PREPARED BY

ON BEHALF OF

MEGASCOLIDES-1 RE-ENTRY ST1
WELL COMPLETION REPORT
VOLUME 3: DRILLING DATA

PEP162 / EL4537

CONTROLLED DOCUMENT NO. 3446-DR-01-0007

Revision 0

15 June 2008

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2 APPROVALS

Prepared By:		Signature:	Date:
Name:	Adelaide Lam		17/06/08
Title:	Drilling Engineer		
Name:	Terry Greaney		15/06/08
Title	Onshore Drilling Superintendent		

Approved By:		Signature:	Date:
Name:	Terry Greaney		15/06/08
Title:	Onshore Drilling Superintendent		

3 DOCUMENT REVISION HISTORY

Revision	Date	Sections	Details
Rev 0	15 June 2008	All	Release to Karoon & DPI

4 EXECUTIVE SUMMARY

Megascolides-1 was re-entered and sidetracked as Megascolides-1 RE ST1 with Century's Rig 11 to fully evaluate the Crayfish Group equivalent quartzose sandstone reservoir encountered in Megascolides-1.

Rig 11 rigging up commenced October 27, 2006 and a period of maintenance, inspection, recommissioning & upgrade ensued prior to rig acceptance by the operator and commencement of the re-entry on December 14 2006 @ 00:00hrs.

The original wellbore was cleaned out to 1766m and a kick off cement plug set from 1622 – 1740m. The well was sidetracked from 1635m at 4° in an easterly direction parallel to the original wellbore. Two cores were cut from 1881 – 1895m in the Crayfish reservoir interval (these did not yield favourable porosity and permeability results and the planned open hole drill stem test was cancelled). After drilling to TD of 1980mMDRT (1978mTVD) the well was logged then plugged and abandoned. The rig was released on December 29 2006 @ 16:00hrs.

The time from start of re-entry to rig release, was 15.67 days.

There were no Lost Time Incidents.

The site has since been restored.

5 WELL SUMMARY & OVERVIEW

5.1 WELL SUMMARY

Well Name	Megascolides-1 RE ST1 (Re-entry & Sidetrack)		
Designation	Appraisal Well		
License	PEP162 / EL4537		
Geographic Surface Location Co-ordinates (GDA94, GRS80, MGA, UTM Zone 55)	Latitude Longitude	038º 13' 52.06" S 145º 52' 55.44" E	402,155.9 mE 5,767,949.5 mN
Lease Holder	Karoon Gas Pty Ltd		
Project Manager	Upstream Petroleum Pty Ltd (AGR Asia Pacific Pty Ltd)		
Rig on Contract	27 October 2006 @ 06:00 hrs		
Rig Arrived Location	27 October 2006 @ 06:00 hrs		
Commence Re-Entry ("Spud")	14 December 2006 @ 00:00 hrs		
Reach TD of 1980mMD	26 December 2006 @ 11:00 hrs		
Rig Released	29 December 2006 @ 16:00 hrs		
Total Days – Rigging up / Maintenance	48.00		
Total Days – Drilling Phase	15.67		
Total Days	63.67		
RT-GL	5.20m		
GL-MSL	120.0m		
Drilling Contractor / Rig Name and Type	Century Energy Services Pty Ltd *Rig 11* – Land Rig Rotary Drive		
Well Status	Plugged and Abandoned		
Total Depth	1980mMDRT		
Bottom Hole Location (RE ST1)	5,767,945.2 mN 402,225.0 mE		
Maximum Deviation	4.25º		
12¼" Surface Hole / 9-5/8" Surface Casing	508mMDRT / 504mMDRT		
8½" Production Hole (RE ST1)	1980mMDRT (1978mTVDRT)		
Mud: Production Hole (RE ST1)	KCl / Polymer		

5.2 Drilling & Completions Operations Summary

Megascolides-1 was re-entered and sidetracked to fully evaluate the Crayfish Group equivalent quartzose sandstone reservoir encountered in Megascolides-1, using Century Rig 11.

The Megascolides 1 wellsite built in 2004 for Hunt Rig 2 required maintenance as well as modification for Century Rig 11 configuration. This was completed in October 2006.

Rig 11 and the drilling camp facilities were mobilized from Roma, Brisbane & Jackson in Queensland where they had been stacked since earlier in 2006. Components started to arrive at the Lardner camp site and Megascolides 1 wellsite on October 27 2006 @ 06:00hrs. Rigging up commenced and a period of maintenance, inspection, recommissioning & upgrade ensued. On December 9 - 10, 2006 the BOPs were tested to 3000psi. The rig was accepted by the operator & Megascolides-1 RE ST1 re-entry was commenced December 14 2006 @ 00:00hrs.

Three cement plugs were set to suspend Megascolides 1 in December 2004. These were inside 9-5/8" casing near surface (5 – 55mRT), at the 9-5/8" casing shoe (472 – 522mRT) & in 8-1/2" open hole (1740 – 1840mRT).

A slick BHA & 8-1/2" EBXSC15 Security Milltooth Bit API Code 1-1-7 (Bit 1) was RIH to drill out the first two existing cement plugs. The surface plug was tagged at 6mRT & cement drilled to 42mRT. Casing was pressure tested to 1400 psi. The BHA was washed & reamed to 534mRT (past the shoe at 504mRT) without encountering the plug set at the 9-5/8" shoe. A Leak Off Test (not scheduled) was conducted to 16.8ppg EMW to assess casing & formation integrity.

After tripping to pick up a monel NMDC drill collar and modify the BHA to a 30 ft packed pendulum the 8½" milltooth bit (Bit 1RR1) was RIH. The shoe plug was located at 557mRT and cement drilled to 619mRT. The 8-1/2" bit was used to continue to wash & ream the existing hole to 1766mRT where tight hole was encountered (this was below the proposed set depth for the kick off plug so no attempt was made to continue to locate the open hole cement plug). Hole condition above this point appeared excellent after the 2 years.

A viscous pill was spotted and survey tool dropped & a magnetic multishot (MMS) survey was conducted on the trip out. A 3-1/2" tubing cementing stinger was RIH on open-ended drillpipe to 1744mRT. A 16.8 ppg kick off plug was set from 1744 -1622mRT. After pulling back to 1591mRT and forward circulating 1.5 times bottom up (forward circulation to prevent cement debris blocking directional equipment in later phases) the cementing BHA was tripped out.

After laying out the NMDC the 8½" rock bit was re-run (Bit 1RR2) with near bit & string stabilisers. Cement was tagged at 1622m & dressed to 1635mRT. Hard cement was encountered. The BHA was tripped out.

After laying out the stabilisers and picking up a mud motor, UBHO (Universal Bottom Hole Orientation) Sub and NMDC the 8½" rock bit was re-run (Bit 1RR3) to commence the sidetrack at 1635mMDRT (2.7°@ 94° Azimuth). After orienting the toolface for an easterly kick off commenced time drilling at restricted ROP (sliding) and continued to 1659mMDRT with good formation returns (Survey 3° @ 72° azimuth). The kick-off BHA was pulled out of hole to change to a rotary BHA.

A packed drilling assembly with an 8-1/2" Security DBS FM3553 5 bladed PDC bit (Bit 2) was RIH and drilling continued at average 10 metres / hr from 1659mRT. After being briefly stuck at 1850mRT the drillstring was jarred free. Drilling continued to the core point at 1881mMDRT (4° @ 52° Azimuth). Mud was conditioned (and mud weight reduced at Karoon request from 9.4 ppg to 9.0 ppg). A short wiper trip was conducted to above the Kick Of Point before tripping out of hole.

An RTTS assembly was RIH and set at 497m. The 9-5/8" surface casing was tested to 2500 psi to confirm its integrity prior to drilling into the reservoir. The RTTS was retrieved.

An 18m x 8.5" x 4" CorPro coring assembly was made up and RIH with a CorePro MCP 662 corehead for up to a planned 18m core. Core #1 was cut from 1881mMDRT to 1889mMDRT in 4.5 hrs before the barrel appeared to jam. Tight hole seen from TD to 1868m while tripping out. Recovered 6.6m (82.5%) of Core #1.

To complete coring a modified 7.8m x 8.5" x 4" coring assembly was RIH. Core #2 was cut from 1889mMDRT to 1895mMDRT. Tripped out & recovered 5.0m (83.5%) of Core #2.

The recovered cores were air freighted to ACS Brisbane for analysis to assist in understanding the reservoir and whether to test. Downhole drillstem test (DST) tools & surface test equipment had been mobilised in case testing required.

