

## EASTERN U.S.

**1** Three Knox tests have been permitted by **King Oil Inc.** in Brown County, Ill. The company's #7 DT King-Oberlander is planned to reach a total depth of 2,000 ft. in Section 3-2s-4w, about six miles southwest of the town of Mount Sterling. The #3 King-Maui-Hicks is in Section 10-2s-4w with a planned total depth of 1,800 ft. in Knox. To the southwest, #1 King-Maui-Hicks is permitted to 1,800 ft. in Section 9-2s-4w. Siloam Field wells are nearby, and produce from Silurian. King Oil is based in Tip-ton, Ind.

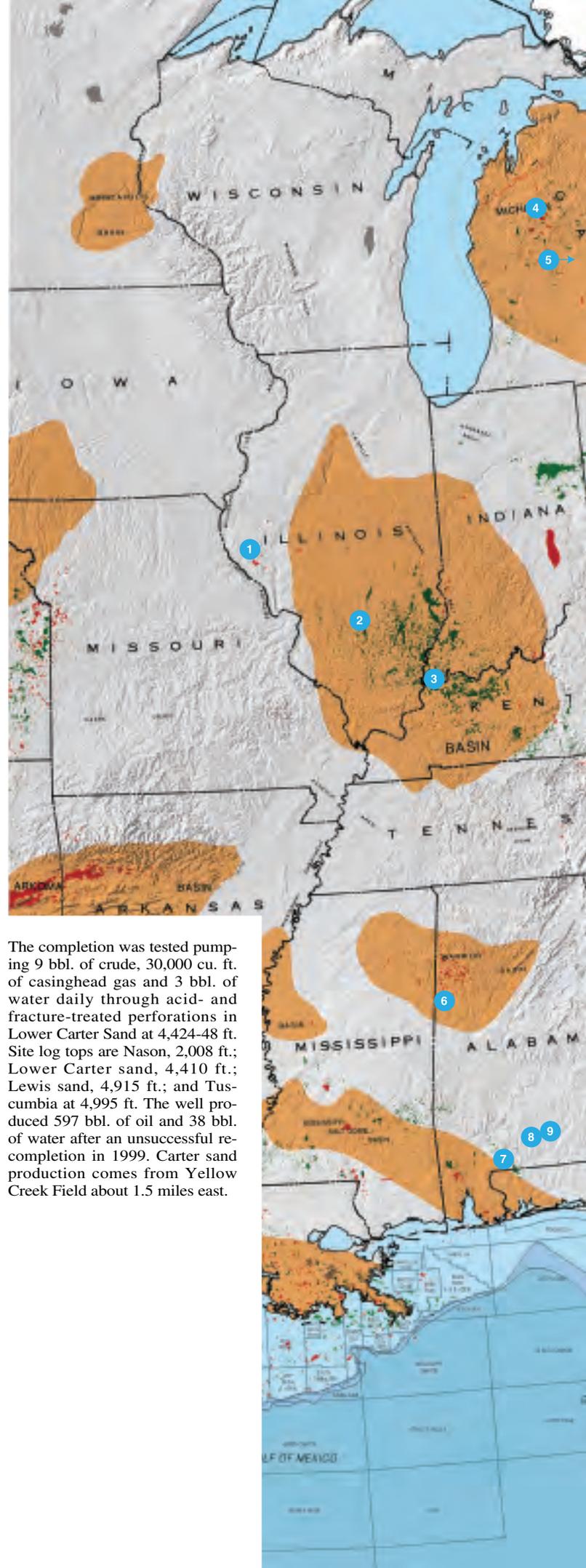
**2** **Paragon Oil Co.** of Mt. Vernon, Ill., has permitted a Trenton exploratory test in Marion County, Ill. The #1 Darrell E. Caudle is scheduled to be drilled to 4,800 ft. in Section 11-4n-1e. Paragon's latest venture is an offset to its #1 Jim Caudle, and according to IHS Inc., drilling has been postponed due to ground conditions. Oil production in Patoka and Patoka East fields is four miles southwest. The Patoka fields were opened during the late 1930s and early 1940s. In February 2010, total Patoka Field production was 264 bbl. of crude; approximately 15 million bbl. of crude have been recovered from Cypress-Rosiclare, Geneva and Trenton. Cumulative production for Patoka East Field is 6.7 million bbl. of crude. In February 2010, 15 wells yielded 1,737 bbl. of crude.

**3** In Posey County, Ind., **Pioneer Oil Co. Inc.** of Lawrenceville, Ill., has permitted two tests near the Kentucky state line. The #1 Klotz is planned in Section 7-8s-13w. A second test, #2 Klotz, is scheduled for the southwest part of Section 7. Both deeper pool tests in Powells Lake Consolidated Field are projected to reach total depths of 3,900 ft. in Warsaw. Nearby Warsaw production in the area is in Spencer Consolidated Field, about two miles west of the new locations.

