



**Subject:** Exploratory Drilling  
**Time Period:** Last 12 Months  
**Region:** Southeast  
**County:** Not Available  
**Date:** 12 Apr 2010  
**Company:** MIDROC OPERATING CO, FAIRWAYS EXPLORATION & PRODUCTION LLC, SKLAR EXPLORATION CO LLC  
**Title:** Midroc adds to Smackover program in Conecuh County, AL

Dallas-based Midroc Operating Co has staked another directional test 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.

The 22-16 Cedar Creek Land & Timber (API 01-035-20205) is slated to reach a total depth of 11,500 ft. It is located four and a half miles west of the Covington County line in the ne ne sw 22-5n-13e. The venture is expected to bottom to the southeast beneath the same section.

The operator is waiting on completion tools at a directional wildcat about a mile to the northeast. The 22-1 Cedar Creek Land & Timber (API 01-035-20202), nw se se 15-5n-13e, was drilled to a total depth of 10,893 ft earlier this month. Five-and-a-half-inch casing set on bottom. It bottomed to the south beneath section 22.

The operator's 15-16 Cedar Creek Land & Timber (API 01-035-20198) directly offsets that test in the same section and is expected to be vertically drilled to 11,000 ft.

A Smackover well is one-third of a mile to the east in section 14. Midroc completed its 14-14 Cedar Creek Land & Timber in November 2009 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. No production activity has been reported to date.

Midroc's 23-3 Cedar Creek Land & Timber is one-third of a mile to the south in the sw ne nw of section 23. In October 2009, the 10,600-ft well was completed through Smackover perforations at 10,242-10,270 ft flowing 468 bbls of 43-degree oil, 418,000 cu ft of gas and two bbls of water daily. The wildcat has yielded 11,200 bbls of crude, 10.62 million cu ft of gas and 53 bbls to date.

The company's 13-13 Cedar Creek Land & Timber (API 01-035-20204) is another mile to the northeast in the ne sw sw of section 13. Drilled to a total depth of 10,512 ft, it is currently waiting on completion tools with 5 1/2-inch pipe set on bottom.

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 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.

Sklar Exploration Co is also active in the area at its 1 Craft-Soterra LLC "27-6" (API 01-035-20200), ne se nw of section 27; and the 1 Craft-Ralls "33-7" (API 01-035-20196), which is in the c se nw of section 33.

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 9.55 million bbls of oil, 8.32 billion cu ft of gas and 97,005 bbls of water. October 2009 output was 174,218 bbls of crude, 228.43 million cu ft of gas and 3,240 bbls of water.

