



Subject: Exploratory Drilling
Time Period: Last 12 Months
Region: Southeast
County: Not Available
Date: 22 Feb 2010
Company: SKLAR EXPLORATION CO LLC, MIDROC OPERATING CO, FAIRWAYS EXPLORATION & PRODUCTION LLC
Title: Sklar Exploration active at wildcat in eastern Conecuh County

Shreveport-based Sklar Exploration Co has begun drilling a wildcat in the eastern portion of Conecuh County in a Smackover drilling program that is being conducted about 10 miles west of the town of Red Level, Alabama.

Spudded on February 18 by Rapad Drilling's Rig #35, the 1 Craft-Ralls "33-6" (API 01-035-20203) is expected to reach a total depth of 11,500 ft. The drillsite is located five miles west of the Covington County line in the c se nw 33-5n-13e.

The operator's 1 Craft-Ralls "33-7" (API 01-035-20196) offsets to the east in the same section. 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.

Another mile and a half to the northeast, in the ne se nw of section 27, is Sklar's 1 Craft-Soterra LLC "27-6" (API 01-035-20200). The venture was drilled to 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.

A Smackover well is nearly a two miles northeast of that test in section 14. Midroc Operating Co 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.

Midroc is active at several tests in the area, including its 13-13 Cedar Creek Land & Timber (API 01-035-20204), ne sw sw 13-5n-13w, and the 22-1 Cedar Creek Land & Timber (API 01-035-20202) and 15-16 Cedar Creek Land & Timber (API 01-035-20198), both of which offset one another in the nw se se of section 15.

Houston-based Fairways Exploration & Production LLC also has a wildcat nearby 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.

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.

