

**WELL ELEMENTARY
COLQUHOUN EAST-6
(W945)**

CONTENTS....

Well Report

Lithology

Wireline Log Evaluation Report

1.0 WELL REPORT

Arena Petroleum Limited

Incorporated in Victoria

*TPilack
M.J. Davin*

REC'D
6 11-86
RS

06 NOV 1986

PETROLEUM DIVISION

30th October, 1986.

The Secretary,
Department of Industry,
Technology and Resources,
Oil and Gas Division,
151 Flinders Street,
MELBOURNE, VIC., 3000.

*Arena 2nd Stratigraphic Hole
COLQUHOUN EAST-6.*

Attention: Mr. R. Spence,

Dear Sir,

PEP 116 - Quarterly Report

In accordance with the provision of Section 70 (1) (b) of the Petroleum Act, we are pleased to submit our report for the quarter ended 30th September, 1986.

1. LAKES ENTRANCE FIELD

No further work has been carried out on E.C.R. development in this area during the quarter under review. While early in the quarter, it was thought possible that crude oil prices might be on the way up by end 1986, this no longer appears to be the case unless all OPEC members are prepared to stand solidly behind a production limitation agreement yet to be devised.

2. EXPLORATION

Following upon discussions held some months ago between the Department and Arena, the idea of obtaining jointly, additional geological / geophysical information within the permit area was actively developed. This culminated in September in an agreement under which Arena would contribute toward the cost of two stratigraphic water bores to be drilled by the I.T.R. Drilling Unit within the P.E.P 116.

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153 Wellington Parade South
East Melbourne Victoria
Australia 3002
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Telex: aa 31442

U.S.A. Office
1499 Huntington Drive-Suite 506
South Pasadena
California 91030
Telephone: (818) 792 2120
Telex: 67-8329

06 NOV 1986

PETROLEUM DIVISION

3. Both parties were flexible enough in their ideas of locations such that agreement was reached as to where the two bores would be located so as to provide benefit to each.

4. The locations chosen - in order of drilling - are

- a) Latitude 37 deg - 46' - 37" south
Longitude 148 deg - 18' - 02" east
- b) Latitude 37 deg - 47' - 14" south
Longitude 148 deg - 06' - 38" east

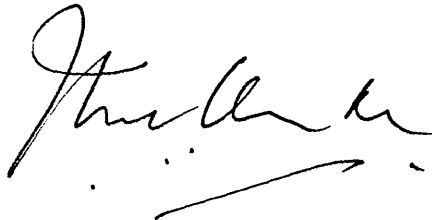
These sites were pegged by a joint team of ITR/Arena personnel on September 2nd. The ITR Drilling Unit began physical operations at the first site, during the following week.

5) Justification by Arena for the choice of sites is as follows.

- a) A gravity anomaly centered on a position between Wombat track and Dinner Creek was revealed by the gravity survey commissioned by Arena early this year. The anomaly is interpreted as having sufficient sedimentary section to warrant further investigation.
- b) A large gravity minimum near Lake Tyers indicates sediments of sufficient thickness to contain a sizeable Lakes Entrance Formation reservoir. Although five wells have been drilled on the periphery of this, the deep central section has not been tested. The area of this central section is of a size that could entrap 100 million barrels of oil. The ideal site as defined by the above co-ordinates, is located within a closely held reservation. It was therefore considered desirable to shift the well site towards magnetic north by 375 m.

6) Expenditure details for the third quarter are not yet complete. They are however estimated to approximate A\$11,000.00. The correct figure will be advised to you in due course.

Yours faithfully,
ARENA PETROLEUM LIMITED,



John M. L. Clarke.

02 MAR 1988

PETROLEUM DIVISION

QUARTERLY REPORT

PEP 116

PERIOD ENDING 31ST MARCH, 1987

A) During the period under review, work continued on assessment of the two stratigraphic holes drilled within the permit namely Colquhoun East No. 6 and Tildesley East No.3.

B) In both areas, basement was reached at about 300m, some 100m above that previously estimated, although Dr. K. Hegarty holds that in the case of Colquhoun East No 6 at least, a gravity value model she constructed could have provided a close indication of the sediment depth actually found.

C) An extract from her report reads as follows

"Enclosed are some brief comments to keep you posted on some of my work relevant to the Arena exploration program in the onshore Gippsland Basin.

1) We have nearly completed heavy mineral separation of five downhole samples from the second Arena well. If the mineral apatite is present, I will proceed with the paleo-temperature analysis using Apatite Fission Track Analysis (AFTA). I will also try some exposed basement rocks (just north of Nowra Nowra - these samples were collected with Barrett) to compare with the drilling results. I expect to complete the separation and analysis no sooner than mid - 1987.

2) I was initially puzzled by the drilling results at the second well in light of the gravity survey. Specifically, the shallow basement seemed to be a scientific as well as commercial problem. While the second remains true, the first does not. In short, gravity models are consistent with the observed values.

I picked values along an east-west line (Profile A - marked in pencil on the Wongela gravity map) across the lowest depression in the area of the second drilled well. These observed values are shown as wee (blue) circles on the enclosed figures. These values should be compared with the continuous (purple) modelled line. Clearly, MODEL ARENA 3 best fits the observed values suggesting that about 300m of sediment underlie the area of the gravity low (consistent with drilling results). MODEL DEEP demonstrates that even as little as 500m of sediment is too thick. So in summary, we should not have expected much more than 300m prior to drilling.

Arguably, we can fiddle with my assumed values for the density of the sediments and sympathetically move the sediment/basement boundary deeper. However to do so, requires anomalously high density values for the sediments. From drilling, we now know that

the sediments are loosely compacted, friable and low density, so it is untenable to invoke such an argument.

We can conclude from the gravity modelling that:

- a) this small sub-basin in which you drilled is about 18km wide,
- b) the sub-basin is nearly symmetrical with a rather steep-sided westerly face,
- c) sediments within the sub-basin may range from 1.4-2.1 gm/cm³, and
- d) with higher assumed density values for the sediments, basement-depth may extend to 500-600m but not more."

A copy of Dr. Hegarty's sketches of various model profiles is attached.

The line of latitude, used as a reference in her report is at 37:44':25"s between Longitudes 148:02:06E and 148:14':10" E.


D) In general, the results provided adequate confirmation that the area to the east of longitude 148:20'E is most unlikely to be of further interest from a petroleum exploration point of view. On the other hand, further attention should be given to the area to the west both within PEP 116 and, when possible, to the west of the Permit's western boundary.

E) Application was made for an extension to the Permit and this was subsequently granted. While the existing price of crude oil hardly justifies the recovery of 17.5 API gravity material, there is some hope that later this year, the market will strengthen. In the meantime a modest exploration effort is contemplated.

