

EXPLORATION HIGHLIGHTS

EASTERN U.S.

1 **SM Energy Inc.** has scheduled the first horizontal test in Johnsonville Consolidated Field, a long-producing reservoir in Wayne County, Ind. The #1-16HOR Dwight is in Section 16-1s-6e and has a planned true vertical depth of 4,520 ft. The proposed bottomhole location has not been released. The horizontal test targets Devonian pay. Nearby production is in Johnsonville Consolidated Field, where production comes from multiple Mississippian pays and Devonian. Offsetting Denver-based SM Energy's location to the west is a 3,275-ft. well completed in 1979: #1 P.R. White pumped 10 bbl. of crude per day from unreported perforations in McClosky (Mississippian). Devonian oil production is about one mile west-northwest at #11 B. Talbert, which was completed in 1994.

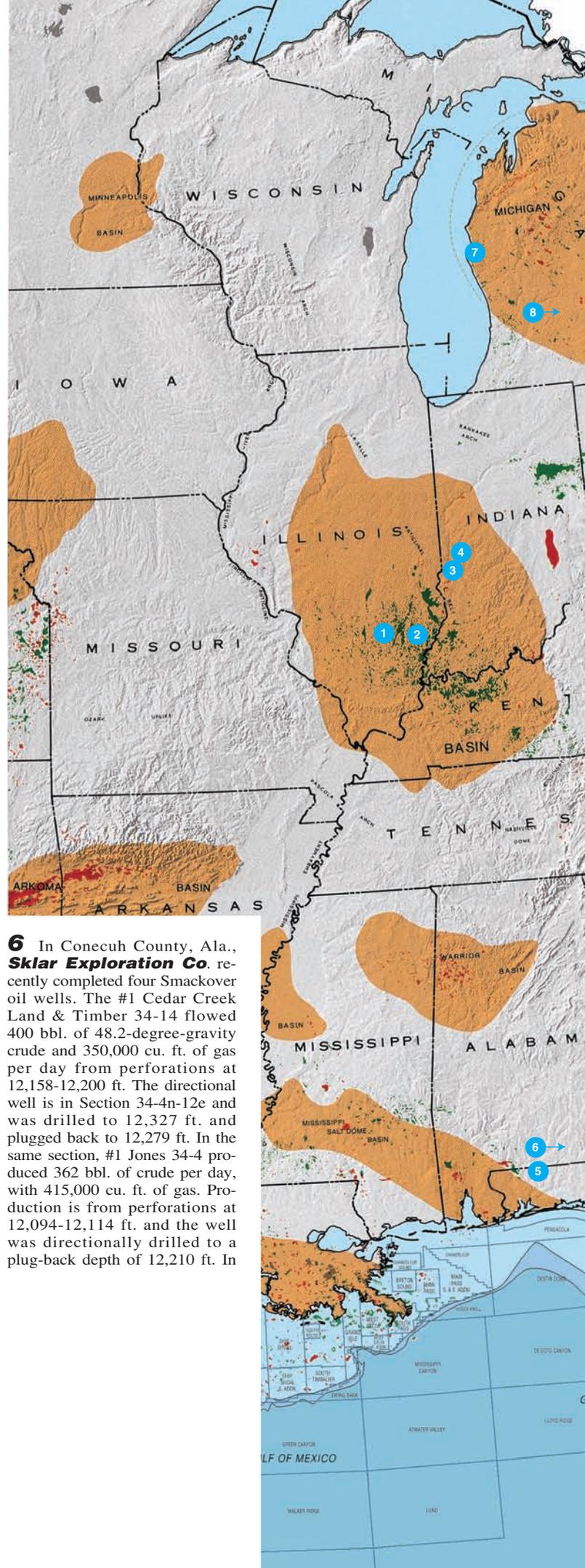
2 A deep-pool test has been staked by **Angel Rose Energy LLC** in Clark County, Ill. The company's Casey Field venture, #3 ARI, is in Section 33-11n-14w and targets deeper pays in Knox. The proposed depth is 3,999 ft. There are several shallow oil wells in Casey Field, where production comes from Pennsylvanian, St. Louis and Carper. The field came online more than 100 years ago. Two recent shallow tests by Angel Rose Energy are about three miles northwest of its latest proposed venture; #1A ARI and #1B ARI are in Section 20-11n-14w, and the respective depths are 1,180 ft. and 1,515 ft. Angel Rose was last reported waiting on completion tools at #1B ARI and #1B ARI. The tests are part of Westfield Field and the deepest wells in the field yield crude from Trenton at about 2,500 ft. Glasgow, Ky.-based Angel Rose has permitted and drilled several other tests in the Westfield Field area.

