

EASTERN U.S.

1 An exploratory test has been permitted by Appleton, Wis.-based **Divining Intervention LLC** in southeastern Knox County, Ill., more than 50 miles northeast of the nearest oil production in Colmar-Plymouth Field. The #1GB will be drilled to 1,100 ft. in Section 7-10n-4e and the venture targets Trenton pay. According to IHS Inc., two shallow tests have been drilled in the area around the planned exploratory test. A 1977 completion, #1 77-N-52 in Section 4-10n-4e, was drilled to 220 ft., and #1 77-N-62 in Section 11-10n-3e was abandoned in 1977 at 180 ft. The deepest drilling in the area is nearly 20 miles to the southeast in Peoria County: #1 Kyle, in Section 17-8n-6e, was abandoned in 1939 at a depth of 1,010 ft. in Silurian. Oil production in Colmar-Plymouth Field is to the southwest in Hancock and McDonough counties. First output from the reservoir, which produces from the Hoing sand (Devonian) at around 450 ft., was nearly 100 years ago.

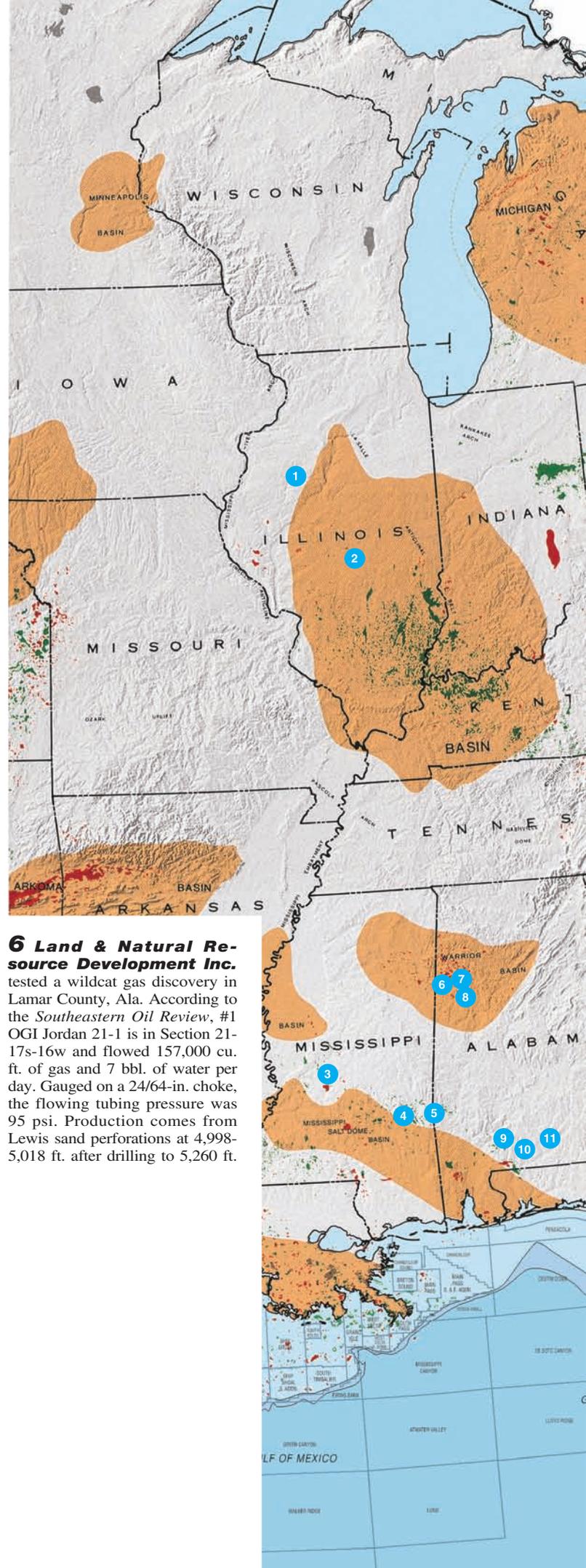
2 **Production Energy LLC** is drilling a 2,500-ft. test that could extend Illinois' Harristown South Field to the east. The #1 Winters is in Section 4-15n-2e of western Macon County and targets Silurian pay. The Windsor Heights, Iowa-based operator has also received permits for #2 Winters and #1 Hogan in Section 4. In January 2012, the company staked #1 and #2 Dixon in the southeastern portion of Section 4. According to IHS Inc., all of the company's tests in this part of Macon County target Silurian. A recent completion (#2 Butterfield drilled to 2,325 ft.) was completed and tested in early 2011 pumping an unreported amount of oil through perforations in Silurian. During 2011, the well produced 17,544 bbl. of crude as a part of

Harristown South Field. Production Energy's nearby #2 Bowman was brought onstream in June, with Silurian production through October 2011 totaling 17,989 bbl. of crude. The bulk of the wells in Harristown South Field are about one mile northwest of Production Energy's Silurian wells in Section 5. First production from the reservoir was reported in 1975.