**4** **Petoskey Exploration LLC**, a Denver-based subsidiary of **Encana Corp.**, tested a discovery in Missaukee County, Mich., that, according to IHS Inc., could be a new shale play. The #1-3 HD1 State Pioneer flowed about 2.5 million cu. ft. of gas per day during a 30-day initial production test, including some liquids production. The horizontal well was drilled to 15,001 ft., 9,477 ft. true vertical. Gas production comes primarily from the Collingwood shale, with contributions from the overlying Utica shale. The well is in Section 3-24n-7w and bottomed about one mile southwest in Section 10. Cannon Creek Field, a Detroit River dolomite reservoir, is about two miles east of Encana's Collingwood shale well. Since 2008, Encana has acquired about 250,000 net acres of land in the play at an average cost of about \$150 per acre, well below recent land sale prices.

**5** **Summit Petroleum Corp.** of Mount Pleasant, Mich., announced more results from the Dundee oil discovery in Isabella County, Mich. The #1-35 Gepford flowed 480 bbl. of 44-degree crude and 300,000 cu. ft. of gas daily. The Isabella 35 Field opener is in Section 35-15n-4w and was drilled to 3,767 ft. It flowed through openhole perforations in Dundee at 3,763-67 ft. Summit's #2-35 Gepford, the Isabella 35 Field confirmation well, tested at a daily rate of 354 bbl. of crude and 20,000 cu. ft. of gas from Dundee at 3,746-70 ft. in February 2010. Summit's Gepford wells are about two miles north of Mount Pleasant.

**6** In Lamar County, Ala., **Land and Natural Resources Development Inc.** of Tuscaloosa, Ala., has staked a Black Warrior Basin exploratory test. The #1 Jones 8-13 is in Section 8-16s-16w with a proposed total depth of 5,400 ft. Comparable recovery is to the east in the same section: In 1987, Tucker Operation Inc. drilled a wildcat, #1 Weyerhaeuser 8-16, to 5,200 ft.