The 8½" PDC bit (Bit 2RR1) & packed drilling assembly were rerun and drilling of the 8½" hole continued from 1895m to section TD at 1980mMDRT (1978m TVDRT). After a short wiper trip to above the KOP the drillstring was pulled out to log the hole.

Precision Logging rigged up and ran the following wireline logs:

Log #1: DLL-SLL-MLL-GR-CSS-PDS-CNS-SP-CML

- Temperature log also recorded with Super Combo from 470 – 1945.5m

Log #2: MCG-MFT

- 16 pressure pretests from 1796.7 – 1798.0, 1806.5, 1831.2 – 1833.0 & 1882.5 – 1889.5m

  (0 valid pressures, 9 tight tests, 2 tight tests with lost seal, 5 no seat obtained)
- Temperature stations recorded with MFT at 250, 500, 750, 1000, 1200, 1400, 1600, 1700, 1798, 1833, 1883, 1889.3, 1935, 1955 & 1970m.

After evaluation of the recovered cores, the decision was made to release the welltest equipment and to plug & abandon the well.

After laying out the BHA the 3-1/2" tubing stinger was RIH on drillpipe. Three abandonment cement plugs were set over the following intervals:

- Plug #1: 1840 – 1740mMDRT
- Plug #2: 600 – 450mMDRT (cement tagged at 418m with 20,000 lbs weight)
- Plug #3: 55 – 5mMDRT

After completing well abandonment operations, laying down the maintaining drillpipe, flushing the BOP with water and nippling down same, dumping & cleaning mud tanks and laying out the Kelly the rig was released on December 29 2006 @16:00hrs and the rig move to Megascolides-2 commenced.

The wellhead was cut off one metre below the ground level and the site restored to landowner satisfaction.

5.3 Health, Safety & Environmental Summary

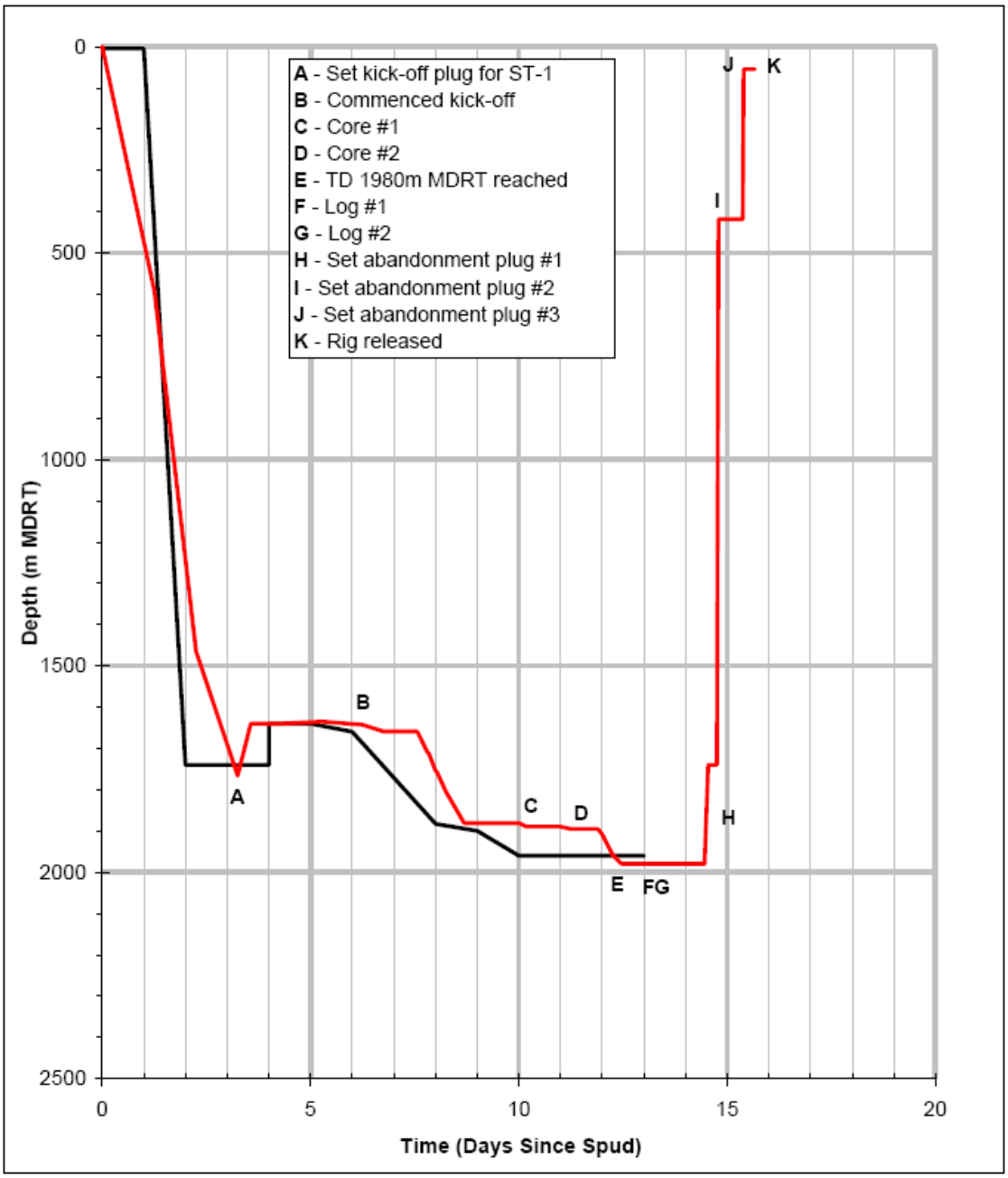
There were no major incidents during the Megascolides-1 RE sidetrack operations. One medical treatment incident occurred, in which a leasehand injured his ankle at the rig camp. One minor injury occurred when a roughneck received a contusion to his hand, from being struck by a hammer. Several instances of near misses resulted with failed and dropped equipment. Both incidents did not cause serious injuries to personnel. Three environmental incidents, all involving fuel spills, were reported. All spills were contained and procedures updated to prevent future re-occurrence.

The following tests / drills were performed during the well operations: 1 BOP test, 12 BOP drills, 2 muster drills and 18 alcohol & drug screenings.

A total of 38 JSAs were recorded as having been conducted.

6 TIME –DEPTH CURVE

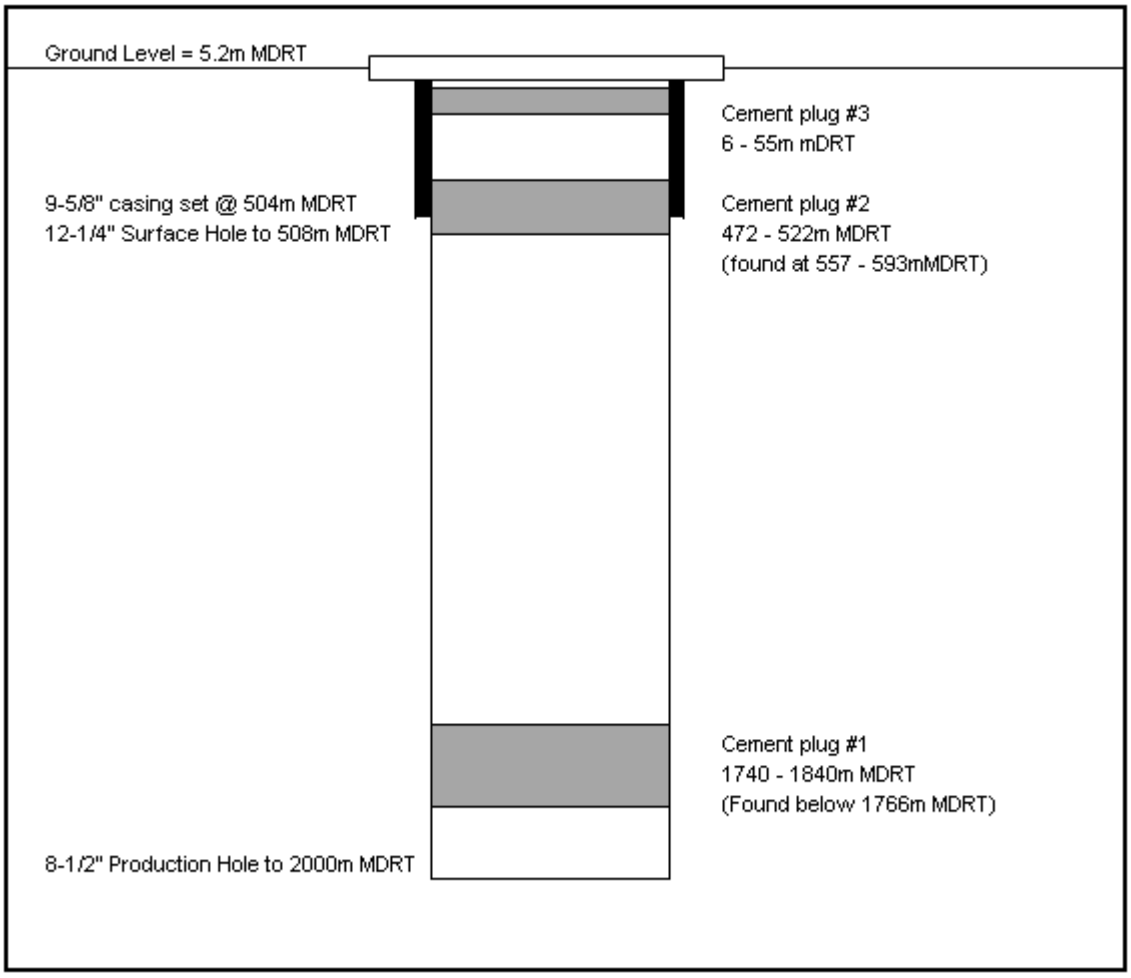
WELL NAME	***Megascolides-1 RE***	Report at:	*29 December, 2006 @ 1600hrs*
WELL TYPE:	*APPRAISAL*	Rig on Contract:	*27 October, 2006 @ 0000hrs*
WELL AREA:	*PEP162 / EL4537*	Spudded:	*14 December, 2006 @ 0000hrs*
RIG:	*CENTURY RIG 11*	Reached TD:	*26 December, 2006 @ 1100hrs*
RIG TYPE:	*LAND RIG ROTARY DRIVE*	Rig Released:	*29 December, 2006 @ 1600hrs*