In this connection, and in an attempt to obtain a Q.D. value on a sample of crude oil from the Lakes Entrance field, contact was made with the Department of Resources and Energy, Industry Operations Branch. They were very helpful but after considering the very limited quality information we were able to provide and of course the uncertainties surrounding the provenance and condition of the only samples held, it was decided that any value assessment at this stage would be far too unreliable.

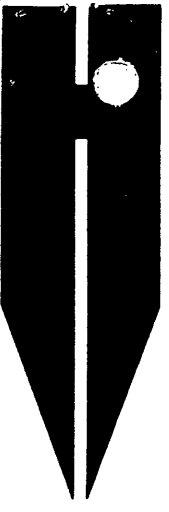
F) Exploration expenditure during IQ 1987 totalled \$40,848.00.

April, 1987



2.0

LITHOLOGY.



Hilditch Vine Pty. Ltd.

(Incorporated in Victoria)

Mr Frank Davison

with compliments

Jack: These are copies of Glenice's reports on the 2 Arena wells. The originals were (or should have been) attached to our letter

153 Wellington Road South
P.O. Box 303

East Melbourne, Australia, 3002
Telephone: 63 3431 Cables: "Hilditch" Melbourne

Telex: 31442 Answerback: HVMELB

Facsimile: 654 1439

to DTR dated 27/1/87.

Regards

John Clarke

11/3/87.

ROBIN GLENIE & ASSOCIATES PTY LTD

Geological Consultants

8 Hartley Street
Brighton Beach
Victoria 3186
Australia

Telephone (03) 592 2072

Mr. John Clarke
Arena Petroleum Limited
153 Wellington Parade South
East Melbourne, Vic 3002

23 December, 1986

13 MAR 1987

Dear John,

PETROLEUM DIVISION

Please find enclosed my final geological reports on the two recently drilled Arena wells in the onshore Gippsland Basin.

The formation picks from the DITR geophysical wireline logs are still to be added to the composite lithologic log sheets.

I have also enclosed my invoice for the Tyers well. No claims have been made for debriefing discussions, consultation with Geotrack personnel or, as agreed previously, for disbursements. The total claims cover 14 days which is in excess of the original agreement of 3 to 4 days per well.

Although the results are disappointing in several aspects, the wells have added to an understanding of the Lakes Entrance Platform and to interpretation of the gravity survey data.

Thank you for engaging me to carry out the well site duties for this stage of your project. Please contact me if you have any questions regarding my reports.

With kind regards,


Rob Glenie

COLQUHOUN EAST No.6

CORE 1 179.85- 181.55 m Recovery 1.70 m (100%)

10 cm LIMESTONE

greenish grey, flecked white; very hard; microcrystalline; bryozoal; glauconitic: weakly thinly bedded with irregular slumping/compaction.

35 cm MARL

dark greenish grey to greenish black; soft, puggy to friable; non-bedded; silty to clayey.

5 cm LIMESTONE

white to translucent to clear; hard, sub-sucrosic, cryptocrystalline; vuggy (shell solution); shelly fossils degraded: contains black, brown and green, fine to very fine grained, granular and pelletoidal glauconite/limonite; includes rare mica flakes and quartz grains.

35 cm MARL

as above.

15 cm LIMESTONE

as above.

70 cm MARL

as above, but dominantly bryozoal, common pelecypods in occasional layers; contains common mica and sparse rounded coarse quartz grains; includes black soft coalified wood fragments (1 cm thick) at 5 cm from base.

CORE 2 208.25 - 210.45 m Recovery 1.70 m (100%)

4 cm (?)SIDERITIC LIMESTONE

light brownish grey, flecked black; hard, compact, massive, sub-conchoidal; abundantly finely micaceous; slightly ferruginous, probably sideritic/dolomitic: includes very finely disseminated black carbonaceous/glauconitic grains; contains common molluscan shells with dominant gastropods and scaphopods.

166 cm CLAYEY/SANDY SILTSTONE

brownish grey, faintly streaky to mottled; moderately soft, compact, tight; indistinctly bedded to non-bedded; bioturbated, fucoidal; patchy clayey, very finely (lower) sand-grained, silty quartzose: contains silt-infilled worm burrows (fucoids) and clayey pods and patches throughout; includes scarce very finely crystalline, brassy irregular nodular pyrite aggregates; common small shelly fragments and forams in clay patches.

CORE 3 273.23 - 274.93 m Recovery 1.30 m (76%)
DECOMPOSED ACID IGNEOUS ROCK

finely speckled pink, green and white; moderately soft, compact; medium to coarse grained (minor very coarse and granule grade); chloritic, clayey, quartzose; possibly meta-arkose or granite.
Quartz: clear to frosty, iron-stained, common flat faces and frequent semi-prismatic, sub-angular, coarse to very coarse (granules) in very fine quartzose and clayey matrix.
Felspar: white, pink, red-brown stained, soft, decayed, clayey.
Mafics: black scarce ferromagnesian minerals.
Mica: absent.
Chlorite: large blue-green patches, streaks, tongues, leaders in part obliquely and regularly arranged at 45°.

CORE 4 298.00 - 299.70 m Recovery 1.70 m (100%)
PORPHYRITIC RHYODACITE

mottled green/medium grey, spotted white; very hard: medium to coarse grained matrix with large felspar phenocrysts and quartz grains: contains red jasper-like sedimentary xenoliths; and chloritic cemented patches and fracture-fills (or slickensided surfaces) at 75° to 90°.

HYDROCARBON TESTS

Regular testing of dried cuttings and cores with solvents and ultra-violet light failed to reveal significant hydrocarbons. White fluorescent cuts and weak residual rings were obtained at 242 m and 254 m. Oil globules with dilute HCl acid were apparently related to coalified wood fragments. Slight oil films on water while washing cuttings were noted at 178 to 180 m. Oily mud on Core 1 was due to lubricant added to core catcher and inner barrel.

