



**Subject:** Exploratory Drilling  
**Time Period:** Last 12 Months  
**Region:** Southeast  
**County:** Not Available  
**Date:** 19 Apr 2010  
**Company:** SKLAR EXPLORATION CO LLC  
**Title:** Sklar Exploration finals Smackover discovery in Conecuh County for 577 BOPD

A Smackover discovery has been completed in the eastern portion of Conecuh County by Shreveport-based Sklar Exploration Co about eight miles west of the town of Red Level, Alabama.

The 1 Craft-Soterra LLC "27-6" (API 01-035-20200) was tested pumping 577 bbls of 48-degree crude and 312,000 cu ft of casinghead gas per day through perforations at 10,597-10,626 ft. On a 22/64-inch choke, flowing tubing pressure was 925 psi. The new producer was vertically drilled to a total depth of 10,710 ft in the ne se nw 27-5n-13e. Five-and-a-half-inch pipe is set on bottom.

The operator recently permitted a directional test that offsets to the north in the same section. The 1 Craft-Soterra LLC "27-2" (API 01-035-20206) is slated to reach a total depth of 10,977 ft.

One and one-quarter miles southwest of the new discovery is Sklar's 1 Craft-Ralls "33-7" (API 01-035-20196), c se nw of section 33. It was drilled earlier this year 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.

A Smackover well is one and a half miles northeast of the new discovery. Midroc Operating Co's 23-3 Cedar Creek Land & Timber, sw ne nw of section 23, was completed in October 2009 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. Total depth is 10,600 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 9.55 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.

Midroc and Fairways Exploration & Production LLC are conducting their own Smackover drilling programs in the area.

