

Subject: Exploratory Drilling
Country: Alabama
Date: 01/16/2006
Company: SKLAR EXPLORATION CO LLC
Title: Sklar schedules Conecuh County wildcat near Little Cedar Creek field

An exploratory Smackover test has been permitted by Shreveport independent Sklar Exploration Co LLC in the southeastern portion of Alabama's Conecuh County, within five miles north of the Escambia County line.

The 1 Craft-Mack 7-2 (API 01-035-20122) is slated to reach 11,600 ft in the c nw ne 7-4n-13e. It is about three miles northeast of Little Cedar Creek field, a Smackover reservoir being delineated by Dallas-based Midroc Operating Co.

About one mile to the east-southeast, Cimarex recently permitted the 1 Craft-Mack 8-7 in the n2 sw ne 8-4n-13e. The 11,270-ft Smackover well was abandoned last May.

Last February, Midroc completed a high-volume well in the se nw se 15-4n-12e. The 1 Stuart 15-15 flowed 405 bbls of crude and 325,000 cu ft of casinghead gas from gross Smackover perforations at 11,540-11,604 ft. The 11,990-ft well has yielded 46,841 bbls of crude and 41.43 million cu ft of casinghead gas since being brought online last July. It was originally permitted as the 15 Stuart "15."

Midroc's 19 producers that comprise Little Cedar Creek field have cumulatively recovered 532,849 bbls of oil, 1.04 billion cu ft of casinghead gas and 2,571 bbls of water. Last July, production totaled 92,984 bbls of crude and 79.59 million cu ft of gas.

Midroc has recently permitted five other tests in the area.