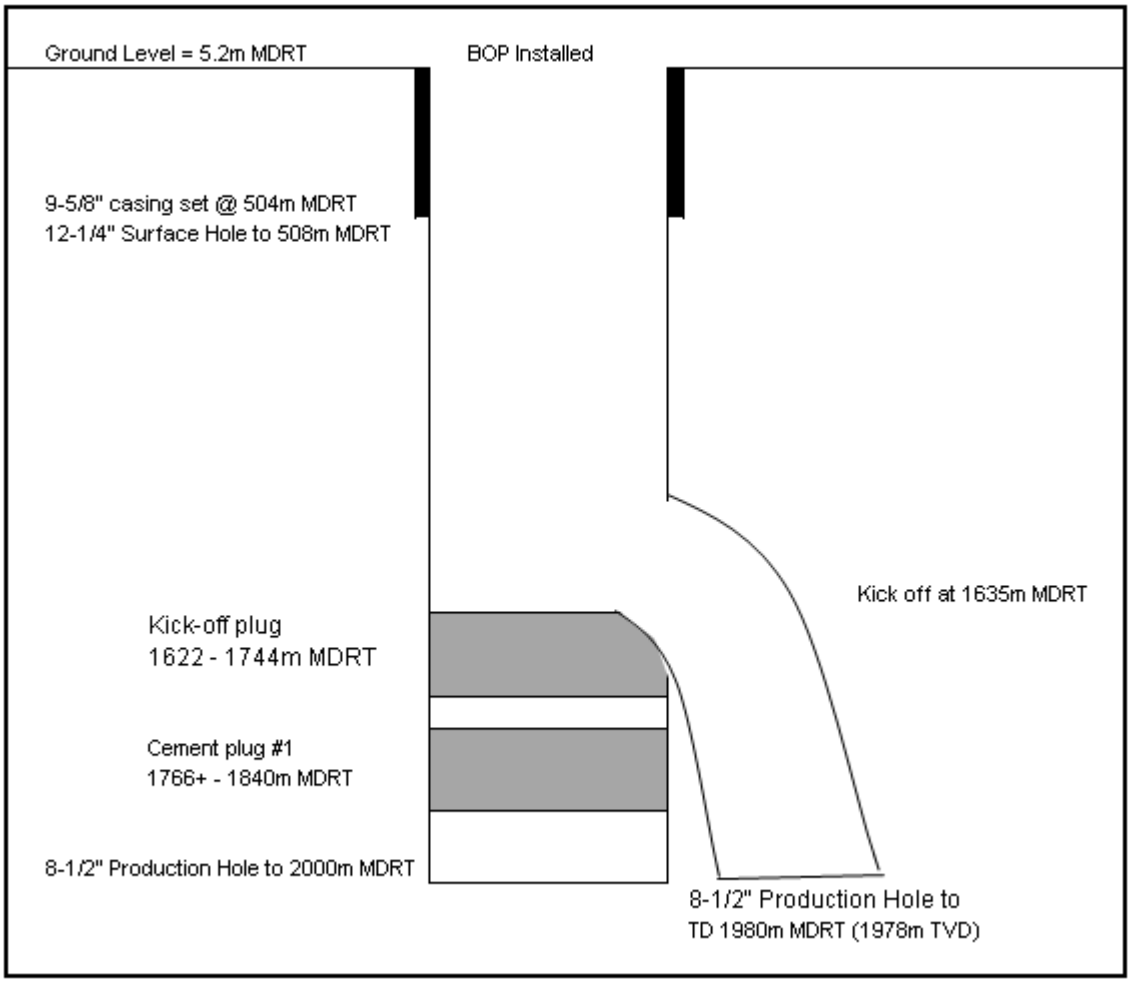
Planned — Actual

7 WELL SCHEMATICS

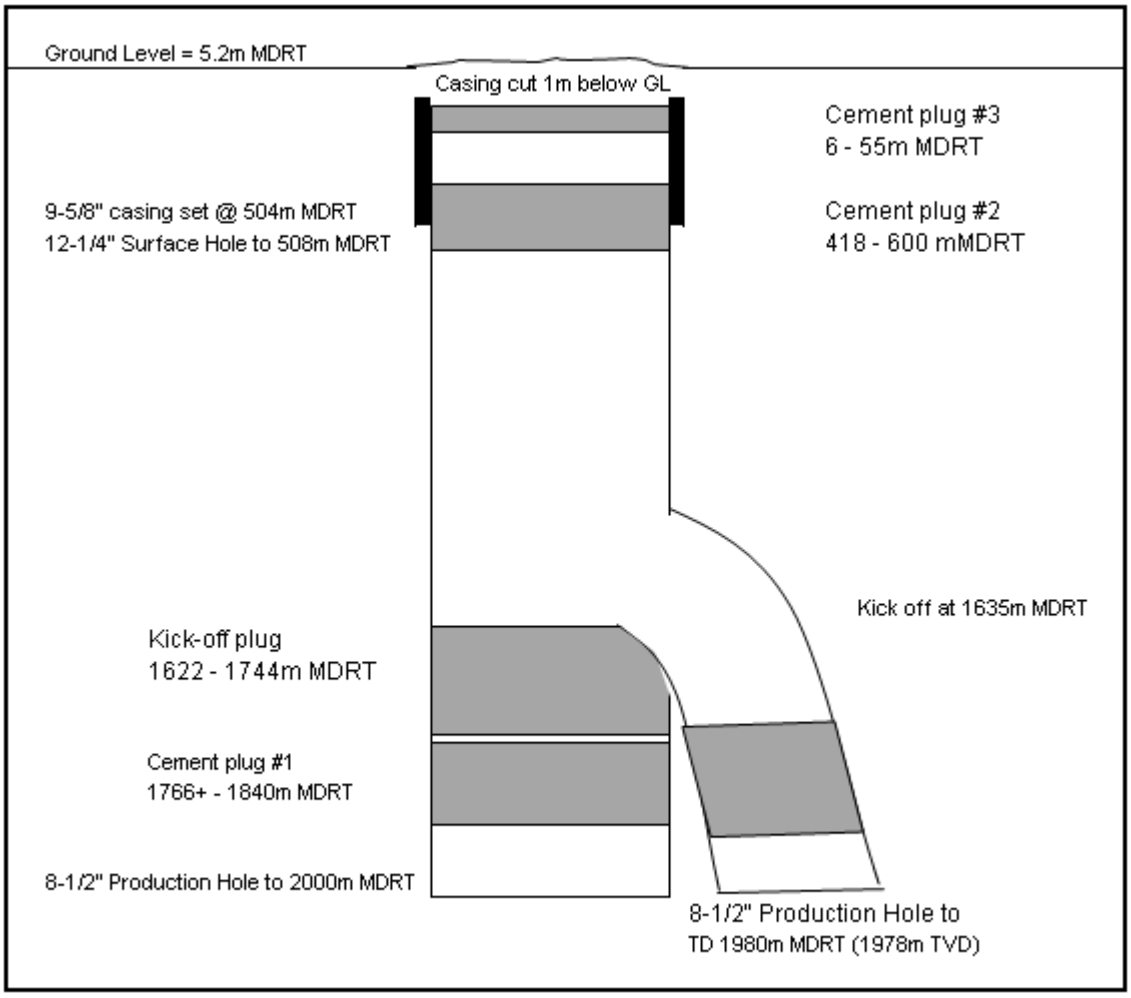
7.1 WELL SCHEMATIC AT START OF DRILLING OPERATIONS