3 According to the *Southeastern Oil Review*, A Madison County, Miss., completion by **Denbury Onshore LLC** produced 30 million cu. ft. of gas per day. The high-volume completion is in Gluckstadt Field. Denbury's #1 Yandell 36-3 was directionally drilled to 17,280 ft. in Section 36-8n-2e to a bottomhole in the same section. Production is from Norphlet perforations at 16,850-17,299 ft. Plano, Texas-based Denbury has also staked a directional test nearby at #1 Denbury 2-7 in Section 35-8n-2e with a planned depth of 17,700 ft.

4 In Jasper County, Miss., **Roundtree & Associates Inc.** completed a Smackover venture in South Paulding Field. The #1 Campbell-Read 24-13 is in Section 24-2n-12e and was completed flowing 478 bbl. of oil per day. Tested on a 19/74-in. choke, the flowing tubing pressure was 625 psi. Jackson, Miss.-based Roundtree drilled the discovery to 14,850 ft.

5 According to the *Southeastern Oil Review*, **Spoooner Petroleum Co.** has established Smackover production in Clarke County, Miss. The wildcat is within one mile of Threadville Field. The #1 Williamson was completed swabbing 156 bbl. of 19.4-degree-gravity oil and 14 bbl. of water per day. The directional discovery is in Section 35-18s-14w with a bottomhole location in Section 20-22n-18e. The 11,056-ft. well produces from Smackover perforations at 11,723-36 ft. Spoooner Petroleum's headquarters are in Ridgeland, Miss.

