



3211

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

October 9, 2007

Beach Exploration, Inc.
800 North Marienfeld, Suite 200
Midland, TX 79701

Attn: Ms. Brenda Martin

Re: Designation of Successor Unit Operator
Red Lake Unit
Eddy County, New Mexico

RECEIVED
2007 OCT 30 AM 11:58

Dear Ms. Martin:

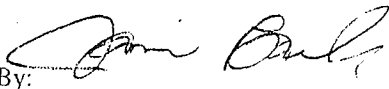
The Bureau of Land Management has notified this office that Arena Resources, Inc. has been designated as the successor unit operator of the Red Lake Unit, Eddy County, New Mexico. Our records reflect that Beach Exploration, Inc. is still the operator of record for this unit. Since a change of operator has not been approved by this office, Arena Resources, Inc. is operating the Red Lake Unit without authority.

In view of the above, please submit within (30) days, a resignation from Beach Exploration, Inc. and the designation of Arena Resources, Inc. as successor unit operator to this office for approval. Arena Resources, Inc. must also accept the duties and responsibilities as the successor unit operator in writing.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS



By:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
PL/JB/jm

xc: Reader File

OCD

BLM

Arena Resources, Inc.

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Bank Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University



3211

RECEIVED

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

2007 OCT 22 PM 2:23
COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

October 17, 2007

Beach Exploration, Inc.
800 N. Marienfeld Suite 200
Midland, TX 79701-3382

Attn: Ms. Brenda Martin

Re: Resignation/Designation of Successor Unit Operator
Red Lake Unit
Eddy County, New Mexico

Dear Ms. Martin:

We are in receipt of your resignation/designation of successor unit operator, wherein Beach Exploration, Inc. has resigned as unit operator of the Red Lake Unit and designated Arena Resources, Inc. as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of Beach Exploration, Inc. and the designation of Arena Resources, Inc. as the successor unit operator of this unit. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

This change in operators is effective October 02, 2007. In accordance with this approval, Arena Resources, Inc. is now responsible for all operations and the reporting of all production from this unit.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil/Gas and Minerals Division
PL/JB/jm
xc: Reader File
OCD-Santa Fe, Attn: Mr. David Catanach
TRD-Attn: Mr. Valdean Severson

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University