3 In Vigo County, Ind., **Riverside Petroleum Indiana LLC** has staked a 2,100-ft. wildcat. The #36-B1 Heaton is planned for Section 36-11n-9w and is targeting pays in North

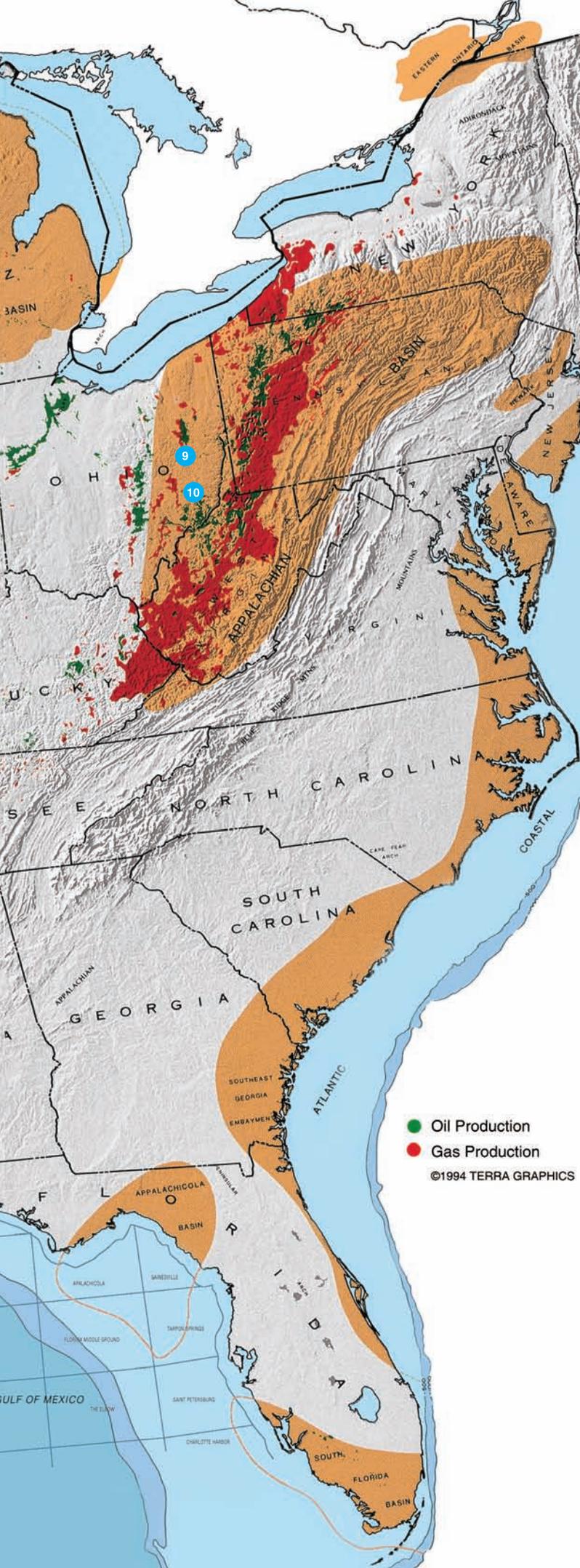
Vernon (Middle Devonian). Oil production in western Indiana's Spring Hill Field is about three miles north-northwest of Riverside's new location, where wells produce from Muscatatuck (Middle Devonian) pay zones. A 2009 completion, **Japat Energy's** #1 Toney, is in Section 14-11n-9w and reached 1,775 ft. and produced 812 bbl. of crude during 18 months of sporadic production. Riverside Petroleum's headquarters are in Traverse City, Mich.

4 Three wildcats are planned by Springfield, Ill.-based **Bi-Petro Inc.** in Vigo County, Ind., near Glen Ayr Field. The #1 Milner is slated to reach 3,200 ft. and targets Black River pay from a site in Section 22-12n-8w. The #3 Milner is scheduled to be drilled from about the same surface location as #1 Milner. The #3 Milner is permitted to 2,000 ft. and targets pay in Silurian. In Section 22 is the proposed #2 Milner, which is permitted to 2,000 ft. Glen Ayr Field, which produces from shallower pays in Devonian, was opened in early 2011 by **CountryMark Energy Resources**. CountryMark, **Hux Oil** and **Howard Energy** have permitted and drilled numerous tests in the Glen Ayr Field area.

5 A permit has been submitted for a Smackover wildcat in Escambia County, Fla., by **Venture Oil & Gas**. The proposed #35-3 Jernigan is planned for a site in Section 35-6n-31w and the proposed depth is 16,500 ft. Nearby, a well in Section 1-5n-31w by **ExxonMobil**, #1-2 Scott Paper in Section 1-5n-31w, was drilled and abandoned in 1978 at 16,205 ft. in Smackover. To the north in Alabama's Escambia County are numerous Smackover wells in Big Escambia Creek Field. A 1975 venture by ExxonMobil, #1 Scott Paper 30 in Section 30-1n-8e, was tested in 1975 flowing 2.4 million cu. ft. of gas per day from Smackover at 15,550-60 ft. In 1979, ExxonMobil perforated and tested a deeper Smackover zone at 15,648 ft. and the well flowed 3.8 million cu. ft. of gas, 640 bbl. of condensate and 71 bbl. of water per day. Venture's headquarters are in Laurel, Miss.