ARENA PETROLEUM

COLQUHOUN EAST No.6

Location: LAT. 37° 47' 15"
LONG. 148° 07' 00"

Tenement: VIC/PEP
Well Type: STRATIGRAPHIC

Basin: GIPPSLAND
ONSHORE

Elevation: +40 m MSL (GL)
DEPTH DATUM

Spudded: 11 NOV. 1986

Contractor: DITR VIC

Completed: 4 NOV. 1986

Driller: F. FULFORD

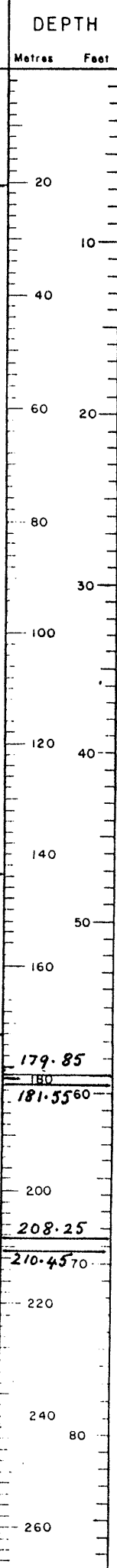
Total Depth: 300.0 m

Status: PLUGGED & ABANDONED

Geologist: R. GLENIE

AGE / FORMATION			DEPTH		LITHOLOGY CORE Rec. No.	DESCRIPTION	LOG PICKS	HOLE DATA
PLIOCENE	LATE	SALE GROUP	Metres	Feet				
PLIOCENE	LATE	SALE GROUP				3 SANDY CLAY - orange		
						6 SANDSTONE - orange		
						12 SAND - orange		
						CLAY - orange		
						21 CLAY - orange		
						CALCAREOUS CLAY - orange		
						CLAYEY LIMESTONE - orange	11" H	
						52 CLAYEY LIMESTONE - orange		8 5/8" C
						58 CLAYEY LIMESTONE - grey		
						76 LIMESTONE - pale grey		
MIOCENE	EARLY	SEASPRAY GROUP				130 MARL - dark to medium grey		
						138 - rare glauconite & quartz		
						144 MUDDY MARL - dark grey		
						160 MUDDY MARL - dark to very dark, gritty		6 3/4" H
						172 GRITTY MUDDY MARL - dark greenish grey		
						178 LIMESTONE/MARL - greenish grey/dark grey		
						185 - glauconite, limonite, coal		
						MARLY MUD - dark greenish/brownish grey		
						198 CLAYEY/SANDY SILTSTONE - brownish grey, mod. soft		
						252 - minor sideritic limestone		
OLIGOCENE	LATE	LAKES ENTRANCE FORMATION				261 CLAY - white		
						262 DECOMPOSED RHYODACITE		

MIDDLE ?
? LONGFORDIAN F6, 7, 8
GIPPSLAND LIMESTONE
MIocene
EARLY
SEASPRAY GROUP
? ?
LAKES ENTRANCE FORMATION
C.S.M.
? JANJUKIAN F4 & 5

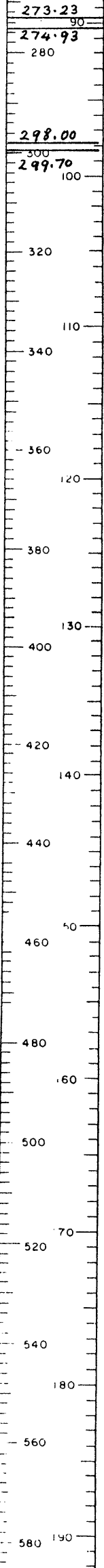


11" H
8 5/8" C
83
7 7/8" H
90
82.8
6 3/4" H
W 9.1
190 } V 35
(790 bpm)
W 9.6
268 } V 34
5 6

DEVONIAN

EARLY

SNOWY RIVER
VOLCANICS
? GELANTIPY
RHYODACITE



1.30

3



1.70

4

PORPHYRITIC RHYODACITE
- grey, spotted white,
felspar phenocrysts,
chlorite, xenoliths

300

273 { W 10.4
V 39
S 9

290 { W 10.1
V 40
S 6.5

300

T.D.

J. Davis

27-1-81
SA

27 JAN 1987

27 JANUARY 1987

PETROLEUM DIVISION

THE SECRETARY,
DEPARTMENT OF INDUSTRY, TECHNOLOGY
AND RESOURCES,
OIL AND GAS DIVISION,
151 FLINDERS STREET,
MELBOURNE, VIC. 3000

ATTENTION ; MR. R. SPENCE

DEAR SIR,

COLQUHOUN EAST - 6.

PEP-116 - QUARTERLY REPORT.

IN ACCORDANCE WITH THE PROVISIONS OF SECTION 70 (1)(B) OF THE PETROLEUM ACT, WE SUBMIT OUR REPORT IN RESPECT OF OPERATIONS CARRIED OUT WITHIN PEP 116 DURING THE QUARTER ENDED 31ST DECEMBER 1986.

1. LAKES ENTRANCE FIELD

NO FIELD WORK CARRIED OUT ON E.O.R. DEVELOPMENT IN THE AREA DURING THIS QUARTER FOR REASONS ADVANCED IN PREVIOUS REPORTS. HOWEVER SOME ADDITIONAL RESEARCH ON THE POSSIBLE EFFECTS OF VARIOUS STIMULATION AGENTS, OTHER THAN THOSE ALREADY CONTEMPLATED, HAS BEEN PUT IN HAND. COST IS OF COURSE STILL THE MAIN OBSTACLE TO PRACTICAL EXPERIMENT.

2. EXPLORATION

THE MAIN WORK CONSISTED OF THE DRILLING OF TWO STRATIGRAPHIC WELLS IN THE AREA AT THE POSITIONS NOMINATED AND IDENTIFIED TO YOU WITHIN OUR REPORT DATED 30 OCTOBER 1986.

THE INFORMATION, WHICH IS EXPECTED TO BE YIELDED BY STUDIES OF THE DATA, WILL BE MOST USEFUL IN GUIDING THE FUTURE DIRECTION AND TYPE OF WORK TO BE CONTEMPLATED.

COPIES OF THE APPROPRIATE REPORTS ARE ATTACHED, BUT, IN SUMMARY, BOTH HOLES WERE DRY AND WERE SUBSEQUENTLY PLUGGED AND ABANDONED ALTHOUGH THE TILDSLEY EAST NO. 3 WELL SHOWED SLIGHT HYDROCARBON TRACES ON MATERIAL RECOVERED FROM THE ZONES OF INTEREST. NO HYDROCARBON TRACES WERE DETECTED IN COLQUHOUN EAST NO.6.

.... / 2 ..

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PAGE 2.

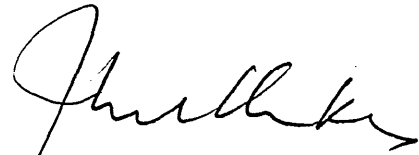
SUBJECT TO THERE BEING SEPARATED AN ADEQUATE QUANTITY OF APATITE FROM THE FIVE DOWNHOLE SAMPLES TAKEN FROM THE COLQUHOUN WELL, GEOTRACK INTERNATIONAL WILL PROCEED WITH A PALEO TEMPERATURE ANALYSIS PROGRAMME USING THE APATITE FISSION TRACK ANALYSIS TECHNIQUE. RESULTS OF THIS WORK ARE NOT EXPECTED BEFORE 30 JUNE 1987.

AS REGARDS SUBMISSIONS, YOU WILL BE AWARE THAT THE DRILLING REPORTS, WIRELINE LOG TRACES AND CORES, ARE ALREADY IN THE POSSESSION OF THE APPROPRIATE DIVISIONS OF ITR. IT REMAINS, THEREFORE, TO SEND YOU COPIES OF SERVICE AND GEOLOGICAL REPORTS PREPARED BY OUR CONSULTANTS.

ATTACHED THEREFORE ARE :

- 1) GEOLOGICAL REPORTS (2) IN RESPECT OF BOTH WELLS, PREPARED BY ROBIN GLENIE AND ASSOCIATES PTY LTD.
- 2) WIRELINE LOG EVALUATIONS (2) IN RESPECT OF BOTH WELLS, PREPARED BY BOWLER LOG CONSULTING SERVICES PTY LTD.
- 3) CORE ANALYSES IN RESPECT OF 4 SAMPLES DRAWN FROM TILDSLEY EAST-3, CARRIED OUT BY AMDEL.

YOURS FAITHFULLY,



J.M.L. CLARKE
DIRECTOR.

C.C. : GRANADA ENERGY CORPORATION.

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153 Wellington Parade South
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Australia 3002
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U.S.A. Office
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California
Telephone: (818) 792 2120
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REC'D 1
27-1-87
J

ROBIN GLENIE & ASSOCIATES PTY LTD

Geological Consultants

27 JAN 1987

8 Hartley Street
Brighton Beach
Victoria 3186
Australia

PETROLEUM DIVISION

Telephone (03) 592 2072

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Arena Petroleum Limited
153 Wellington Parade South
East Melbourne, Vic 3002

23 December, 1986

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CORE 2 208.25 - 210.45 m Recovery 1.70 m (100%)

4 cm (?) SIDERITIC LIMESTONE

light brownish grey, flecked black; hard, compact, massive, sub-conchoidal; abundantly finely micaceous; slightly ferruginous, probably sideritic/dolomitic: includes very finely disseminated black carbonaceous/glauconitic grains; contains common molluscan shells with dominant gastropods and scaphopods.

166 cm CLAYEY/SANDY SILTSTONE

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HYDROCARBON TESTS

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Location: LAT. 37° 47' 15"
 LONG. 148° 07' 00"
 Elevation: +40 m MSL (GL)
 DEPTH DATUM
 Total Depth: 300.0 m

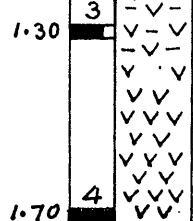
Tenement: VIC/PEP
 Well Type: STRATIGRAPHIC
 Spudded: 5 NOV. 1986
 Completed: 6-12-86
 Status: PLUGGED & ABANDONED

Basin: GRIPPSLAND
 ONSHORE
 Contractor: DITR VIC
 Driller: F. FULFORD
 Geologist: R. GLENIE

AGE / FORMATION		DEPTH		LITHOLOGY CORE Rec. No.	DESCRIPTION	LOG PICKS	HOLE DATA
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				21	CALCAREOUS CLAY - orange		
				40	CLAYEY LIMESTONE - orange		11" H
				52			
				58	CLAYEY LIMESTONE - grey		8 5/8" C
				76			
				83			7 7/8" H
MIOCENE EARLY	SEASPRAY GROUP			90	LIMESTONE - pale grey		82.8
				130	MARL - dark to medium grey		
				138	- rare glauconite & quartz		
				144	MUDDY MARL - dark grey		
				160	MUDDY MARL - dark to very dark, gritty		6 3/4" H
				172	GRITTY MUDDY MARL - dark greenish grey		
				178	LIMESTONE/MARL - greenish grey/dark grey		
				185	glauconite, limonite, coal		
				198	MARLY MUD - dark greenish/brownish grey		190 } W 9.1 V 35 (790 ppm)
				208.25			
OLIGOCENE LATE	LAKES ENTRANCE FORMATION C.S.M.			210.45	CLAYEY/SANDY SILTSTONE - brownish grey, mod. soft		
				220	minor sideritic limestone		
				240			
				252			
				261	CLAY - white		W 9.6
				262	DECOMPOSED RHYODACITE		268 } V 34 5

DEVONIAN
EARLY

SNOWY RIVER
VOLCANICS
? GELANTIPY
RHYODACITE



PORPHYRITIC RHYODACITE
- grey, spotted white,
felspar phenocrysts,
chlorite, xenoliths

273 { W 10.4
V 39
S 9

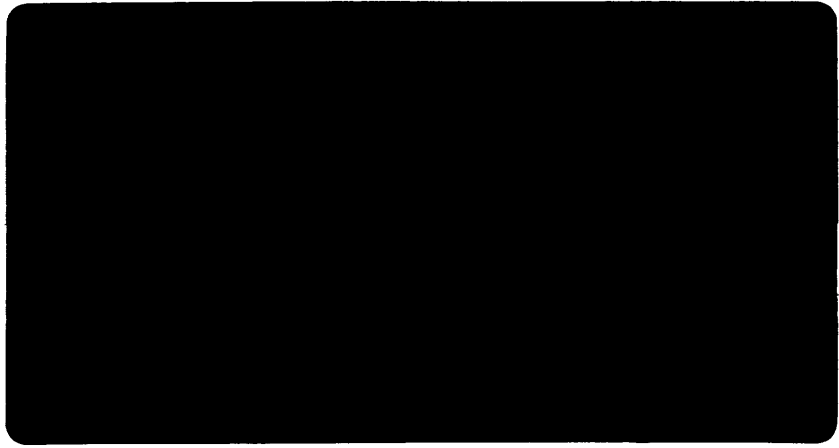
290 { W 10.1
V 40
S 6.5

300 T.D.

3.0

WIRELINER LOG EVALUATION REPORT

BOWLER LOG CONSULTING SERVICES PTY. LTD.



JACK BOWLER,
167 WESTERN BOULEVARD,
RAYMOND ISLAND,
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3880
Telephone: (051) 56 6170

P.O. BOX 2,
PAYNESVILLE,
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3880

beginning with brackets
GIPPSLAND BASIN.

BOWLER J.
COLQUHOUN EAST-6.

W945.

PETROLEUM DIVISION

ARENA PETROLEUM LTD.

DPI#35/86/07

COLQUHOUN EAST-6.

WIRELINE LOG EVALUATION

27 JAN 1987

BOWLER LOG CONSULTING SERVICES PTY. LTD.

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Mr. John Clarke
Arena Petroleum Ltd.
153 Wellington Parade South
East Melbourne, Vic. 3002

4 December, 1986

Dear Sir,

Please find my evaluation of the ITR and GO wireline logs run on DPI#35/86/07 on 2 December, 1986.

Log Quality

Logs available include LN-SN-SP (both GO and ITR), Gamma Ray Neutron, Caliper and Sonic. The caliper shows the average hole size to be about 7.5" which is about 3/4" larger than the 6 3/4" bit diameter. Only the interval from 264-274 meters was badly washed out (greater than 12" which is the maximum caliper reading). Because some of the logs are off depth with each other the sonic log has been chosen as the base depth log and all other log depths have been correlated to the sonic log depths. Because 2 1/8" OD tools have been used all measurements suffer from a borehole effect which has not been corrected for because correction charts are not available.