7.2 WELL SCHEMATIC WITH WELL AT TD



7.3 WELL SCHEMATIC AT END OF DRILLING OPERATIONS



ATTACHMENTS

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ATTACHMENT 1 : BIT RECORD & REVIEW

RT above GL : 5.20m | UTM North: 5767949.5 | Spud Date : 14 Dec 2006 | Release Date : 29 Dec 2006

G.L. Elevation : 125.20m | UTM East: 402155.9 | Spud Time : 00:00 | Release Time : 16:00

Bit Record

Well: Megascolides-1 RE

Bit#	Date In/Out	IADC	Size (in)	Serial No.	Make	Type	Jets	In (m)	Out (m)	Metre (m)	Hrs O/B	ROP (m/hr)	WOB (klb)	RPM	RPM (DH)	Flow (gpm)	SPP (psi)	MW (ppg)	Bitwear I-O1-D-L-B-G-O2-R
1	14 Dec 2006 / 15 Dec 2006	117	8.50	10858843	Security DBS	EBXSC15		6	535	529	7	75.57						8.59	0- 0- NO- BLANK- 0- I- NO- BHA
	Bit Run Comment:Drilled cement plug inside casing.															Bit Wear Comment:			
1RR1	15 Dec 2006 / 16 Dec 2006	117	8.50	10858843	Security DBS	EBXSC15		535	1766	1231	8	153.88						8.83	0- 0- NO- BLANK- 0- I- NO- BHA
	Bit Run Comment:Drilled cement & was used for reaming															Bit Wear Comment:			
1RR2	17 Dec 2006 / 18 Dec 2006	117	8.50	10858843	Security DBS	EBXSC15		1622	1635	13	1	13.00						8.98	0- 0- CT- N1- E- I- NO- BHA
	Bit Run Comment:Used to polish kick off plug															Bit Wear Comment: Drill cement			
1RR3	18 Dec 2006 / 21 Dec 2006	117	8.50	10858843	Security DBS	EBXSC15	195	1635	1659	24	35	0.69	1.00	0	125	250	700	9.08	1- 1- NO- A- 3- I- NO- BHA
	Bit Run Comment:This is to be run with steering assembly (BHA #4).															Bit Wear Comment:			
2	21 Dec 2006 / 23 Dec 2006		8.50	10881881	Security DBS	FM3553		1659	1881	222	20	11.10	15.00	130	130	320	850	9.05	0- 0- NO- FC- X- I- NO- CP
	Bit Run Comment:															Bit Wear Comment:			
3	23 Dec 2006 / 24 Dec 2006		8.50	8492c	Corpro System	MCP662		1881	1889	8	4	2.00	11.00	90	90	233	450	9.05	1- 1- WT- A- X- I- NO- CP
	Bit Run Comment:Core 1															Bit Wear Comment:			
3RR1	24 Dec 2006 / 25 Dec 2006		8.50	8492c	Corpro System	MCP662		1889	1895	6	7	0.86	11.00	90	90	200	850	9.04	1- 1- WT- A- X- I- NO- CP
	Bit Run Comment:Core 2															Bit Wear Comment:			
2RR1	25 Dec 2006 / 26 Dec 2006		8.50	10881881	Security DBS	FM3553		1895	1980	85	12	7.08	15.00	130	130	320	850	9.04	0- 0- NO- FC- X- I- NO- TD
	Bit Run Comment:															Bit Wear Comment:			

Karoon Gas

Victoria

Security DBS Drill Bit Performance Review

Megascolides – 1 SE and 2

Date: 20th February, 2007

Submitted by:

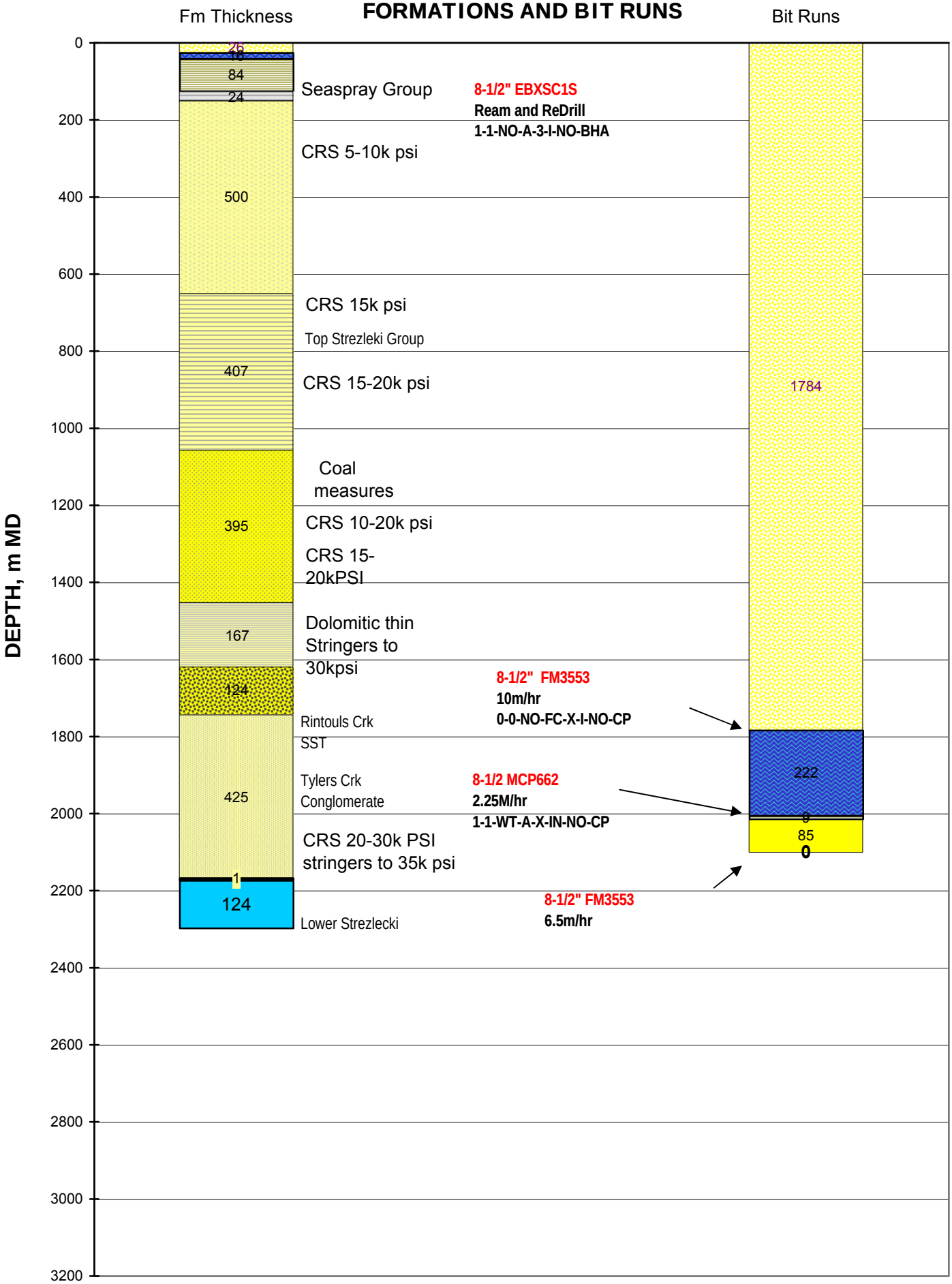
B Kaminski, Suzan Crawford
Security DBS Halliburton.
Ph: 03 9581 7534
ABN 73 009 000 775

HALLIBURTON

Karoon Gas

HALLIBURTON
Security DBS

Megascolides-1
FORMATIONS AND BIT RUNS



Karoon Gas

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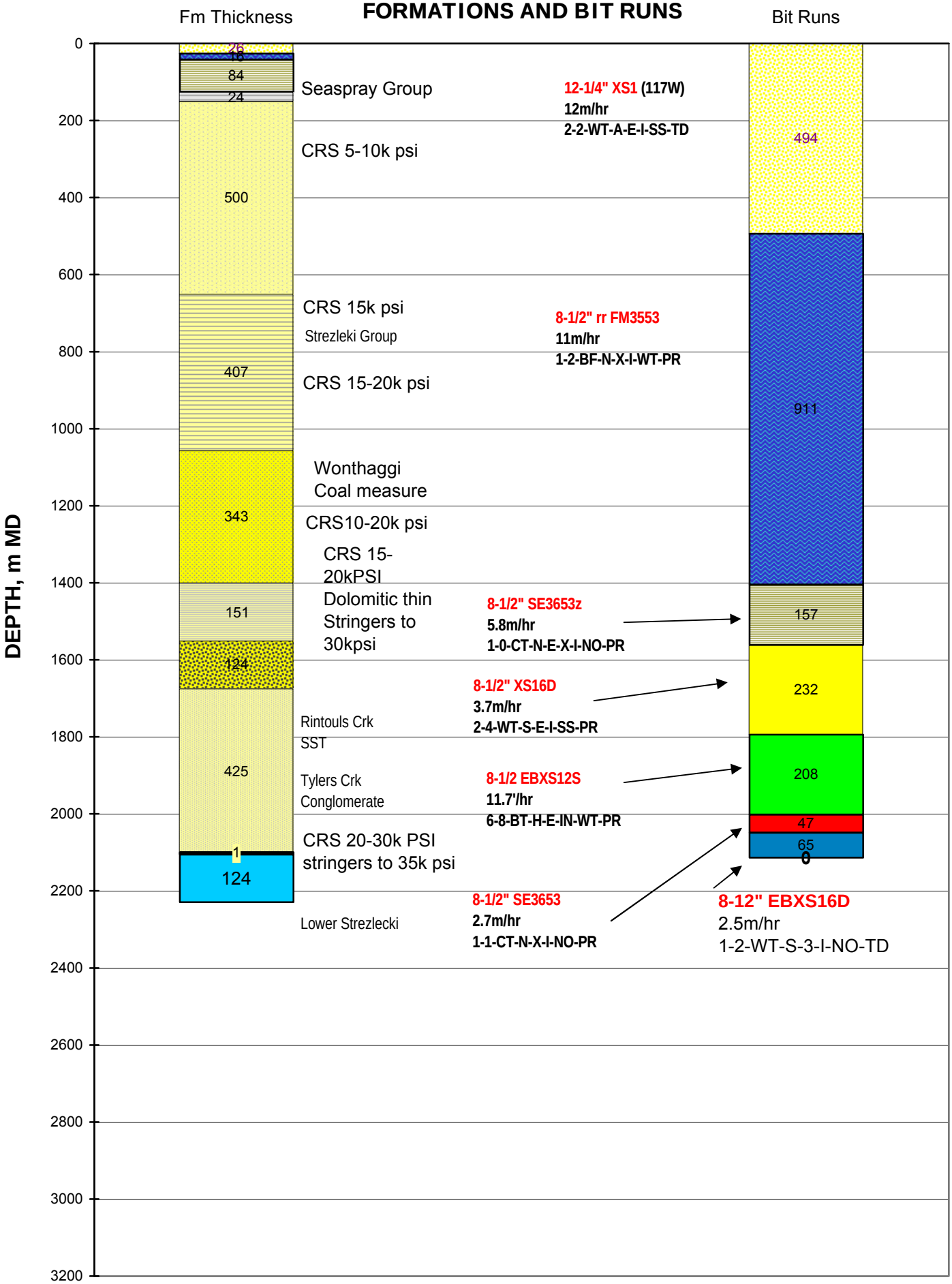
Security DBS

Megascolides-2
FORMATIONS AND BIT RUNS



20th February 2007

Karoon Gas

Halliburton Security DBS is pleased to have supplied Drill Bits for your 2 well Gippsland Basin program. The purpose of this bit evaluation is to identify where bit selection may be optimized for future wells in the area. Supplied bit records for Megascolides-1 and 2, and knowledge of compressive rock strengths in the onshore Gippsland basin were used to prepare this bit review.

Formations in the onshore Gippsland Basin consist of a thin veneer of soft recent shale sandstone and siltstones overlying the older Mid Cretaceous Strezlecki group of formations, with volcanogenic sediments and intruded dykes. These in turn overly early Cretaceous shale sandstone and conglomerates.
Compressive rock strengths in the dominantly shale's and siltstones from nearby wells averages 5-15k psi down to the shallow top of the Strezlecki Group. Interbedded shale, sandstone, siltstone sediments and occasional volcanic rocks, average 10-20k psi with occasional thin dolomitic stringers to 30k psi. Average rock strengths near the base of the well increases to 20-25k psi limiting roller cone bit ROP in the range of 2.5-3.5m/hr.

On Megascolides-1 an **IADC 117 EBXSC1S** was run three times mainly drilling out cement and the initial kick off. A 5 blade 16mm **FM3553** with the latest available Z3 cutters was subsequently run to core point and then to TD, and averaged 10m/hr to the core point and 6.5m/hr to TD. The fact that the z3 cutter type is more abrasion, and impact resistant than standard cutters, probably contributed to the good condition of the bit, making it suitable for rerunning on Megascolides-2. Drill rates through the sandstone of the top section averaged 25-30m/hr and decreased to 5-15 m/hr in the lower sandstones below about 1725m. Below this ROP reduced to 10-15m/hr through the sandstone with the interbedded shale drilled at a significantly faster rate of 25-30m/hr. This indicates that the sandstones would probably have reduced porosities, and are definitely well cemented with silica based on the cuttings description. The volcanic rocks below are weathered in part to clays and present no drilling problem, but where less weathered are commonly clear brittle crystalline rock with common calcite present. These sections drill the slowest and would be expected to have the main influence on bit selection criteria.

On Megascolides-2 the **rerun 8 ½ FM3553** drilled initially at about 23 m/hr, with the ROP gradually slowing with depth. After ROP slowed to below 4 m/hr it was pulled for a total meterage of 911m at a run average of 11m/hr. It appeared that the bit was struggling to penetrate some of the harder sandstone cemented stringers that were drilled on the previous Megascolides-1 well. The sandstones were described as hard with increasing silica cementing from about 1100m. The ROP was significantly better in the shale's below about 1100m. Bit record shows a relatively high RPM of 120 for the run with 15klb WOB. At times the mud log shows RPM 140 and 160 were used. This would without doubt have helped penetration in the shale's, but a more moderate reduction of 90-100rpm would have been beneficial in bit life with smoother drilling in the sandstones.

RR2 Megascolides-2, 8 ½" **FM3553** grade 1-2-BF-N-X-I-WT-PR

A 6 blade **16mm SE3653** bit was run next from 1421m and in hindsight looks less suitable for the silica cemented sandstone encountered. However it successfully drilled the shale's at higher ROP and if calculated on a cost per foot analysis would probably have been the optimum choice if fast trip time and relatively low rig rate are taken in account. This bit also had relatively high 120 RPM run average. (N0 Photo)
Replaced by an **IADC 447 XS16D** roller cone bit (1578m-1810m) using WOB of 30k and low 70 RPM seems consistent with the high compressive rock strengths estimated. ROP of 3.7m/hr was achieved and drilled both shale and cemented sandstones at about the same ROP.

NB4 **IADC 447 XS16D** graded 2-4-WT-S-E-I SS-PR

From the relatively low wear and particularly the even wear of the XS16D, a more aggressive **EBXS12DS** bit was run, with again high 32k WOB and low 65 RPM, indicating competent formation type. Similar ROP of 3.2m/hr was achieved with similar drilling rates in both the interbedded sandstone and thick shale towards the base of the run. The massive shale encountered at the end of the run probably influenced the decision to **rerun the SE3653** which encountered a 10m thick marble formation, with typical CRS in the range of 35-38k psi. This accounted for both the low ROP, and the end of the bit run at 2065m.

RR6 8 ½" SE3653 graded 1-1-CT-N-X-I-NO-PR

A final NB7 **EBXS16D** 2.5m/hr run was required to reach TD.

In conclusion bit selection seems to have been optimum with the 5 bladed FM3553Z with the exception of the lower Strezlecki group, where the interbedded harder sandstone interbeds are perhaps better drilled with IADC 447 or 437. It is worth noting that this section has been drilled in other areas with heavier set seven bladed fixed cutter bits set with 13mm cutters.

For future wells in the area a compressive rock strength analysis should be performed on log data from the nearest offset. This would enable fine tuning of PDC features. Bit record shows relatively low bit wear indicating only the usual abrasiveness, but the high WOB required and generally slow ROP of 3-4m/hr is consistent with the predicted compressive rock strengths.

In the mean time if you have any further queries please do not hesitate to contact Bernard Kaminski on. 0404461350. or Errol Smeaton in our Cheltenham Office (03) 9581 7534

Yours faithfully
Security DBS HALLIBURTON AUSTRALIA PTY LTD

B Kaminski

RT above GL : 5.20m | UTM North: 5767949.5 | Spud Date : 14 Dec 2006 | Release Date : 29 Dec 2006

G.L. Elevation : 125.20m | UTM East: 402155.9 | Spud Time : 00:00 | Release Time : 16:00

Bit Record

Well: Megascolides-1 RE

Bit#	Date In/Out	IADC	Size (in)	Serial No.	Make	Type	Jets	In (m)	Out (m)	Metre (m)	Hrs O/B	ROP (m/hr)	WOB (klb)	RPM	RPM (DH)	Flow (gpm)	SPP (psi)	MW (ppg)	Bitwear I-O1-D-L-B-G-O2-R
1	/										0							8.59	- - - - - - -
					Bit Run Comment:											Bit Wear Comment:			
1RR	/	117	8.50	10858843	Security DBS	EBXSC15		6	1766	1760	0							8.83	1- 1- NO- A- SB- I- NO- BHA
					Bit Run Comment:THIS BIT DRILLED CEMENT AND WAS USED FOR REAMING											Bit Wear Comment:			
1RR2	17 Dec 2006 /	117	8.50	10858843	Security DBS	EBXSC15		1640			0							8.98	0- 0- CT- N1- E- I- NO- BHA
					Bit Run Comment:This was run with BHA #3.											Bit Wear Comment: Drill cement			
1 RR 3	19 Dec 2006 / 20 Dec 2006	117	8.50	10858843	Security DBS	EBXSC15	195	1635	1659	24	48	0.50	1.00	0	125	250	700	9.06	1- 1- NO- A- 3- I- NO- BHA
					Bit Run Comment:This is to be run with steering assembly (BHA #4).											Bit Wear Comment:			
2	21 Dec 2006 / 22 Dec 2006		8.50	10881881	Security DBS	FM3553		1659	1881	222	22	10.09	15.00	130	130	320	850	9.05	0- 0- NO- FC- X- I- NO- CP
					Bit Run Comment:											Bit Wear Comment:			
3	22 Dec 2006 / 25 Dec 2006		8.50	8492c	Security DBS	MCP662		1881	1890	9	4	2.25	11.00	90	90	233	850	9.04	1- 1- WT- A- X- I- NO- CP
					Bit Run Comment:											Bit Wear Comment:			
2RR	25 Dec 2006 / 26 Dec 2006		8.50	10881881	Security DBS	FM3553		1895	1980	85	13	6.54	15.00	130	130	320	850	9.04	- - - - - - NO-
					Bit Run Comment:											Bit Wear Comment:			

RT above GL : 5.20m UTM North: 5767583 Spud Date : 04 Jan 2007 Release Date : 03 Feb 2007

G.L. Elevation : 156.20m UTM East: 403212 Spud Time : 14:00 Release Time : 18:00

Bit Record

Well: Megascolides-2

Bit#	Date In/Out	IADC	Size (in)	Serial No.	Make	Type	Jets	In (m)	Out (m)	Metre (m)	Hrs O/B	ROP (m/hr)	WOB (klb)	RPM	RPM (DH)	Flow (gpm)	SPP (psi)	MW (ppg)	Bitwear I-O1-D-L-B-G-O2-R
7	29 Dec 2006 / 01 Feb 2007	447	8.50	10851000	Security DBS	EBXS16D	369	2065	2130	65	26	2.50	30.00	70	70	450	2200	9.40	1- 2- WT- S- 3- I- NO- TD
					Bit Run Comment:											Bit Wear Comment:			
1	04 Jan 2007 / 07 Jan 2007	116	12.25	10826043	Security DBS	XS/S		16	510	494	40	12.35	20.00	120	120	660	1200	9.12	2- 2- WT- A- E- I- SS- TD
					Bit Run Comment:											Bit Wear Comment:			
RR2	10 Jan 2007 / 17 Jan 2007		8.50	10881881	Security DBS	FM3553	311	510	1421	911	84	10.85	15.00	120	120	450	1200	8.91	1- 2- BF- N- X- I- WT- PR
					Bit Run Comment:Rerun Bit from Megascolides # 1well											Bit Wear Comment: Bit also suffered "DL" Cutter Delamination			
3	17 Jan 2007 / 20 Jan 2007		8.50	10825011	Security DBS	SE3653Z	258	1421	1578	157	27	5.81	12.00	120	120	450	1100	8.92	1- 0- CT- N- X- I- NO- PR
					Bit Run Comment:											Bit Wear Comment:			
4	20 Jan 2007 / 23 Jan 2007	447X	8.50	743418	Security DBS	XS16D	371	1578	1810	232	62	3.74	30.00	75	75	450	1750	8.94	2- 4- WT- S- E- I- SS- PR
					Bit Run Comment:											Bit Wear Comment:			
5	23 Jan 2007 / 27 Jan 2007	437	8.50	10850552	Security DBS	DBXS12DS	336	1810	2018	208	64	3.25	32.00	65	65	450	1750	8.99	2- 3- WT- S- 3- I- NO- TQ
					Bit Run Comment:											Bit Wear Comment:			
RR6	28 Jan 2007 / 29 Jan 2007		8.50	10825011	Security DBS	SE3653		2018	2065	47	17	2.76	18.00	70	70	300	2250	9.00	1- 1- CT- N- X- I- NO- PR
					Bit Run Comment:											Bit Wear Comment:			

LocationAddressPhoneFax

Adelaide 3 Graham Street, Export Park 5959, 08 8150 1219, fx08 8150 1299

MoombaMoomba Camp, Cooper Basin08 8675 661108 8675 6662

BalleraBallera, Cooper Basin08 8675 6611 08 8675 6662

RomaMitchell Road, Roma 4455, 07 4622 4588,07 4622 3674

Brisbane555 Coronation Drive, Toowong 4066, 07 3721 6555, 07 3721 6500

PerthLevel 2/256 St Georges Tce, Perth 6000, 08 6424 4600

Canning Vale53 Bannister Road, Canning Vale 6155, 08 9455 8300 08 9455 5300

Darwin1863 Pruen Road, Berrimah 0828, 08 8947 214208 8984 3897

Sale6 Drew Court, Sale 3850, 03 5143 130703 9583 7588

Melbourne90 Talinga Road, Cheltenham 3192, 03 9583 752203 9583 7588

DampierSupply Base, Dampier08 9144 2160, 08 9144 2469

HALLIBURTON

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ATTACHMENT 2 : BHA RECORD

BHA Record for Megascolides-1 RE

Rig : Century 11 | Spud : 14 Dec 2006 / 00:00 | Rig Release : 29 Dec 2006 / 16:00

BHA No.: 1

Parameters	
Date In/ Date Out	14 Dec 2006 / 15 Dec 2006
Depth In/ Depth Out (m)	6/534
Length (m)	167
Weight (Dry/ Wet) (klb)	/
Weight Blw/Jar (Dry/Wet) (klb)	/
String Weight (Avg) (klb)	NaN
Pick-Up Weight (Avg) (klb)	NaN
Slack-Off Weight (Avg) (klb)	NaN
Torque Max (Avg) (ft-lbs)	NaN
Torque on Bottom (Avg) (ft-lbs)	NaN
Torque off Bottom (Avg) (ft-lbs)	NaN
BHA Description: Drill cement in 9.5/8" casing	
BHA Run Comment:	

BHA Detail

Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Bit	0.27	1	8.50			
Bit Sub	0.99	1	6.50	2.87		
NMDC	9.33	1	6.75	2.88		
Drill Collar	9.12	2	6.25	2.88		
Drill Collar	9.12	9	6.25	2.88		
HWDP	9.35	6	4.50	2.93		

BHA No.: 2

Parameters	
Date In/ Date Out	15 Dec 2006 / 16 Dec 2006
Depth In/ Depth Out (m)	535/1766
Length (m)	170
Weight (Dry/ Wet) (klb)	/
Weight Blw/Jar (Dry/Wet) (klb)	/
String Weight (Avg) (klb)	NaN
Pick-Up Weight (Avg) (klb)	NaN
Slack-Off Weight (Avg) (klb)	NaN
Torque Max (Avg) (ft-lbs)	NaN
Torque on Bottom (Avg) (ft-lbs)	NaN
Torque off Bottom (Avg) (ft-lbs)	NaN
BHA Description: Packed assembly to ream and wash in 8 1/2" hole	
BHA Run Comment:	

BHA Detail

Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Bit	0.27	1	8.50			
Bit Sub	0.99	1	6.50	2.87		
NMDC	9.33	1	6.75	2.88		
String Stabiliser	1.48	1	8.50	2.87		
Drill Collar	9.12	2	6.25	2.88		
String Stabiliser	1.48	1	8.50	2.83		
Drill Collar	9.12	9	6.25	2.88		
HWDP	9.35	6	4.50	2.93		

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BHA Record for Megascolides-1 RE

Rig : Century 11 | Spud : 14 Dec 2006 / 00:00 | Rig Release : 29 Dec 2006 / 16:00

BHA No.: 3

Parameters	
Date In/ Date Out	17 Dec 2006 / 17 Dec 2006
Depth In/ Depth Out (m)	1622/1635
Length (m)	179
Weight (Dry/ Wet) (klb)	/
Weight Blw/Jar (Dry/Wet) (klb)	/
String Weight (Avg) (klb)	NaN
Pick-Up Weight (Avg) (klb)	NaN
Slack-Off Weight (Avg) (klb)	NaN
Torque Max (Avg) (ft-lbs)	NaN
Torque on Bottom (Avg) (ft-lbs)	NaN
Torque off Bottom (Avg) (ft-lbs)	NaN
BHA Description: Polishing assembly for top of KO plug	
BHA Run Comment:	

BHA Detail

Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Bit	0.27	1	8.50			
Bit Sub	0.99	1	6.50	2.87		
Drill Collar	9.33	1	6.75	2.88		
String Stabiliser	1.48	1	8.50	2.87		
Drill Collar	9.12	2	6.25	2.88		
String Stabiliser	1.48	1	8.50	2.83		
Drill Collar	9.12	6	6.25	2.88		
Drilling Jars	9.30	1	6.25	2.88		
Drill Collar	9.12	3	6.25	2.88		
HWDP	9.35	6	4.50	2.93		

BHA No.: 4

Parameters	
Date In/ Date Out	18 Dec 2006 / 20 Dec 2006
Depth In/ Depth Out (m)	1635/1659
Length (m)	185
Weight (Dry/ Wet) (klb)	43.00 / 41.00
Weight Blw/Jar (Dry/Wet) (klb)	25.00 / 23.00
String Weight (Avg) (klb)	NaN
Pick-Up Weight (Avg) (klb)	NaN
Slack-Off Weight (Avg) (klb)	NaN
Torque Max (Avg) (ft-lbs)	NaN
Torque on Bottom (Avg) (ft-lbs)	NaN
Torque off Bottom (Avg) (ft-lbs)	NaN
BHA Description: Steering assembly	
BHA Run Comment: Sliding	

BHA Detail

Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Bit	0.27	1	8.50	2.75	10858843	
Mud Motor	6.50	1	6.75	4.50	67552042	
X/Over	0.32	1	6.38	2.75		
Bit Sub	0.99	1	6.50	2.12		
X/Over	0.26	1	6.50	2.25		
OBHO	0.78	1	6.25	2.25	675-2	
X/Over	0.41	1	6.25	2.81		
NMDC	9.33	1	6.75	2.81	HOFCO-65	
Drill Collar	9.05	8	6.25	2.80		
Drilling Jars	9.58	1	6.25	2.68	A248792	
Drill Collar	9.21	3	6.25	2.81		
HWDP	9.35	6	4.50	2.75		

BHA Record for Megascolides-1 RE

Rig : Century 11 | Spud : 14 Dec 2006 / 00:00 | Rig Release : 29 Dec 2006 / 16:00

BHA No.: 5

Parameters	
Date In/ Date Out	21 Dec 2006 / 23 Dec 2006
Depth In/ Depth Out (m)	1659/1881
Length (m)	180
Weight (Dry/ Wet) (klb)	/ 48000.00
Weight Blw/Jar (Dry/Wet) (klb)	/ 36000.00
String Weight (Avg) (klb)	144667
Pick-Up Weight (Avg) (klb)	150667
Slack-Off Weight (Avg) (klb)	139667
Torque Max (Avg) (ft-lbs)	NaN
Torque on Bottom (Avg) (ft-lbs)	NaN
Torque off Bottom (Avg) (ft-lbs)	NaN
BHA Description: Packed drilling assembly	
BHA Run Comment:	

BHA Detail

Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Bit	0.28	1	8.50		10881881	
Near Bit Stab	1.87	1	6.25	2.45		
NMDC	9.33	1	6.75	2.45	hofco-65	
String Stabiliser	1.48	1	6.25	2.45		
Drill Collar	9.06	1	6.25	2.45		
Drill Collar	9.33	1	6.25	2.45		
String Stabiliser	1.44	1	6.25	2.45		
Drill Collar	54.09	1	6.25	2.45		
Drilling Jars	9.58	1	6.25	2.59		
Drill Collar	27.38	1	6.25	2.78		
HWDP	56.10	1	4.50	2.90		

BHA No.: 6

Parameters	
Date In/ Date Out	23 Dec 2006 / 24 Dec 2006
Depth In/ Depth Out (m)	1881/1889
Length (m)	186
Weight (Dry/ Wet) (klb)	/ 48000.00
Weight Blw/Jar (Dry/Wet) (klb)	35000.00 / 35000.00
String Weight (Avg) (klb)	151000
Pick-Up Weight (Avg) (klb)	155000
Slack-Off Weight (Avg) (klb)	125000
Torque Max (Avg) (ft-lbs)	NaN
Torque on Bottom (Avg) (ft-lbs)	NaN
Torque off Bottom (Avg) (ft-lbs)	NaN
BHA Description: coring	
BHA Run Comment:	

BHA Detail

Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Bit	0.37	1	8.50		8492	
Stab	0.76	1	7.50	5.88	W0137183	
Core Barrel	5.33	1	7.12	5.88	W0135209	
Stab	0.76	1	7.50	5.88	W0137219	
Core Barrel	5.33	1	7.12	5.88	W0135137	
Stab	0.76	1	7.50	5.88	W0137204	
Core Barrel	5.33	1	7.12	5.88	728015	
Stab	0.76	1	7.50	5.88	W0137028	
Core Barrel	0.61	1	7.12	5.85		
Drill Collar	72.48	1	6.25	6.94		
Drilling Jars	9.58	1	6.25	2.62		
Drill Collar	27.38	1	6.25	6.94		
HWDP	56.10	1	4.50	2.94		

BHA Record for Megascolides-1 RE

Rig : Century 11 | Spud : 14 Dec 2006 / 00:00 | Rig Release : 29 Dec 2006 / 16:00

BHA No.: 7

Parameters	
Date In/ Date Out	24 Dec 2006 / 25 Dec 2006
Depth In/ Depth Out (m)	1889/1895
Length (m)	173
Weight (Dry/ Wet) (klb)	/ 48000.00
Weight Blw/Jar (Dry/Wet) (klb)	35000.00 / 35000.00
String Weight (Avg) (klb)	151000
Pick-Up Weight (Avg) (klb)	155000
Slack-Off Weight (Avg) (klb)	125000
Torque Max (Avg) (ft-lbs)	NaN
Torque on Bottom (Avg) (ft-lbs)	NaN
Torque off Bottom (Avg) (ft-lbs)	NaN
BHA Description: coring	
BHA Run Comment:	