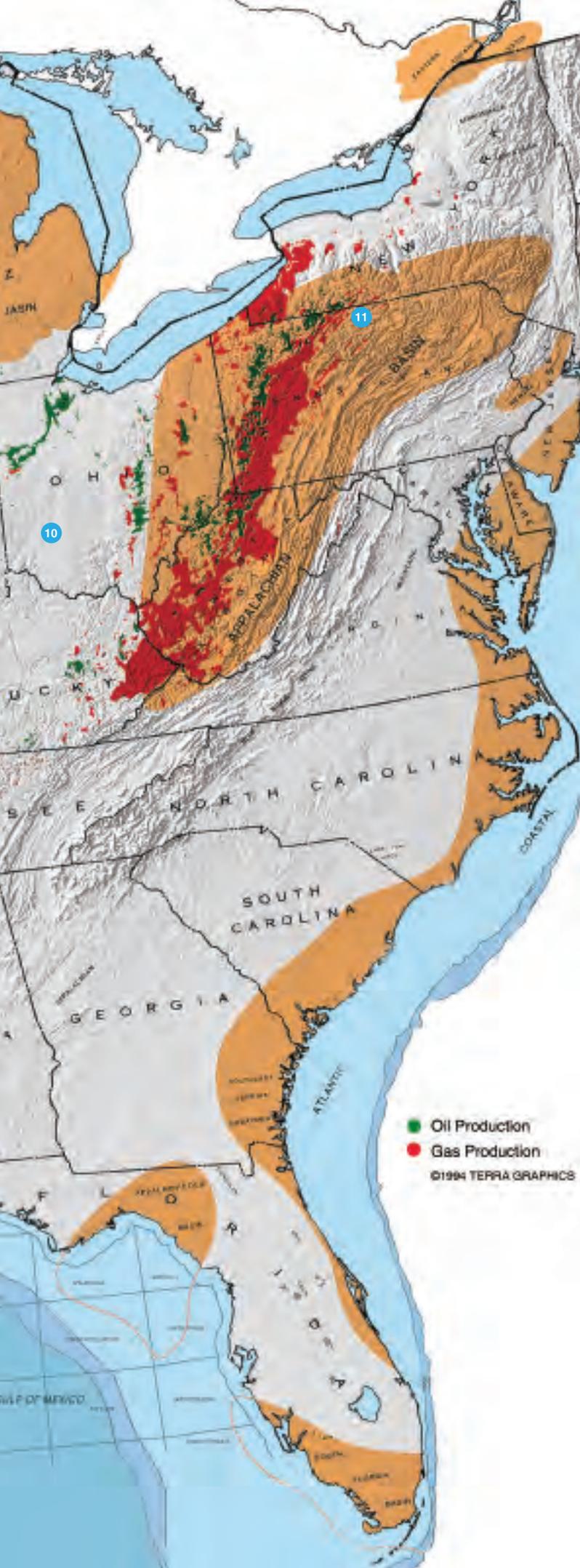


The completion was tested pumping 9 bbl. of crude, 30,000 cu. ft. of casinghead gas and 3 bbl. of water daily through acid- and fracture-treated perforations in Lower Carter Sand at 4,424-48 ft. Site log tops are Nason, 2,008 ft.; Lower Carter sand, 4,410 ft.; Lewis sand, 4,915 ft.; and Tusculumbia at 4,995 ft. The well produced 597 bbl. of oil and 38 bbl. of water after an unsuccessful recompletion in 1999. Carter sand production comes from Yellow Creek Field about 1.5 miles east.

Excerpted from

**Oil and Gas  
Investor**

July 2010  
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Publishing  
1616 S. Voss Rd.  
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Houston, TX 77057  
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**7** According to the *Southeastern Oil Review*, a **Renaissance Petroleum Co.** wildcat has logged petroleum shows at a site in Appleton Field in Escambia County, Ala. The company's #1 Craft-Black Stone 17-5 was drilled to 13,780 ft. in Section 17-3n-9e. Since 1988, the three-well Appleton West Field has produced 1.37 million bbl. of oil and 1.36 billion cu. ft. of gas. A **Moore McCormack Engineering** well, #1 P.H. Gallagher, is currently the only active producer in the field. Renaissance is based in Houston.

**8** **Midroc Operating Co.** of Dallas staked another Smackover directional test in the eastern portion of Conecuh County, Ala. The #22-16 Cedar Creek Land & Timber is slated to reach a total depth of 11,500 ft. in Section 22-5n-13e and will bottom to the southeast in the same section. Midroc is near completion at a nearby 18,893-ft. wildcat, #22-1 Cedar Creek Land & Timber, in Section 15-5n-13e. The operator's #15-16 Cedar Creek Land & Timber directly offsets that test in the same section and is expected to be vertically drilled to 11,000 ft. Two other Conecuh County wells are planned by Midroc: #14-15 Cedar Creek is scheduled to be vertically drilled to a total depth of 11,000 ft. in Section 14-5n-13e and #23-12 Cedar Creek will be directionally drilled to 11,500 ft. in nearby Section 23.

**9** **Sklar Exploration Co.** reported a Smackover discovery in Section 27-5n-13e of Conecuh County, Ala. The Shreveport-based company's #1 Craft-Soterra LLC 27-6 was tested pumping 577 bbl. of 48-degree crude and 312,000 cu. ft. of casinghead gas per day. The well was drilled to 10,710 ft. and perforated at 10,597-10,626 ft. Tested on a 22/64-in. choke, the flowing tubing pressure was 925 psi. The operator's recently permitted directional test, #1 Craft-Soterra LLC 27-2, is an offset to the north in the same section and will be drilled to 10,977 ft.

**10** A remote wildcat has been permitted by **Tatum Petroleum Co. LLC** in Greene County, Ohio. The #1 Kelly Greene will be drilled to 4,000 ft. in Utica shale. Nearby drilling occurred in 1926, in Clark County, where #1 Mattison reached a total depth of 4,647 ft. About 12 miles southeast in Fayette County, a gas test drilled more than 50 years ago was tested flowing 150,000 cu. ft. of gas per day from an openhole interval at 300-1,050 ft. One gas well has been drilled in Greene County, about 15 miles west of the planned Tatum well: #1 Tom Pitstick flowed 2,000 cu. ft. of gas per day at 1,563-78 ft. in Trenton Lime. The 1,620-ft. well was not brought online. Tatum's headquarters are in Killbuck, Ill.

**11** In Tioga County, Pa., **East Resources Inc.** has permitted a vertical Marcellus shale exploratory test. The #874-1V Earle will be drilled to a total depth of 6,500 ft. on a 27-acre lease near the town of Knoxville. Nearby, two shallow gas wells were drilled in the 1920s: #1 Wallace Gilbert and #2 Wallace Gilbert were both 1,100-ft. Knoxville Field wells. In Steuben County, N.Y., a vertical well was completed in late 2007 by **Petroedge Resources WV LLC**. The company's #1 Zinck reached a total depth of 4,830 ft. and flowed an unreported amount of gas through Marcellus shale perforations. East's headquarters are in Warrendale, Pa.

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.