The SP obtained has good character and is useful in identifying permeable beds. Based on the SP and the LN-SN separation the Limestone from (casing shoe) 76 meters to 130 meters has the best permeability in the well. The SP repeats well between the ITR and GO logs and the up and down runs of each log. This well developed SP is due to the very fresh water gel mud of 8 ohm.m at 78°F. The drill water for this well was obtained from a creek near Nowa Nowa while the drill water on DPI#35 came from a water well at the drill site.

The ITR LN repeats well over the up and down runs while the SN does not repeat over the top part of the hole. The ITR SN does not read zero in casing as would be expected. The SN and LN do not read the same values in the impermeable marls from 130 to 170 meters as does the GO log. In general the ITR SN reads higher than the GO SN and the ITR LN reads lower than the GO LN. The GO LN and SN both read zero in the casing as expected. Repeatability of the GO LN and SN is good everywhere except over the high resistivity basement. Readings from the two tools are listed in Table One. In my opinion it seems that the GO readings are more correct and as a result they have been used for the evaluation in Table Two and for the crossplots.

Repeatability of the GRN is very good and repeatability between the up and down run of the sonic is fair but it is full of cycle skipping and noise and as a result requires editing prior to use in the evaluation.

Generally the logs were somewhat better than in DPI#35.

Log Evaluation

As with the previous well (DPI#35) it is possible to make a reasonable evaluation from the logs keeping in mind the uncertainties associated with the measurements and the poorly compacted formations.

For evaluation purposes the well has been broken down into several "formations" based on log character and tops given to me by the wellsite geologist, Rob Glenie. These may not always be geologic formations but they do generally exhibit similar log characteristics.

Table One contains depth-matched log data at representative intervals. LN readings in resistive zones less than 64" thick have been estimated because they will tend to look less resistive due to measurement theory. The sonic has been edited where it is thought to be affected by cycle skipping and noise and as a result some of the log derived porosities and resulting water saturation calculations may be in error if the editing is wrong.

For comparison purposes the same evaluation techniques as on DPI#35 have again been used. Four Resistivity-Porosity plots were made and it can be seen that the SN and LN Sonic plots suggest that the formations are mostly of a constant water saturation close to 100%. Further, the straight line of data through all the formations except for the limestone and basement suggests that they all contain the same resistivity formation water and that the lithology is very similar. The Limestone points plot below the 100% water line due to fresher formation water. The basement points fall above the 100% water line due to different lithology while the thin limey stringers fall above the line due to the resistivity tools not reading high enough resistivity values because the stringers are too thin compared to the tool spacing. The apparent formation water resistivity (R_{wa}) of 2.9 ohm.m from the LN-Sonic plot in this well agrees well with $R_{wa}=2.77$ from the LN-Sonic plot of DOI#35. The two plots using the Neutron log show it has poor resolution for all of the formations except for the Limestone and Basement. I think the Neutron log would be more useful if the hole diameter were considerably smaller.

Mud characteristics are: vis=39 secs, wt:9.9#/gal, sand=3.5%, $R_m=8$ ohm.m @ 78°F. R_{mf} is estimated at 6.75 ohm.m @ 78°F and bottom hole temperature is 79°F. Drillers TD is 298 meters and drillers casing 83 meters.

Formation water resistivities computed from the resistivity-sonic plots are 3.6 ohm.m @ 79°F from the GO SN (1,400 PPM NaCl_{eqv}) and 2.9 ohm.m @ 79°F from the GO LN (1,800 PPM NaCl) and are similar to that expected in the area. The negative SP of 20-35 mv confirms that the formation water is less resistive than the mud filtrate.

Table Two contains porosity values computed from the sonic using a compaction correction of 1.6 and Archie water saturation values using both the GO LN and SN resistivity devices. These computations show that the formations are water-wet. Total porosities range from 20 to 50% in the Greensand and are about 50% in the Colquhoun Sand. The higher porosities in this well may be due to a lack of compaction because the Greensand and the Colquhoun Sand are found at shallower depths than at DPI#35. These porosities are at best an estimate and are somewhat higher than those in other shallow wells in the same formations in the area derived from large diameter oil-well logging tools.

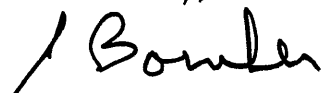
Recommendations

Please find the latest recommendations that will improve log quality and evaluation in future wells:

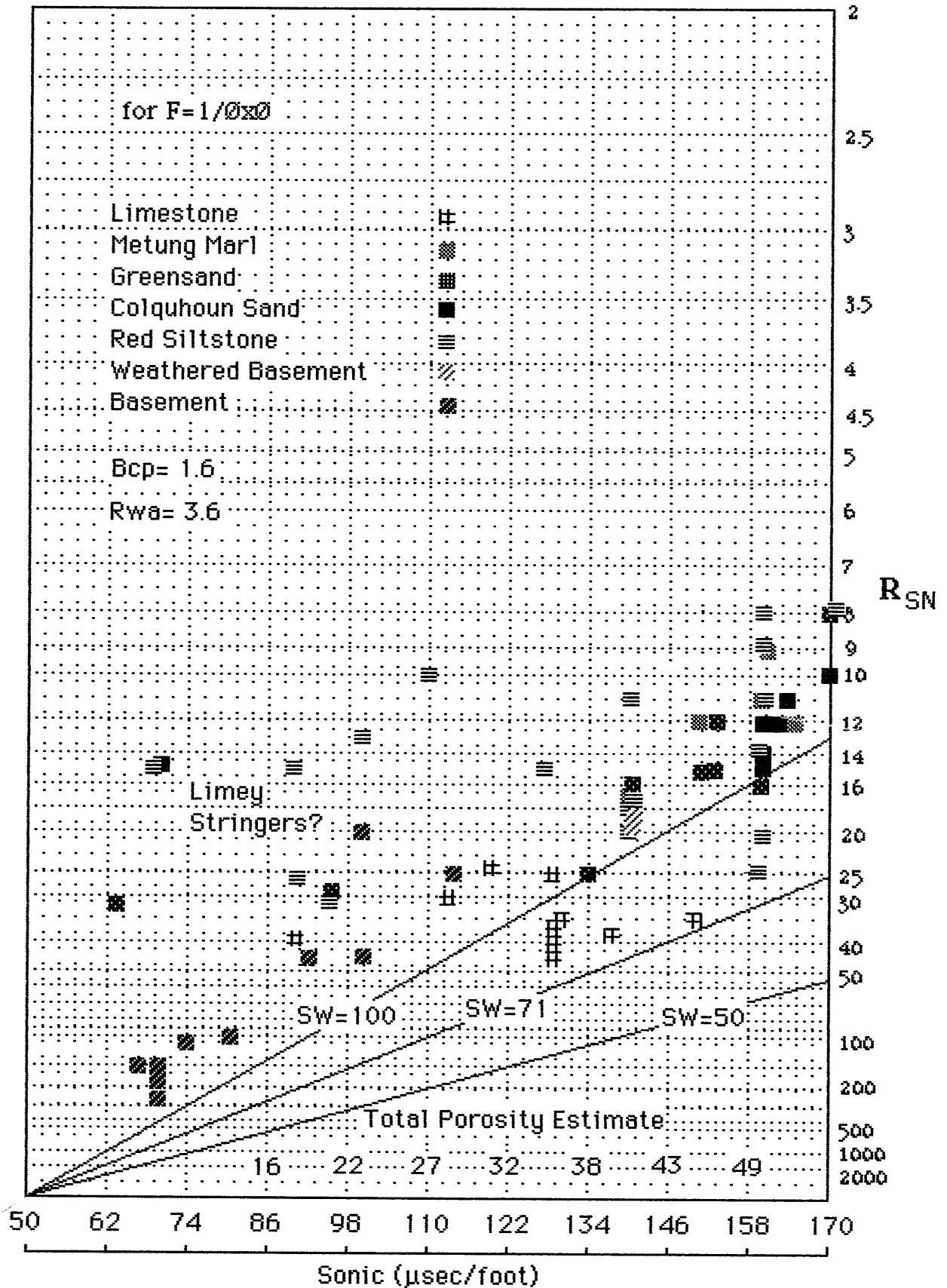
1. Run the GO SN-LN-SP instead of the ITR tool.
2. If the 2 1/8" tools are to be used next time drill a smaller diameter hole.
3. Have a mud filtrate press on location so that an accurate mud filtrate resistivity can be measured and not just estimated from the mud resistivity.
4. Use creek water for the drill-water to obtain SP with plenty of character.
5. Try to get the density tool working so that readings in g/cc can be obtained. This should give the best porosity measurement free from compaction effects. It will also be less affected by clay and shale content than the Sonic and Neutron logs.
6. Try to get a microlog which would be useful in identifying permeable zones.
7. Have the lithology log available at the wellsite during logging and for evaluation.

