



Subject: Exploratory Drilling
Time Period: Last 12 Months
Region: Southeast
County: Not Available
Date: 16 Feb 2010
Company: MIDROC OPERATING CO, SKLAR EXPLORATION CO LLC, FAIRWAYS EXPLORATION & PRODUCTION LLC
Title: Midroc, Sklar add to drilling program in Conecuh County

In the eastern portion of Conecuh County, Dallas-based Midroc Operating Co has staked two more tests in a Smackover drilling program that is being conducted about seven miles west of the town of Red Level, Alabama.

The 13-13 Cedar Creek Land & Timber (API 01-035-20204) is slated to reach a total depth of 11,000 ft three miles west of the Covington County line in the ne sw 13-5n-13w.

Midroc permitted its 22-1 Cedar Creek Land & Timber (API 01-035-20202) one and one-third miles to the west in the nw se se of section 15. It is expected to reach a total depth of 11,500 ft.

That new location offsets the operator's 15-16 Cedar Creek Land & Timber (API 01-035-20198). It was permitted in December to a total depth of 11,000 ft.

In January, Houston-based Fairways Exploration & Production LLC scheduled a wildcat in the se nw ne 14-5n-13e, three-quarters of a mile northwest of the proposed 13-13 Cedar Creek Land & Timber. The 1 Hines "14-7" (API 01-035-20201) is slated to reach a total depth of 10,800 ft.

A Smackover well is nearly a mile southwest of that location in the same section. Midroc recently completed its 14-14 Cedar Creek Land & Timber flowing 482 bbls of 48-degree crude and 401,000 cu ft of casinghead gas per day through perforations at 10,234-10,258 ft. The wildcat was drilled to a total depth of 10,525 ft.

One and two-third miles southwest of that location is Sklar's 1 Craft-Soterra LLC "27-6" (API 01-035-20200), ne se nw of section 27. The venture was drilled a total depth of 10,710 ft last month. It is currently waiting on completion tools with 5 1/2-inch pipe set on bottom.

Sklar's 1 Craft-Ralls "33-7" (API 01-035-20196) is another mile and a quarter to the southwest in the e2 sw ne 33-5n-13e. It was drilled to a total depth of 10,880 ft and was being production tested through Smackover perforations at 10,838-10,854 ft at last report.

Offsetting to the west in the same section, Sklar recently permitted its 1 Craft-Ralls "33-6" (API 01-035-20203). It is expected to be drilled to a total depth of 11,500 ft.

More Smackover production is in Little Cedar Creek field, just southwest of the 1 Craft-Ralls "33-7." Opened in 1994, the reservoir has recovered a cumulative 9.38 million bbls of oil, 8.09 billion cu ft of gas and 93,765 bbls of water. September 2009 output was 176,095 bbls of crude, 219.94 million cu ft of gas and 3,411 bbls of water.

