



Subject: Exploratory Drilling
Time Period: Current Period
Region: Southeast
County: Not Available
Date: 16 May 2011
Company: MIDROC OPERATING CO

Midroc Operating commences drilling Covington County wildcat

Midroc Operating Co is under way at an Alabama wildcat in the northwestern portion of Covington County, one and one-third miles east of the Conecuh County line.

The 20-11 Bery (API 01-039-20066) was spud on May 6 by Rapad Drilling's Rig #32. The vertical drillsite is expected to reach a total depth of 10,500 ft in the Paleozoic. Located in the sw ne sw 20-6n-14e, it could extend the Smackover drilling program -- occurring in neighboring Conecuh County -- to the north.

The nearest recovery is in neighboring Conecuh County, another one and one-third miles to the southwest. Midroc's 6-15 Davis was completed as a discovery in November 2010 through Smackover perforations at 9960-70 ft pumping 71 bbls of 48-degree oil and 32,000 cu ft of gas daily. Initial production for the 10,186-ft well was 486 bbls of crude and 180 bbls of water. Recovery totals 1,914 bbls of crude, 6,000 cu ft of gas and 1,746 bbls of water, including December 2010 output of 1,085 bbls of oil, 6,000 cu ft of gas and 928 bbls of water.

Along with Sklar and Midroc, Fairways Exploration & Production LLC is active at or has drilled several Smackover tests just southwest of that well. Those wells are located on the northeastern flank of Little Cedar Creek field, a Smackover oil pool.

