



Subject: Exploratory Drilling
Time Period: Last 12 Months
Region: Southeast
County: Not Available
Date: 26 Jul 2010
Company: MIDROC OPERATING CO, SKLAR EXPLORATION CO LLC
Title: Midroc, Sklar final Smackover discoveries in Conecuh County

Two Smackover wildcats have been completed by Midroc Operating Co and Sklar Exploration Co in the eastern portion of Conecuh County, about seven and eight miles west of Red Level, Alabama.

Midroc's 14-15 Cedar Creek (API 01-035-20208) was tested flowing 431 bbls of 48-degree crude and 382,000 cu ft of gas per day through perforations at 10,222-10,266 ft. On a 25/64-inch choke, flowing and shut-in tubing pressures were gauged at 450 psi and 600 psi, respectively. The new producer was vertically drilled to a total depth of 10,500 ft in the ne sw se 14-5n-13e. Five-and-a-half-inch casing is set on bottom.

Smackover recovery comes from several Midroc producers nearby, including the 23-3 Cedar Creek Land & Timber in the sw ne nw of section 23, two-thirds of a mile southwest of the 14-15 Cedar Creek. In October 2009, the 10,600-ft well was completed through 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 52,941 bbls of crude, 44.46 million cu ft of gas and 88 bbls of water to date.

Another one and one-third miles to the southwest, in the nw ne nw 27-5n-13e, is Sklar's 1 Craft-Soterra LLC "27-2" (API 01-035-20206). The 10,973-ft directional well was completed pumping 348 bbls of 47-degree oil and 376,000 cu ft of gas daily through perforations at 10,866-10,891 ft. Flowing tubing pressure was 480 psi on a 13/64-inch choke. Five-and-a-half-inch pipe is set on bottom.

More Smackover production is in Little Cedar Creek field, two miles southwest of the 1 Craft-Soterra. Opened in 1994, the reservoir has recovered a cumulative 10.16 million bbls of oil, 9.14 billion cu ft of gas and 108,492 bbls of water. February 2010 output was 127,504 bbls of crude, 177.17 million cu ft of gas and 2,191 bbls of water from 57 active wells.

Midroc, Sklar and Fairways Exploration & Production LLC are active at several Smackover tests in the area.