If there are any questions on the evaluation please let me know.

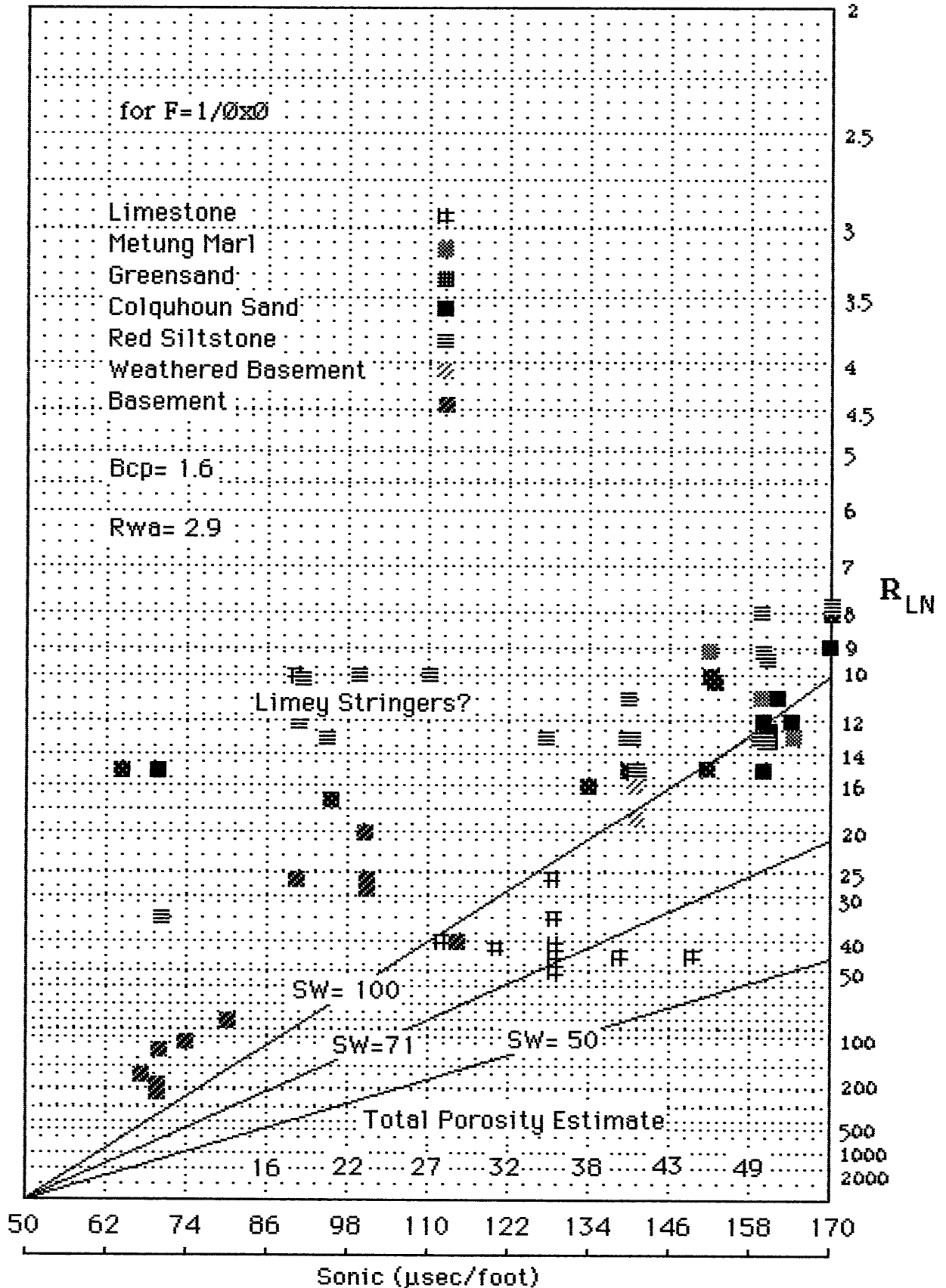
Yours truly,


Jack Bowler

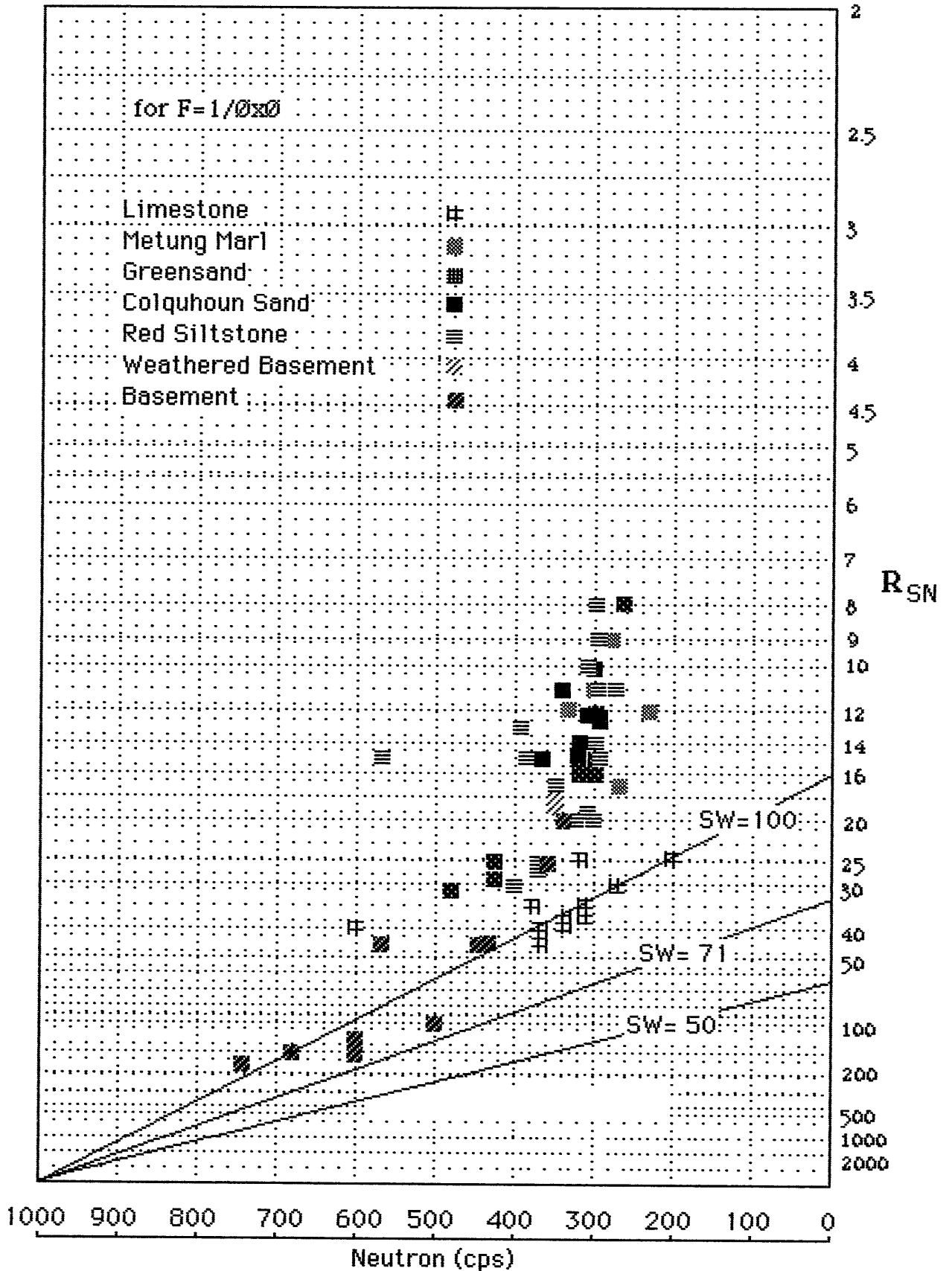
Arena Petroleum Ltd