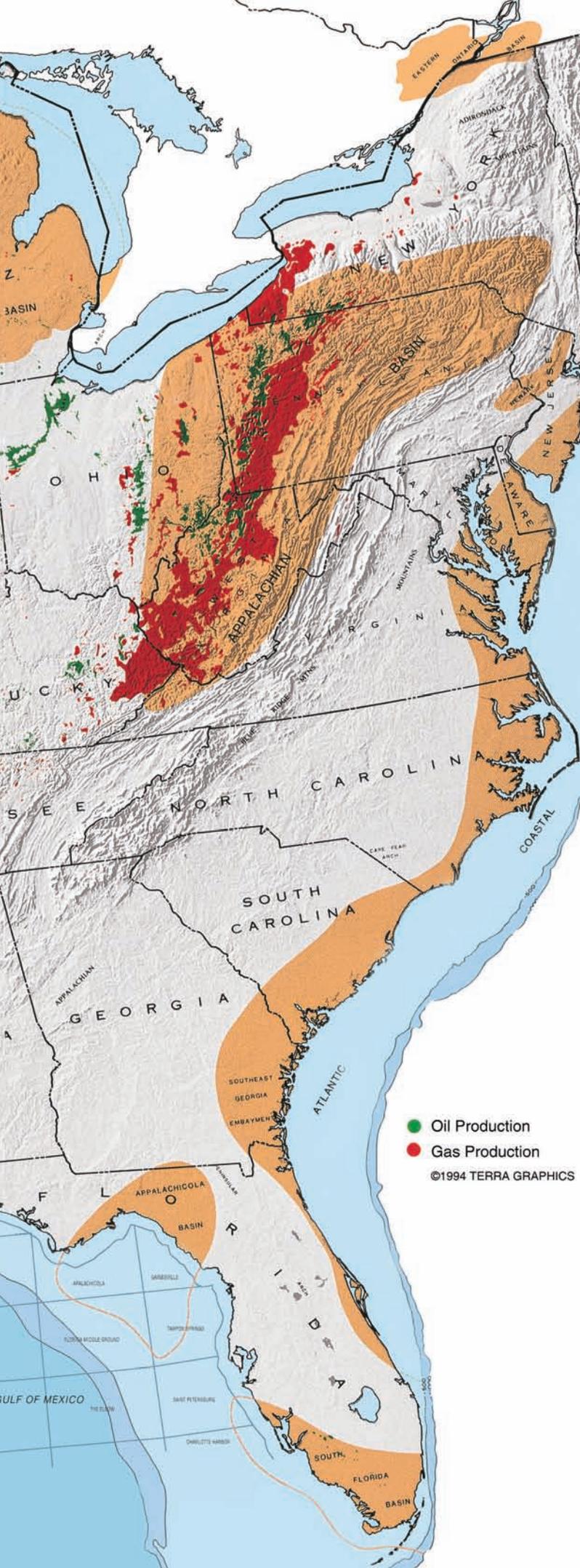


6 **Land & Natural Resource Development Inc.** tested a wildcat gas discovery in Lamar County, Ala. According to the *Southeastern Oil Review*, #1 OGI Jordan 21-1 is in Section 21-17s-16w and flowed 157,000 cu. ft. of gas and 7 bbl. of water per day. Gauged on a 24/64-in. choke, the flowing tubing pressure was 95 psi. Production comes from Lewis sand perforations at 4,998-5,018 ft. after drilling to 5,260 ft.

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Land & Natural Resource Development's headquarters are in Tuscaloosa, Ala.

7 A new test for Chicken Swamp Branch Field was reported by the *Southeastern Oil Review*. **Land & Natural Resources Development Inc.** plans to drill #2 Grace 335-2 in Section 35-18s-14w in Pickens County, Ala. The 5,500-ft. Paleozoic test will be drilled on a 40-acre unit which includes Section 35. The Tuscaloosa, Ala.-based company recently completed a nearby producer, #1 Windham 35-10, which pumped 22 bbl. of oil per day from Pottsville A sand.

8 In western Alabama's Pickens County, a **Land & Natural Resource Development Inc.** completion was reported in Chicken Swamp Branch Field. The #1 Windham 35-10 is in Section 35-18s-15w. Drilled to 5,101 ft., the venture was perforated at 4,112-20 ft. and completed following acid and fracture treatment. According to the *Southeastern Oil Review*, the well flowed 17 bbl. of 48.9-degree-gravity oil and 633,000 cu. ft. of gas daily. Tested on an 18/64-in. choke, the flowing tubing pressure was 310 psi. The well is a southwest diagonal offset to the company's #2 Windham 35-8 in the same section.

9 In Monroe County, Ala., **Sklar Exploration Co.** reported a Smackover oil find. The #1E Coley 24-16 was tested flowing 480 bbl. of 40.8-degree-gravity oil and 350,000 cu. ft. of gas per day. Production comes from perforations at 14,524-35 ft. The venture was drilled to 14,908 ft. in Section 24-4n-5e. Gauged on a 10/64-in. choke, the flowing tubing pressure was 2,250 psi. Offsetting Sklar's oil discovery to the northeast is a 14,882-ft. Smackover test drilled and abandoned in 1993 (#1 Blacksher 24-16). Sklar's headquarters are in Shreveport, La.

10 According to IHS Inc., **Ankor Holdings Corp.** has staked two directional Smackover wildcats in Escambia County, Ala. The #1 Craft-G.R. Swift III et al 2-13 is planned for Section 2-2n-8e. To the east-northeast, #1 Craft-Black Stone 1-5 will be drilled in the same section. Although proposed total depths are not available, most of the company's tests in the area have been permitted to 15,000 ft. or deeper. At a nearby completion in Escambia County, Ankor is waiting on completions tools at #1 Craft-Black Stone 13-1. The venture has been drilled to 14,918 ft. Also in Township 2n-8e, the New Orleans-based company is drilling a 15,237-ft. Paleozoic wildcat, #1 Craft-H.H. Wefel III Trust 8-2.

11 Pruet Production Co. completed another Smackover well on the southern flank of Little Cedar Creek Field. The #1 Cedar Creek Land & Timber 27-10 is in Escambia County, Ala., and was tested flowing 392 bbl. of 48.5-degree-gravity oil and 401,000 cu. ft. of gas per day through perforations at 11,800-26 ft. Gauged on a 14/64-in. choke, the flowing tubing pressure was 950 psi. The new producer was drilled to 12,060 ft. in Section 27-4n-12e. Pruet's headquarters are in Laurel, Ala.

All data in the Exploration Highlights section is based on sources believed to be reliable, but its accuracy cannot be guaranteed. The prudent investor intending to act upon any particular data is urged to verify it with all other available sources. In no way should the publication of these items be construed as an express or implied endorsement of a company or its activities.

Most land in the U.S. is divided into townships—rectangular tracts six miles square. The township, in turn, is divided into 36 numbered sections, each a one-mile square. The lines running north-south and dividing east from west are called range lines. The lines running east-west and dividing north from south are township lines.

A well in Section 15-Township 4 north-Range 3 east is abbreviated: 15-4n-3e.

- Oil Production
- Gas Production

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