

District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> Final Report
Name of Company <i>Arena Resources</i>	Contact <i>Bob AKIN</i>		
Address <i>4212 N Grimes, Ste B Hobbs NM. 88240</i>	Telephone No. <i>505 390-8007</i>		
Facility Name <i>Seven Rivers Queen Unit # 53</i>	Facility Type <i>Injection Line</i>		
Surface Owner <i>State</i>	Mineral Owner	Lease No. <i>34227</i>	

LOCATION OF RELEASE

Unit Letter	Section <i>2</i>	Township <i>235</i>	Range <i>36E</i>	Feet from the <i>2310</i>	North/South Line <i>North Line</i>	Feet from the <i>660</i>	East/West Line <i>West</i>	County <i>Lea</i>
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Latitude _____ Longitude *30025092150000*

NATURE OF RELEASE

Type of Release <i>Produce Water</i>	Volume of Release <i>260 bbls</i>	Volume Recovered <i>210 bbls</i>
Source of Release <i>2" Fiberglass Inj. Line</i>	Date and Hour of Occurrence	Date and Hour of Discovery <i>7:55AM</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Gary Wink</i>	
By Whom? <i>Bob AKIN</i>	Date and Hour <i>7/18/07</i>	<i>8:12 A.M.</i>
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

CHLORIDES 17K

Describe Cause of Problem and Remedial Action Taken.* *2" Line break which shut Inj Pump down. Replaced section of Inj Line.*

Describe Area Affected and Cleanup Action Taken.* *Leak ran beside Loc #53 in low spot picked up 210 bbls, prod. water backhoe cleaned up area*

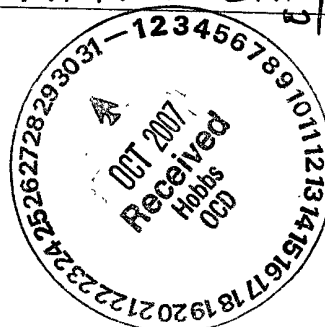


if needed will fill soil blending in enhanced bio-remediation material.

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.

Signature: <i>Bob Akin</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>Bob AKIN</i>	Approved by District Supervisor: <i>[Signature]</i>	
Title: <i>Production Foreman</i>	Approval Date: <i>10.30.07</i>	Expiration Date: <i>12.31.07</i>
E-mail Address: <i>bakin@arenareourcesinc.com</i>	Conditions of Approval: <i>SUBMIT FINAL C141</i>	Attached <input type="checkbox"/>
Date: <i>10/23/07</i>	Phone: <i>505-390-8007</i>	

* Attach Additional Sheets If Necessary



Documentation By

RP# 1632



ARDINAL LABORATORIES

RP#1531

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
ARENA RESOURCES
ATTN: DANNY PALMER
4212 N. GRIMES ST.
HOBBS, NM 88240
FAX TO: (505) 738-1740

Receiving Date: 08/22/07
Reporting Date: 08/27/07
Project Number: NOT GIVEN
Project Name: NOT GIVEN
Project Location: NOT GIVEN

Sampling Date: 08/22/07
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: HM
Analyzed By: BC/KS

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (C ₁₀ -C ₂₈) (mg/Kg)	CI* (mg/Kg)
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ANALYSIS DATE		08/23/07	08/23/07	08/24/07
H13155-1	WEST SIDE ROAD	<10.0	<10.0	1260
	7RQU MAIN BATTERY			
	2' DOWN			
Quality Control		767	792	500
True Value QC		800	800	500
% Recovery		95.9	99.1	100
Relative Percent Difference		0.9	0.7	3.9

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI* Std. Methods 4500-CI'B

*Analysis performed on a 1:4 w:v aqueous extract.

Chemist

Date

H13155 ARENA

PLEASE NOTE: **Liability and Damages** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



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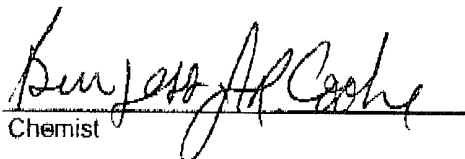
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Project Name: NOT GIVEN
Project Location: NOT GIVEN

Sampling Date: 08/22/07
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: HM
Analyzed By: AB

LAB NUMBER	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		08/23/07	08/23/07	08/23/07	08/23/07
H13155-1	WEST SIDE ROAD	<0.002	0.002	<0.002	<0.006
	7RQU MAIN BATTERY				
Quality Control		0.096	0.085	0.086	0.264
True Value QC		0.100	0.100	0.100	0.300
% Recovery		96	85	86	88
Relative Percent Difference		0.9	1.8	0.8	2.8

METHOD: EPA SW-846 8021B


Chemist

8/27/07
Date

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(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

† Cardinal cannot accept verbal changes. Please fax written changes to 605-393-2476