

## DAILY GEOLOGICAL REPORT

DGR 14

<b>Date:</b>	11 August 2006	<b>Licence / State:</b>	P39 (V) / VIC
<b>Report Period:</b>	06:00 - 06:00 Hours	<b>Rig:</b>	Ensign 32
<b>Days from Spud:</b>	13	<b>GL:</b>	2.7m
<b>Current Hole Size:</b>	12.25"	<b>RT:</b>	8.6m
<b>Depth @ 0600 Hrs:</b>	1619m MDRT	<b>PTD:</b>	2281m MDRT (-1338mSS)
	-826m TVDSS	<b>Spud Date:</b>	04:30 hrs 29/07/06
<b>24 Hr Progress:</b>	13m		
<b>Current Operation:</b>	Circulating hole clean prior to POH to pick up 8.5" directional BHA.		
<b>Nope Cost</b>	(Drill)\$	(C&S)\$	<b>Cost To Date:</b>
		(P&A)\$	

Casing Data	Hole Size	Depth	Casing Size	Wt:	Type	Shoe Depth	LOT
(Conductor)		100m	20"			60m	
	17.5"	320m	13.375"	54.5	J55 BTC	317m	EMW= 20.0 ppg
	12.25"	1606m	9.625"	47.0	N80 BTC	1602m	EMW= 16.7 ppg

Mud Data	Type:	Wt:	Visc:	WL:	PH:	KCl%:	Cl -:	PV/YP:	Rmf:
	KCL	9.3	55	4.8	9.5	5.5	30000	13 / 22	-

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition
(@ 24:00)	1	Reed	TCI T11C	17.5"	0.45	20	0-0-NO-A-O-I-RR-BHA
	2RR1	Reed	TCI T11C	17.5"	2.95	200	1-1-NO-A-O-I-RR-TD
	3	Reed	TCI T11	12.25"	9.6	316	0-0-NO-x-0-I-x-BHA
	4	Hycalog	PDC RSX516S	12.25"	21.75	971	1-1-ER-A-X-1-NO-TD
	5	Hughes	TC HP11GJ	12.25"	-	-	Clean-out trip
	6	Hycalog	TC HP21G	8.5"	-	-	Drill out trip #1
	7	Reed	PDC RSX272	8.5"	-	-	Drill out trip #2

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	MWD	1551.4	70.95	118.07	812.72	1122.61	119.02
	MWD	1580.2	71.07	117.93	822.10	1149.85	118.99
	MWD	1596.1	71.07	117.39	827.25	1164.87	118.97
Projected	MWD	1606.0	71.07	117.05	830.47	1174.23	118.96

## OPERATIONS SUMMARY

**Previous 24 hrs Operations Summary:**

Continue to run in hole to tag and drill float at 1575m. Drill cement to 1597m where ROP dropped significantly. Minimal progress observed along with steel (4kg) and aluminium (6kgs) shavings at shakers. Circulate bottoms up and pull out of hole to inspect bit – bit okay. Make up 8.5" PDC bit and BHA (with stabilisers), run in hole and work through float area several times. Continue to work down to 1597m, drill from 1597m to 1598m and attempt to work string. String stuck at 1597m with no rotation possible. Work string free, regain rotation. Drill out rathole to 1606m. Drill new 8.5" hole from 1606m to 1609m, circulate and conduct LOT (EMW=16.7ppg). Continue to drill 8.5" hole from 1609m to 1619m, circulate hole clean prior to pulling out of hole to pick up 8.5" directional BHA.

**Anticipated operations:**

Pull out of hole. Make up 8.5" directional BHA with Geopilot and MWD (GR, Resistivity, Neutron-Density, Surveys), run in hole and drill ahead 8.5" directional hole as per plan.

**FORMATION TOPS (Preliminary Field picks)**

FORMATION	ACTUAL TOP		High/Low	High/Low	PROGNOSED TOP	
	(MDmRT)	(TVDmSS)	To Prognosis	To East Reeve-1	(MDmRT)	(TVDmSS)
Jemmy's Point	5.9	2.7	-	-	6	3
Tambo River (Coquina)	143.0	-134.4	30.6m High	30.8m High	180	-165
Gippsland Limestone	235.0	-225.9	5.9m Low	0.2m High	230	-220
Lakes Entrance Formation					1876 **	-960 **
Latrobe Coarse Clastics					2098	-1155
Latrobe N. asperus (Coal)					2163	-1220
Total Depth					2281	-1338

\*\* Revised Prognosis

**HYDROCARBON SHOW SUMMARY**

INTERVAL	LITHOLOGY & HYDROCARBON FLUORESCENCE	GAS

GAS	MD (m)	Peak	Background	Chromatograph
Trip Gas	-	-	-	-
Connection Gas	-	-	-	-

INTERVAL ROP (min/ft)	LITHOLOGY	GAS (Peak / BG) Composition