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RESISTIVITY-POROSITY



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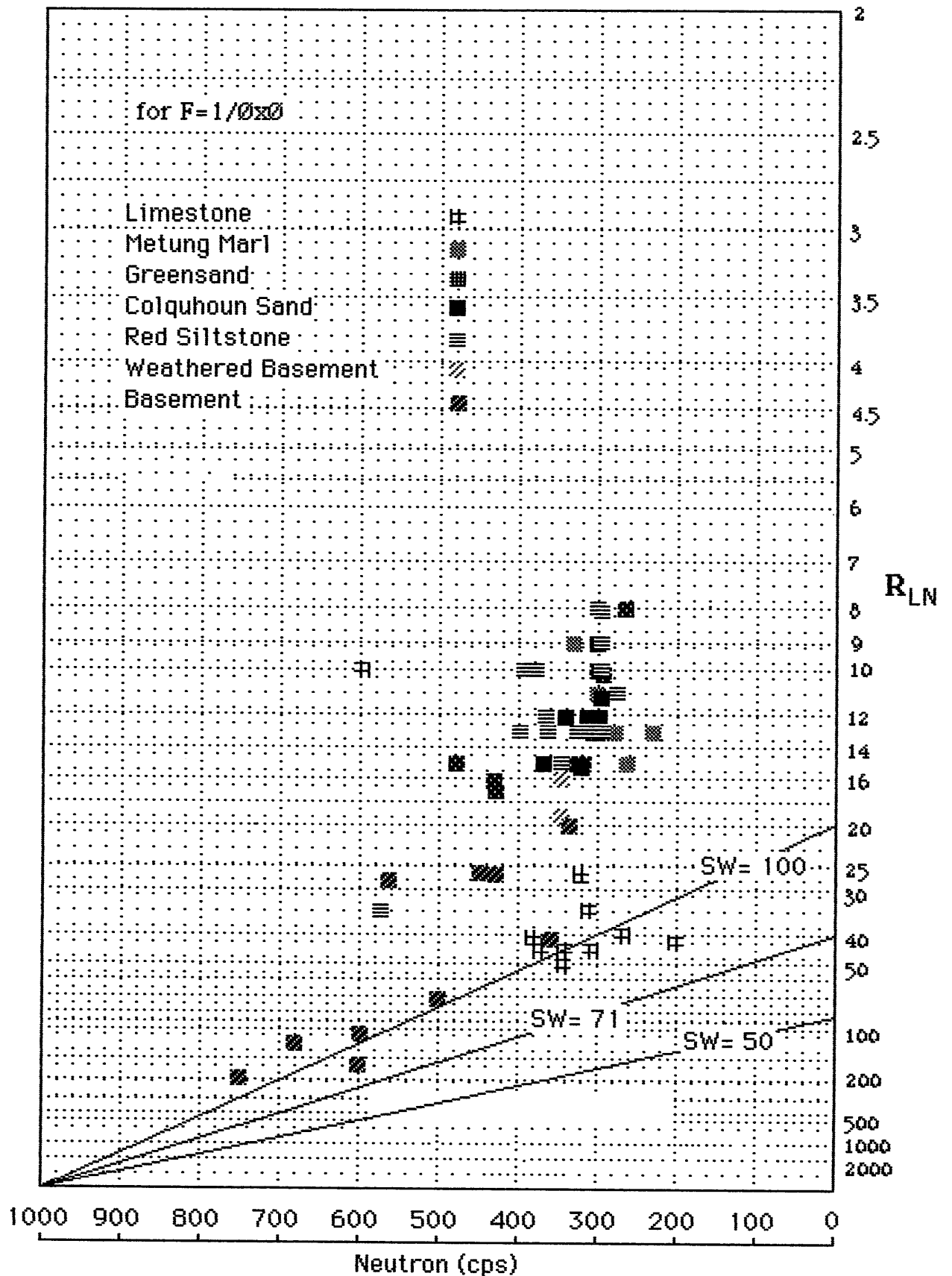
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RESISTIVITY-POROSITY



