaca ani jiny andi gulusa wajisada a andi da Ananji da Lamb ka madhaka an mjabagaalah ilibungar, mchan	A MOION	et terrico	EIDƏN, DUSİ	(0:23 i F2	MUTHER	15. 105±	c/ usa,	k pesso og t	post	B permitted by c	HOTE, ISS GARDANS	MICS,	bie										
Relinquished B	Y: 7			yed B		art d	in is b	236 4P	n say of t	ند بدا	en bezeto evoca	Phone Re		□ Ye	s C	No	Addi	Phone	ill:		-	-	-	-
(softe	7/6/0-	2	<u> </u>		,-	~	-	A	/			Fax Resu REMARK	R:	П Ус			Addi							
Louis W. Tol	1120		_		_	\leq	E	1						_			i							į
arregulations a	Y: Date:	Re	cel	ved B	1:-			/				H(24	50-	2 3	a~p	16.je	ic d	97191	nste	d 6	orn:	r 5	E	' S
1	Trate;	7																					•	į
Delivered By	: (Cîrcle One)	·				Con		i			D BY;													
Sampler - UPS	- Bus - Other:			C D	iol Eye	intac s 23	t eev	1	(In	illa V	118)	1												
) N		No		<u> </u>	2														

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



PHONE (505) 393-2326 - 101 E. MARLAND - HOBBS, NM 68240

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

	GRO	DRO ·	
	(C _€ -C ₁₀)	(>C ₁₀ -C ₂₈)	Ci*
LAB NUMBER SAMPLE ID	(mg/Kg)	(mg/Kg)	(mg/Kg)

ANALYSIS D	PATE	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	WESTPILE	<10.0	46.5	<16
H12435-7	EAST PILE	<10.0	47.3	<16
Quality Cont	rol	724	793	500
True Value (QČ	800	800	500
% Recovery		90.5	99.1	100
Relative Per	cent Difference	0.8	1,6	0.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CIB *Añālysēs pērformed on 1:4 w/v aqueous extracts.

H12435A ARE

Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim shizing, whether besid in contract or ton, shall be limited to the amount paid by claim for analysis at All claims, including these for hegigence and any other cause whoteoever that be deemed waved unless made in writing and received by Cardinal within thiny (30) Gays stile completion unlike the claim as event analysis. In me event shall be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of prints incruded by claim, its substitutions affiliated or successors skiship out of or related to the performance of services by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

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