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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required - Deadline Enclosed

17-Jan-08

7001 1940 0001 9971 5871

ARENA RESOURCES, INC 6555 S LEWIS AVE.
TULSA OK 74136

LOV NO. 02-08-016

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

RED LAKE UNIT No.022 E-36-16S-28E 30-015-01286-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/17/2008 Brádenhead Yes Richard Inge 1/28/2008 iREI0801736545 No Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator **Comments on Inspection:** shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date. **RED LAKE UNIT No.016** O-25-16S-28E 30-015-23122-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/17/2008 Bradenhead Richard Inge Yes No 1/28/2008 iREI0801736414 Comments on Inspection: Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date.

Oil Conservation Division * 1301 W. Grand * Artesia, New Mexico 88210 Phone: 505-748-1283 * Fax: 505-748-9720 * http://www.emnrd.state.nm.us

RED LAKE UNIT No.019 C-36-16S-28E 30-015-23148-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/17/2008 Bradenhead Richard Inge Yes No 1/28/2008 ıREI0801736458 Violation of NMOCD Rule 19 15 9.704.A (5), which states in part ". . The injection well operator Comments on Inspection: shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date. RED LAKE UNIT No.010 30-015-23406-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/17/2008 iREI0801736312 Bradenhead Richard Inge Yes No 1/28/2008 Comments on Inspection: Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date. **RED LAKE UNIT No.024** G-36-16S-28E 30-015-23658-00-00 Inspection *Significant Corrective Type Inspection Inspector Inspection No. Violation? Date Non-Compliance? Action Due By: 01/17/2008 Bradenhead Richard Inge 1/28/2008 iREI0801736587 Yes No Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator Comments on Inspection: shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date. A-36-16S-28E RED LAKE UNIT No.021 30-015-23659-00-00 Inspection *Significant Corrective Type Inspection Inspector Inspection No. Violation? Non-Compliance? Date Action Due By: 01/17/2008 Bradenhead Richard Inge Yes No 1/28/2008 iREI0801736506 Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator Comments on Inspection: shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed.' Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date. RED LAKE UNIT No.025 J-36-16S-28E 30-015-23861-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/17/2008 Bradenhead Richard Inge Yes No 1/28/2008 iREI0801734624 Comments on Inspection: Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

will require that this well be shut-in on the compliance due date.

Failure to contact the OCD by compliance due date to schedule the required inspection on this well

RED LAKE UNIT No.007 G-25-16S-28E 30-015-23936-00-00 Inspection *Significant Corrective Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: 1REI0801736216 01/17/2008 Bradenhead Richard Inge Yes No 1/28/2008 Comments on Inspection: Violation of NMOCD Rule 19.15.9.704.A (5), which states in part ". . The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date. 30-015-24016-00-00 **RED LAKE UNIT No.012** I-25-16S-28E Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/17/2008 Bradenhead Richard Inge Yes 1/28/2008 iREI0801736361 No Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator Comments on Inspection: shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date. **RED LAKE UNIT No.005** A-25-16S-28E 30-015-24130-00-00 *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/17/2008 Bradenhead Richard Inge Yes No 1/28/2008 iREI0801736136 Comments on Inspection: Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date. **RED LAKE UNIT No.009** E-30-16S-29E 30-015-25557-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/17/2008 Bradenhead Richard Inge Yes No 1/28/2008 iREI0801736266 Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator Comments on Inspection: shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date. RED LAKE UNIT No.002 O-24-16S-28E 30-015-25681-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/17/2008 iREI0801736030 Bradenhead Richard Inge Yes No 1/28/2008 Comments on Inspection: Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

will require that this well be shut-in on the compliance due date.

Failure to contact the OCD by compliance due date to schedule the required inspection on this well

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,

Ruther NAS
Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data *Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas