



Subject: Exploratory Drilling
Time Period: Current Period
Region: Southeast
County: Not Available
Date: 23 May 2011
Company: MIDROC OPERATING CO, SKLAR EXPLORATION CO LLC

Smackover discovery finalized by Midroc in Conecuh County for 420 BOPD

Midroc Operating Co has completed a Smackover oil discovery in the southern portion of Alabama's Conecuh County, where Midroc and several other companies are conducting a Smackover drilling program.

The 30-15 Mary Mack (API 01-035-20228) was tested flowing 420 bbls of 48-degree oil and 427,000 cu ft of casinghead gas per day through perforations at 11,574-11,595 ft. On a 10/64-inch choke, flowing tubing pressure was 900 psi. Located over a mile north of the Escambia County line in the ne sw se 30-4n-13e, the wildcat was vertically drilled to a total depth of 12,000 ft. Five-and-a-half-inch casing is set on bottom.

One-third of a mile to the south in section 31 is Sklar Exploration Co's 1 Mary Mack "31-2" (API 01-035-20233). The exploratory test was drilled to a total depth of 11,927 ft earlier this month and is currently waiting on completion tools with 5 1/2-inch casing set two ft off bottom.

Smackover recovery comes from Midroc's 1 Mary Mack "30-14," one-third of a mile west of the new discovery. In March, the 11,929-ft well was completed through perforations at 11,576-11,608 ft flowing 561 bbls of 48-degree crude, 58,000 cu ft of gas and one bbl of water daily. During its first two months online, the wildcat yielded 201 bbls of oil, 3.6 million cu ft of gas and 1,069 bbls of water.

Midroc's 30-15 Mary Mack is about a mile and a half southeast of Little Cedar Creek field, a rapidly expanding Smackover reservoir.

