

RECEIVED  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Las Cruces, NM 88102  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. Francisco St., Santa Fe, NM 87505  
HOBBS, NM  
DEC 11 2008

AMMENDED  
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 |
|------------------------------------|------------------------------------|-------------------------------|

#### LOCATION OF RELEASE

|                  |               |                 |              |                       |                        |                       |                      |               |
|------------------|---------------|-----------------|--------------|-----------------------|------------------------|-----------------------|----------------------|---------------|
| Unit Letter<br>G | Section<br>31 | Township<br>17S | Range<br>34E | Feet from the<br>2310 | North/South Line<br>NL | Feet from the<br>1650 | East/West Line<br>EL | County<br>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:<br>10/21/2008-1400 | Date and Hour of Discovery:<br>10/21/2008-1400 |
| Was Immediate Notice Given?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Geoffrey Leking             |  |
| By Whom? Fred Holmes   | Date and Hour 10/24/2008-1100                   |  |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacting the Watercourse.       |  |

If a Watercourse was Impacted, Describe Fully.\*:

GW > 100'  
(135')

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 will be excavated to less than 500 mg/kg TPH and CHL and blended with clean fill until the TPH/CHL levels are less than 1000/500 mg/kg. Oil Gator (biological degradation additive) will be blended to the final mixture to further reduce hydrocarbon levels. Calcium Nitrate (a NaCl ammendment) will be added to soil mixture as well. Remediated soil will then be placed back into the excavated area. Samples will be collected from the bottom of the excavation area and the blended material and analyzed for TPH & CHL before placing treated material back into the excavation. Site location map 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.

#### OIL CONSERVATION DIVISION

|   |   |                                   |
|---|---|-----------------------------------|
| Signature: <i>Colleen Robinson</i>              | Approved by District Supervisor: <i>Geoffrey Leking</i>   |                                   |
| Printed Name: Colleen Robinson                  | Approval Date: <i>DR12/01/08</i><br><i>11/03/08</i>   | Expiration Date: <i>01/03/08</i>  |
| Title: Regulatory Compliance Specialist         | Conditions of Approval: <i>SAMPLE TO CLEAN</i><br><i>+1. SUBMIT</i><br><i>FINAL C-141 BY 01/03/08</i> | Attached <input type="checkbox"/> |
| E-mail Address: crobinson@arenaresourcesinc.com |   |                                   |
| Date: 10/24/2008                                | Phone: 575-738-1739   |                                   |

\* Attach Additional Sheets If Necessary

FGRL 0833656629

IRP-1995

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OCT 31 2008

HOBBS (11)

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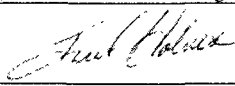
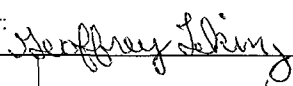
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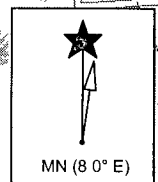
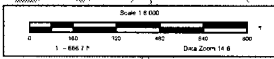
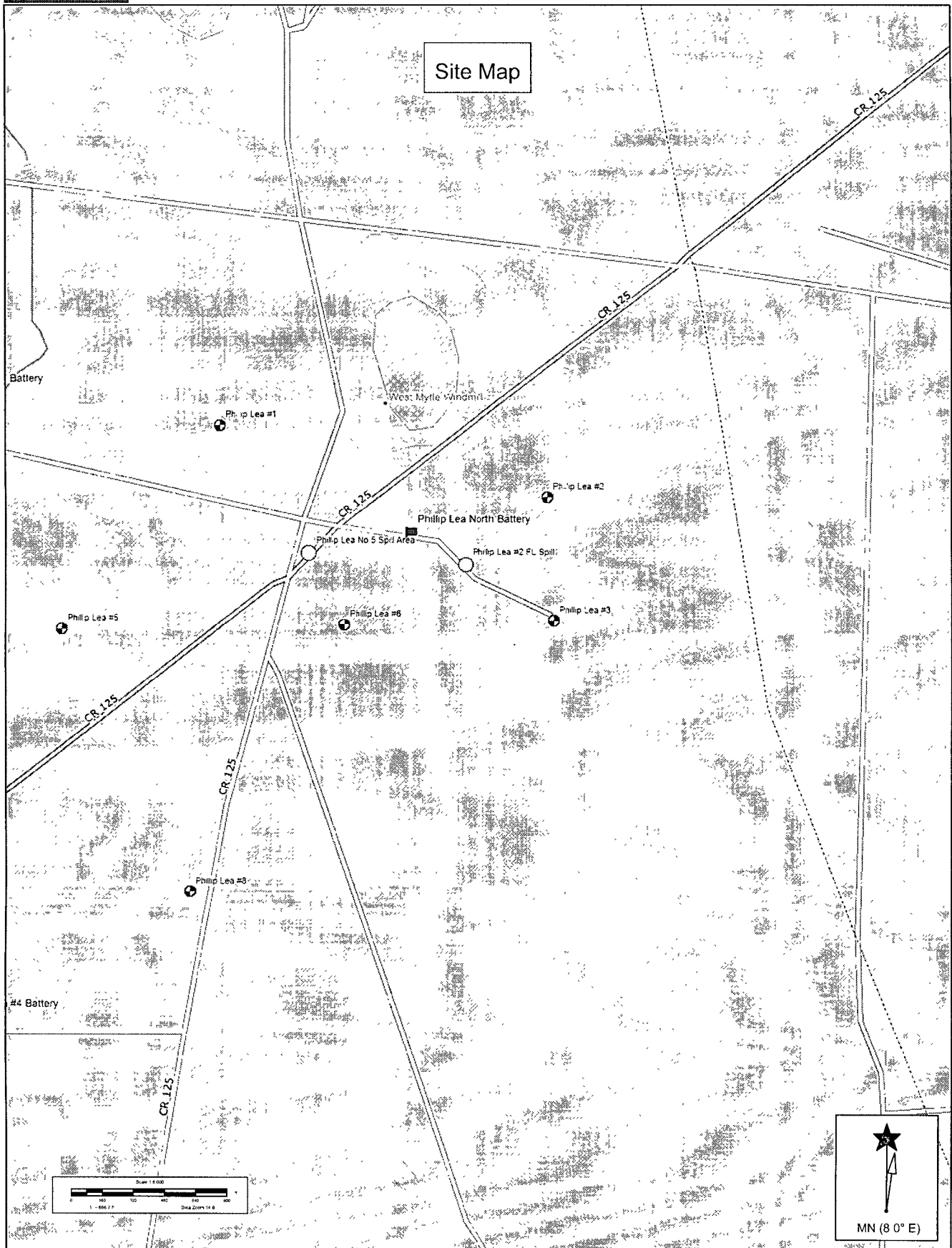
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| Signature:    |   | OIL CONSERVATION DIVISION  |
| Printed Name: Fred Holmes  |   | Approved by District Supervisor:  |
| Title: Consultant  |   | Approval Date: 11/03/08 Expiration Date: 01/03/08  |
| E-mail Address: fred@etechenv.com  |   | Conditions of Approval. Sample to  |
| Date: 10/24/2008 Phone: 432-563-2200   |   | clean + 1. submit Attached <input type="checkbox"/>  |

\* Attach Additional Sheets If Necessary

Final C-141 by 01/03/08.

IRP-1995



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www.delorme.com