

**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 NMOC rule 50. This will also require NMOC 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.



(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

Company Name:			<b>BILL TO</b>										<b>ANALYSIS REQUEST</b>									
Project Manager:			P.O. #:																			
Address:			Company:																			
City:			Attn:																			
Phone #:			Address:																			
Fax #:			City:																			
Project #:			State:																			
Project Owner:			Zip:																			
Project Name:			Phone #:																			
Project Location:			Fax #:																			
Sampler Name:																						
FOR LAB USE ONLY																						
Lab I.D.	Sample I.D.	G/RAB OR C/JUMP	# CONTAINERS	MATRIX	PRESERV.	SAMPLING																
				GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER :	ACID/BASE: ICE / COOL OTHER :		DATE	TIME														
H12435-1	NW Corner	G	1	X			4/5/67	1200	X	X												
-2	E corner	G	1	X					X	X												
-3	NE corner	G	1	X					X	X												
-4	SW corner	G	1	X					X	X												
-5	Center	G	1	X					X	X												
-6	West Pile	G	1	X					X	X												
-7	East Pile	G	1	X					X	X												

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 the client for the analyses. All claims involving losses for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruption, loss of profit, loss of profits incurred by clients, its subsidiaries, affiliates or licensees, or any third party claiming through them, as a result of the performance of services provided by Cardinal regardless of whether such claim is based upon any of the above stated remedies or otherwise.

Relinquished By:	Date:	Received By:	Phone Result:	Fax Result:	REMARKS:
[Signature]	4/6/67	[Signature]	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Add'l Phone #:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Add'l Fax #:	H12435-2 sample jar designated "Corner SE" X6
Time:	1120				
Relinquished By:	Date:	Received By:			

Delivered By: (Circle One)	Sample Condition ; CHECKED BY:
Sampler - UPS - Bus - Other:	Cool Intact (Initials)
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <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 <sub>6</sub> -C <sub>10</sub> ) (mg/Kg)	DRO (C <sub>10</sub> -C <sub>28</sub> ) (mg/Kg)	CI* (mg/Kg)
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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; CI: Std. Methods 4500-CI'B

\*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. 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