Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0137 Expires July 31, 2010

DCD ARTESIA

5 Lease Serial No

NM 27276

6 If Indian. Allottee or Tribe Name

LC028978

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an

abandoned well. Use Form 3160-3 (APD) for such proposals. 7 If Unit of CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2 AUG - 6 20081 Type of Well 8 Well Name and No McClay Federal #7 Oil Well Gas Well Other 9 API Well No 30-015-10370 2 Name of Operator Arena Resources Inc 3b Phone No (include area code) 10 Field and Pool or Exploratory Area 3a Address North Benson Queen 575-738-1739 2130 W Bender Hobbs NM 88240 4 Location of Well (Footage, Sec. T. R.M. or Survey Description) 11 Country or Parish, State Eddy County, NM Sec 33, T18S, R30E 330 FNL & 1650 FWL 12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Production (Start Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Freat Reclamation Well Integrity Casing Repair New Construction Recomplete Other Subsequent Report Plug and Abandon Change Plans ___ Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 13 Describe Proposed or Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection) Clean out fill to 3271'. RIH w/GRCCL corralate to VTCGRL and shot perfs: 3078'-3100', 3004'-3012', 2960'-2970', 2910'-2915', 2735-2753' 1SPF. Acid flush w/2% KCL; frac treat w/10# brine. Return well to production 6-12-08. ACCEPTED FOR RECORD ACCEPTED FOR RECORD AUG 8 2003 Gerry Guye, Deputy Field Inspector NMOCD-District II ARTESIA BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 14 I hereby certify that the foregoing is true and correct. Name (Printed Typed) Colleen Robinson Title Compliance Analyst Date 07/22/0208 Signature 02m80n THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Litle Conditions of approval, if any, are attached Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false. fictitious or fraudulent statements or representations as to any matter within its jurisdiction

entitle the applicant to conduct operations thereon