6 In Conecuh County, Ala., **Sklar Exploration Co.** recently completed four Smackover oil wells. The #1 Cedar Creek Land & Timber 34-14 flowed 400 bbl. of 48.2-degree-gravity crude and 350,000 cu. ft. of gas per day from perforations at 12,158-12,200 ft. The directional well is in Section 34-4n-12e and was drilled to 12,327 ft. and plugged back to 12,279 ft. In the same section, #1 Jones 34-4 produced 362 bbl. of crude per day, with 415,000 cu. ft. of gas. Production is from perforations at 12,094-12,114 ft. and the well was directionally drilled to a plug-back depth of 12,210 ft. In



Section 33, #1 Cedar Creek 33-12 produced 260 bbl. of crude and 160,000 cu. ft. of gas per day through perforations at 12,035-64 ft. and #1 Cedar Creek 33-10 was tested flowing 375 bbl. of crude and 400,000 cu. ft. of gas per day at 12,094-12,148 ft. Shreveport, La.-based Sklar has permitted several more Smackover tests in Conocuh County as well as in Escambia County to the south.

7 According to IHS Inc., **Alta Energy Operating LLC** is under way at a horizontal A-1 Carbonate venture in Oceana County, Mich. The exploratory test, #1-22 Riley, will be vertically drilled to 4,212 ft. in Section 22-15n-18w. The horizontal segment at #1-22 HD1 Riley has a proposed depth of 7,761 ft., 3,854 ft. true vertical. **Devon Energy Corp.** and several other operators have launched drilling programs in the play during 2012. Offsetting Alta Energy's drillsite to the northwest is a shallow 1,000-ft. test drilled in 1949. One mile to the south is oil production in Mears Field, which came online in 1949. Reservoir output comes from Traverse at 1,700 ft. and Dundee at about 2,200 ft. Most of the previous tests drilled in the area reached depths of 1,000-2,500 ft. Alta Energy is based in Houston.

8 Rosetta Resources Operating is drilling an exploratory test targeting A-1 Carb in Ionia County, Mich. The #1-21P Christensen is in Section 21-6n-6w. After a 5,600-ft. pilot hole is drilled, the Houston-based company intends to drill a horizontal well, #1-21 HD1 Christensen, to a proposed depth of 4,673 ft. with a bottomhole location to the west beneath Section 21. Nearby A-1 Carb oil production is about 90 miles to the northwest in Oceana County's Golden Field. One mile northeast of Rosetta's wildcat is a vertical test well drilled early in the 1970s: #2-22 H&B Scheurer in Section 22 was abandoned at a depth of 2,855 ft. in Detroit River.

9 Gulfport Energy Corp. announced results from a Utica discovery well, #1-1H Shugert, in Section 1 of Kirkwood Township in Belmont County, Ohio. The well was tested at a peak rate during a 32-hour period at 20 million cu. ft. of gas and 144 bbl. of con-

densate per day. According to Gulfport, if full ethane recovery is assumed, the well could produce an additional 100 bbl. of natural gas liquids per million cu. ft. of gas and result in a gas shrink of 17%. That would raise the well's calculated flow rate to 4,913 bbl. of oil equivalent per day. Gauged on a 26/64-in. choke, the flowing casing pressure was 4,840 psi and the shut-in casing pressure was 5,300 psi (after 14 hours). According to IHS Inc., the venture had an estimated depth of 14,225 ft. and targeted Point Pleasant in Barnesville Consolidated Field. Gulfport is based in Oklahoma City.

10 Additional discovery information on a Utica shale well, #1H Brace in Carroll County, Ohio, was announced by State College, Pa.-based **Rex Energy Corp.** According to IHS Inc., the well had a five-day recovery of 1,008 bbl. of oil equivalent per day. The venture was completed with 17 stages of fracture stimulation and, according to Rex, production consists of 43% natural gas liquids, 30% natural gas and 27% condensate. A 7,606-ft. pilot hole was drilled to 12,332 ft. with a lateral length of 4,170 ft. from a site in Section 30 of Washington Township. Rex Energy has approximately 15,400 net acres in Carroll County (Rex's Warrior Prospect) and preliminary plans call for drilling an additional nine wells and completing six wells in the prospect. To the southeast, Rex plans to drill #1H Graham to 11,723 ft. in Section 24. Rex also holds 3,100 net acres in Noble, Guernsey and Belmont counties (the Warrior South prospect).

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.