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NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary

Mark E. Fesmire, P.E. Director

Oil Conservation Division

Response Required - Deadline Enclosed

Commission & Sugar SKIRE LARGE TO SELECT STORY OF THE SELECTION O

18-Jun-08

ARENA RESOURCES, INC **6555 S LEWIS TULSA OK 74136**

LOV NO. 2-8-1/8

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

CAL MON STATE No.001

E-19-16S-29E

30-015-25817-00-00

Inspection Date

Type Inspection

Inspector

Violation?

"Significant

Corrective

06/18/2008

Routine/Periodic

Non-Compliance?

Action Due By:

Inspection No. iGEG0817036035

Comments on Inspection:

Gerry Guye

Yes

No

7/18/2008

Sign wil be replaced 9-20.08

Well sign is in error. Sign indicates well as Cal-Mon St #2 with footage of 1728' FNL and 916' FEL. This a violation of Rule 103. Replace sign and notify OCD in writing prior to date above.

ACCEPTED FOR RECORD

AUG 18 2008

Gerry Guye, Deputy Field Inspector NMOCD-District II ARTESIA

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