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DPI#35/86/07

RESISTIVITY-POROSITY



Level	Depth (meters)	SN(GO) (ohm.m)	LN(GO) (ohm.m)	SN(ITR) (ohm.m)	LN(ITR) (ohm.m)	GR (API)	Neutron (cps)	Sonic (µsec/foot)
					LIMESTONE			
1	80	30	40	30	30	38	270	112
2	83	24	41	26	31	35	200	120
3	93	35	40	40	32	40	380	130
4	100	37	45	40	38	25	340	138
5	102.4	45	45	48	39	20	370	130
6	109	40	44	46	38	20	370	130
7	110	39	50	46	42	15	340	130
8	114.4	34	45	37	38	20	310	150
9	120	36	35	40	30	15	310	130
10	126	25	27	30	22	20	320	130
11	127.6	38	10	42	9	20	600	90
					METUNG MARL			
12	128.4	12	9	16	10	20	330	150
13	130	9	13	11	10	25	280	160
14	138.4	12	13	16	11	32	230	164
15	142	17	15	21	11	40	270	140
16	160	11	11	16	9	50	300	160
					GREENSAND			
17	173	15	15	18	12	65	320	150
18	174	25	16	28	12	60	430	134
19	175	16	13	20	10	50	300	160
20	176	15	10	18	9	35	300	152
21	177	29	17	32	14	70	425	95
22	178.8	12	10	14	7.5	35	300	152
23	180	31	15	32	11	50	480	63
24	180.8	16	15	20	10	65	320	140
25	189	8	8	10.5	6	75	265	170
					COLQUHOUN SAND			
26	197	12	11	14	10	65	300	162
27	198	14	13	16	10	65	320	160
28	199	15	15	16	10	65	320	70
29	200	15	15	20	10	70	370	160
30	201	12	12	16	10	70	300	160
31	202	12	12	16	10	65	310	160
32	203	11	12	15	8	65	340	163
33	205	10	9	14	7	55	300	170
					RED SILTSTONE			
34	206	8	8	14	6	65	300	170
35	219	9	9	11	7	75	300	160
36	220	13	10	16	7	90	395	100
37	220.4	11	8	15	8	60	300	160
38	225	8	8	12	6	65	300	160
39	225.4	15	10	18	8	75	380	90
40	230	10	10	14	8	65	300	110
41	235	11	11	14	8	65	275	140
42	236	26	12	26	10	55	365	90
43	236.6	20	13	27	10	75	300	160
44	250	14	9	18	8	70	300	160
45	253.6	17	15	20	10	60	350	140
46	254	15	34	32	10	60	570	70
47	256	20	13	22	10	50	320	140
48	258	19	13	21	9	70	310	140
49	259	31	13	31	10	155	400	95
50	260	25	13	26	10	155	370	160
51	261	15	13	17	10	35	300	127
					WEATHERED BASEMENT?			
52	270	18	16	20	13	75	350	138
53	273	19	19	22	16	75	350	138

TABLE ONE ARENA PETROLEUM LTD. DPI*35/86/07

Level	Depth (meters)	a	m	n	RW(SN)	SW ARCHIE (SN) %	POROSITY (Total %)	SW ARCHIE (LN) %	RW(LN)
LIMESTONE									
1	80	1	2	2	4	131	28	136	5.8
2	83	1	2	2	4	129	32	119	5.8
3	93	1	2	2	4	94	36	106	5.8
4	100	1	2	2	4	83	40	91	5.8
5	102.4	1	2	2	4	83	36	100	5.8
6	109	1	2	2	4	88	36	101	5.8
7	110	1	2	2	4	89	36	95	5.8
8	114.4	1	2	2	4	76	45	80	5.8
9	120	1	2	2	4	92	36	113	5.8
10	126	1	2	2	4	111	36	129	5.8
11	127.6	1	2	2	4	180	18	423	5.8
METUNG MARL									
12	128.4	1	2	2	3	111	45	126	2.9
13	130	1	2	2	3	117	50	95	2.9
14	138.4	1	2	2	3	97	51	92	2.9
15	142	1	2	2	3	104	41	108	2.9
16	160	1	2	2	3	105	50	104	2.9
GREENSAND									
17	173	1	2	2	3	99	45	98	2.9
18	174	1	2	2	3	92	38	113	2.9
19	175	1	2	2	3	87	50	95	2.9
20	176	1	2	2	3	97	46	117	2.9
21	177	1	2	2	3	159	20	204	2.9
22	178.8	1	2	2	3	109	46	117	2.9
23	180	1	2	2	3	531	6	751	2.9
24	180.8	1	2	2	3	107	41	108	2.9
25	189	1	2	2	3	113	54	111	2.9
COLQUHOUN SAND									
26	197	1	2	2	3	99	50	102	2.9
27	198	1	2	2	3	93	50	95	2.9
28	199	1	2	2	3	496	9	488	2.9
29	200	1	2	2	3	90	50	89	2.9
30	201	1	2	2	3	101	50	99	2.9
31	202	1	2	2	3	101	50	99	2.9
32	203	1	2	2	3	103	51	97	2.9
33	205	1	2	2	3	101	54	105	2.9
RED SILTSTONE									
34	206	1	2	2	2	92	54	92	2
35	219	1	2	2	2	95	50	95	2
36	220	1	2	2	2	174	23	199	2
37	220.4	1	2	2	2	86	50	101	2
38	225	1	2	2	2	101	50	101	2
39	225.4	1	2	2	2	203	18	248	2
40	230	1	2	2	2	165	27	165	2
41	235	1	2	2	2	105	41	105	2
42	236	1	2	2	2	154	18	227	2
43	236.6	1	2	2	2	64	50	79	2
44	250	1	2	2	2	76	50	95	2
45	253.6	1	2	2	2	85	41	90	2
46	254	1	2	2	2	405	9	269	2
47	256	1	2	2	2	78	41	97	2
48	258	1	2	2	2	80	41	97	2
49	259	1	2	2	2	125	20	194	2
50	260	1	2	2	2	57	50	79	2
51	261	1	2	2	2	105	35	113	2
WEATHERED BASEMENT?									
52	270	1	2	2	3.6	113	40	107	2.9
53	273	1	2	2	3.6	110	40	99	2.9

TABLE TWO ARENA PETROLEUM LTD. DPI*35/86/07

