

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: October 22, 2007

Re: Arena Resources, Inc. (ARD) - 2 for 1 Stock Split

Arena Resources, Inc. (ARD) has declared a 2 for 1 stock split payable to share holders of record on Monday, October 15, 2007. Distribution date for the stock split will be Friday, October 26, 2007. **Ex-distribution date for the stock split will be Monday, October 29, 2007.**

The Options Clearing Corporation (OCC), pursuant to OCC By-Laws, intends to issue on the distribution date (1) additional ARD option contract for each option contract held. Further, on the ex-distribution date each ARD series will have an adjusted exercise (strike) price equal to 1/2 of the exercise (strike) price for each ARD series existing on the business day preceding the ex-distribution date. For example, beginning on Monday, October 29, 2007 an account holding (2) ARD NOV 50 calls (ARD KJ) will hold (4) ARD NOV 25 calls (ARD KE). Customers should be advised that (1) contract in the adjusted ARD series will still represent 100 shares of ARD common shares.

POSITION/EXERCISE LIMITS:

Position and exercise limits will change from 50,000 to 100,000 contracts until the expiration date of January 16, 2010

GOOD-TILL-CANCELLED (GTC) ORDERS:

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution or effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

The resulting list of adjusted strike prices and symbols is as follows:

Arena Resources, Inc. (ARD) (Before 10/29/2007) (1 Contract)					Arena Resources, Inc. (ARD) (Beginning 10/29/2007) (2 Contracts)				
			Calls	Puts				Calls	Puts
ARD	NOV	50	KJ	WJ	ARD	NOV	25	KE	WE
ARD	NOV	55	KK	WK	ARD	NOV	27 1/2	KY	WY
ARD	NOV	60	KL	WL	ARD	NOV	30	KF	WF
ARD	NOV	65	KM	WM	ARD	NOV	32 1/2	KZ	WZ
ARD	NOV	70	KN	WN	ARD	NOV	35	KG	WG
ARD	NOV	75	KO	WO	ARD	NOV	37 1/2	KU	WU
ARD	NOV	80	KP	WP	ARD	NOV	40	KH	WH
ARD	NOV	85	KQ	WQ	ARD	NOV	42 1/2	KV	WV
ARD	DEC	65	LM	XM	ARD	DEC	32 1/2	LZ	XZ
ARD	DEC	70	LN	XN	ARD	DEC	35	LG	XG
ARD	DEC	75	LO	XO	ARD	DEC	37 1/2	LU	XU
ARD	JAN	30	AF	MF	ARD	JAN	15	AC	MC
ARD	JAN	35	AG	MG	ARD	JAN	17 1/2	AA	MA
ARD	JAN	40	AH	MH	ARD	JAN	20	AD	MD
ARD	JAN	45	AI	MI	ARD	JAN	22 1/2	AB	MX
ARD	JAN	50	AJ	MJ	ARD	JAN	25	AE	ME
ARD	JAN	55	AK	MK	ARD	JAN	27 1/2	AY	MY
ARD	JAN	60	AL	ML	ARD	JAN	30	AF	MF
ARD	JAN	65	AM	MM	ARD	JAN	32 1/2	AZ	MZ

Arena Resources, Inc. (ARD) (Before 10/29/2007) (1 Contract)					Arena Resources, Inc. (ARD) (Beginning 10/29/2007) (2 Contracts)				
			Calls	Puts				Calls	Puts
ARD	JAN	70	AN	MN	ARD	JAN	35	AG	MG
ARD	JAN	75	AO	MO	ARD	JAN	37 1/2	AU	MU
ARD	JAN	80	AP	MP	ARD	JAN	40	AH	MH
ARD	JAN	85	AQ	MQ	ARD	JAN	42 1/2	AV	MV
ARD	APR	50	DJ	PJ	ARD	APR	25	DE	PE
ARD	APR	55	DK	PK	ARD	APR	27 1/2	DY	PY
ARD	APR	60	DL	PL	ARD	APR	30	DF	PF
ARD	APR	65	DM	PM	ARD	APR	32 1/2	DZ	PZ
ARD	APR	70	DN	PN	ARD	APR	35	DG	PG
ARD	APR	75	DO	PO	ARD	APR	37 1/2	DU	PU
ARD	APR	80	DP	PP	ARD	APR	40	DH	PH
ARD	APR	85	DQ	PQ	ARD	APR	42 1/2	DV	PV
ARD	APR	90	DR	PR	ARD	APR	45	DI	PI
ARD	APR	95	DS	PS	ARD	APR	47 1/2	DW	PW
ARD	APR	100	DT	PT	ARD	APR	50	DJ	PJ

Arena Resources, Inc. - 2009 Leap (XZI) (Before 10/29/2007) (1 Contract)					Arena Resources, Inc. - 2009 Leap (XZI) (Beginning 10/29/2007) (2 Contracts)				
			Calls	Put				Calls	Put
XZI	JAN	35	AG	MG	XZI	JAN	17 1/2	AA	MA
XZI	JAN	40	AH	MH	XZI	JAN	20	AD	MD
XZI	JAN	45	AI	MI	XZI	JAN	22 1/2	AB	MB
XZI	JAN	50	AJ	MJ	XZI	JAN	25	AE	ME
XZI	JAN	55	AK	MK	XZI	JAN	27 1/2	AY	MY
XZI	JAN	60	AL	ML	XZI	JAN	30	AF	MF
XZI	JAN	65	AM	MM	XZI	JAN	32 1/2	AZ	MZ
XZI	JAN	70	AN	MN	XZI	JAN	35	AG	MG
XZI	JAN	75	AO	MO	XZI	JAN	37 1/2	AU	MU
XZI	JAN	80	AP	MP	XZI	JAN	40	AH	MH
XZI	JAN	85	AQ	MQ	XZI	JAN	42 1/2	AV	MV
XZI	JAN	90	AR	MR	XZI	JAN	45	AI	MI
XZI	JAN	95	AS	MS	XZI	JAN	47 1/2	AW	MW
XZI	JAN	100	AT	MT	XZI	JAN	50	AJ	MJ
XZI	JAN	105	AA	MA	XZI	JAN	52 1/2	AX	MX
XZI	JAN	110	AB	MB	XZI	JAN	55	AK	MK
XZI	JAN	115	AC	MC	XZI	JAN	57 1/2	AT	MT
XZI	JAN	120	AD	MD	XZI	JAN	60	AL	ML

Arena Resources, Inc. - 2010 Leap (KZA) (Before 10/29/2007) (1 Contract)					Arena Resources, Inc. - 2010 Leap (KZA) (Beginning 10/29/2007) (2 Contracts)				
			Calls	Put				Calls	Put
KZA	JAN	30	AF	MF	KZA	JAN	15	AC	MC
KZA	JAN	40	AH	MH	KZA	JAN	20	AD	MD
KZA	JAN	50	AJ	MJ	KZA	JAN	25	AE	ME
KZA	JAN	60	AL	ML	KZA	JAN	30	AF	MF
KZA	JAN	70	AN	MN	KZA	JAN	35	AG	MG
KZA	JAN	75	AO	MO	KZA	JAN	37 1/2	AU	MU

Any additional ARD series that are added prior to the ex-date will also be adjusted in the manner described above.

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.