BHA Detail

Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Bit	0.37	1	8.50		8492	
Stab	0.76	1	7.50	5.88	W0137183	
Core Barrel	5.33	1	7.12	5.88	W0135209	
Stab	0.76	1	7.50	5.88	W0137219	
Core Barrel	0.61	1	7.12	5.88		
Drill Collar	72.48	1	6.25	2.94		
Drilling Jars	9.58	1	6.25	2.62		
Drill Collar	27.38	1	6.25	2.94		
HWDP	56.10	1	4.50	2.94		

BHA No.: 8

Parameters	
Date In/ Date Out	25 Dec 2006 / 26 Dec 2006
Depth In/ Depth Out (m)	1895/1980
Length (m)	180
Weight (Dry/ Wet) (klb)	/ 48000.00
Weight Blw/Jar (Dry/Wet) (klb)	/ 36000.00
String Weight (Avg) (klb)	160000
Pick-Up Weight (Avg) (klb)	170000
Slack-Off Weight (Avg) (klb)	145000
Torque Max (Avg) (ft-lbs)	12000
Torque on Bottom (Avg) (ft-lbs)	10000
Torque off Bottom (Avg) (ft-lbs)	5000
BHA Description: Packed drilling assembly	
BHA Run Comment:	

BHA Detail

Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Bit	0.28	1	8.50		10881881	
Near Bit Stab	1.87	1	6.25	2.45		
NMDC	9.33	1	6.75	2.45	hofco-65	
String Stabiliser	1.48	1	6.25	2.45		
Drill Collar	9.06	1	6.25	2.45		
Drill Collar	9.33	1	6.25	2.45		
String Stabiliser	1.44	1	6.25	2.45		
Drill Collar	54.09	1	6.25	2.45		
Drilling Jars	9.58	1	6.25	2.59		
Drill Collar	27.38	1	6.25	2.78		
HWDP	56.10	1	4.50	2.90		

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ATTACHMENT 3 : MUD RECAP

RT above GL : 5.20m | UTM North: 5767949.5 | Spud Date : 14 Dec 2006 | Release Date : 29 Dec 2006

G.L. Elevation : 125.20m | UTM East: 402155.9 | Spud Time : 00:00 | Release Time : 16:00

Mud Recap

Well: Megascolides-1 RE

WBM

Day	Chk.	Date - Time	Type	Depth m	Tmp C°	MW ppg	VIS sec/qt	PV cp	YP lb/100ft²	Gel10s (lb/100ft²) / 10m (lb/100ft²)	F.L. API cm³/30m	F.L. hthp cm³/30m	Sols %	Sand	MBT	PH	Cl x1000 mg/l	Hard mg/l	KCl %	Daily Cost $
1	1	14 Dec 2006 - 21:15	Water	534		8.33				/									0.0	817
		Mud Description: Water					Comment: Drilling essentially with water. Today's cost pre-mix used to drill mouse hole													
2	2	15 Dec 2006 - 21:30	KCl / Polymer	1005	82	8.85	38	38	2	1 / 1	22.0		2.1		6.7	13.5	15.40	680	3.8	5799
		Mud Description: KCl / Polymer					Comment:													
3	3	16 Dec 2006 - 17:00	KCl / Polymer	1766	47	9.30	42	12	3	1 / 1	13.0		6.0	.75	11.5	10	13.50	1280	2.0	5769
		Mud Description: KCl / Polymer					Comment:													
4	4	17 Dec 2006 - 15:30	KCl / Polymer	1640	47	9.20	44	14	4	1 / 0	12.0		5.5	.25	10	11	14.50	500	2.4	1225
		Mud Description: KCl / Polymer					Comment: Add soda ash to combat Ca+. Use KCl for weight in slug while tripping.													
5	5	18 Dec 2006 - 14:10	KCl / Polymer	1640	42	9.20	44	14	4	1 / 0	12.0		6.0	.25	10	11	14.50	500	2.0	2083
		Mud Description: KCl / Polymer					Comment: Add soda ash to combat Ca+. Use KCl for weight in slug while tripping.													
6	6	19 Dec 2006 - 22:00	KCl / Polymer	1641	43	9.20	40	9	18	1 / 2	12.0		6.0	.25	9	12.5	19.50	1200	3.0	1262
		Mud Description: KCl / Polymer					Comment: Maintain fluid prperties while circulating													
7	7	20 Dec 2006 - 20:00	KCl / Polymer	1659	43	9.20	52	22	12	1 / 2	7.5		6.0	.25	9	12.5	19500.00	1200	3.0	2974
		Mud Description: KCl / Polymer					Comment: Maintain fluid prperties while circulating													
8	8	21 Dec 2006 - 23:00	KCl / Polymer	1749	46	9.35	52	20	11	1 / 2	8.0		6.0	.75	11	12.5	21.50	280	4.0	921
		Mud Description: KCl / Polymer					Comment: Maintain fluid properties with additions of PAC-R, Sodium Sulphite + Biocide. Adding Soda Ash to reduce Ca+Mg level. No fluid addition last 24 hours. Start phasing in XANTHAN GUM to improve Low-End rheology.													
9	9	22 Dec 2006 - 23:55	KCl / Polymer	1881	46	8.95	46	14	9	0 / 1	7.0		3.7	TRC	7	10	11.00	280	2.1	4241
		Mud Description: KCl / Polymer					Comment: Receive orders to reduce fluid density to 9.0ppg. Dump 25% of existing system, make up 290bbls new volume, using 2ppb PAC-R; add to remaining fluid, reduce WT to just below 9.0ppg. Prepare 2nd XTRA SWEEP.													
10	10	23 Dec 2006 - 23:50	KCl / Polymer	1881	38	8.95	44	12	8	0 / 1	6.6		3.3	0.1	12	9.5	12.10	480	2.8	0
		Mud Description: KCl / Polymer					Comment: Change shaker screens to 2x175, 1x140; overhaul mixing pump. No volume additions made or chemicals used last 24 hours.													
11	11	24 Dec 2006 - 22:30	KCl / Polymer	1889	41	9.00	47	13	9	0 / 1	7.0		4.0	0.15	12	9.2	12.30	240	2.4	2054
		Mud Description: KCl / Polymer					Comment: Maintain fluid properties, with a view to prevent increase of density. Adding ~5bbls/hr water @ shakers, running all solids-control equipment.													

RT above GL : 5.20m | UTM North: 5767949.5 | Spud Date : 14 Dec 2006 | Release Date : 29 Dec 2006

G.L. Elevation : 125.20m | UTM East: 402155.9 | Spud Time : 00:00 | Release Time : 16:00

Day	Chk.	Date - Time	Type	Depth m	Tmp C°	MW ppg	VIS sec/qt	PV cp	YP lb/100ft²	Gel10s (lb/100ft²) / 10m (lb/100ft²)	F.L. API cm³/30m	F.L. hthp cm³/30m	Sols %	Sand	MBT	PH	Cl x1000 mg/l	Hard mg/l	KCl %	Daily Cost $
12	12	25 Dec 2006 - 22:15	KCl / Polymer	1908	39	9.00	48	13	9	0 / 1	6.2		4.0	0.15	9	10	10800.00	120	2.0	2805
		Mud Description: KCl / Polymer					Comment: Maintain fluid properties, with a view to increase low-end rheology. Water additions augmented by intermittent, exceptionally heavy rain.													
13	13	26 Dec 2006 - 16:45	KCl / Polymer	1980	49	9.05	53	20	17	2 / 2	6.0		4.0	0.15	7.5	9.8	12900.00	160	2.0	3898
		Mud Description: KCl / Polymer					Comment: Continue established fluid treatment to maintain fluid parameters and improve rheology.													
14	14	27 Dec 2006 - 22:00	KCl / Polymer	1980		9.05	58	18	14	2 / 2	7.0		4.0	0.1	7	9.8	11.50	180	2.0	0
		Mud Description: KCl / Polymer					Comment: No chemical or fluid additions (other than precipitation) last 24 hours. Drilling fluid engineer tentatively to be released Fri. morning, Dec 29.													
15	15	28 Dec 2006 - 15:00	KCl / Polymer	1980		9.05	57	17	16	2 / 2	6.6		4.3	0.1	7	9.8	12.10	180	2.3	724
		Mud Description: KCl / Polymer					Comment: Mix HiVis pills as required, no other fluid treatment. This is the final report for this well. RMN & AMC thank you for your business!													
16	15	29 Dec 2006 - 15:00	KCl / Polymer	1980		9.05	57	17	16	2 / 2	7.0		4.0	0.1	7	9.8	12.10	180	2.0	724
		Mud Description: KCl / Polymer					Comment: Mix HiVis pills as required, no other fluid treatment. This is the final report for this well. RMN & AMC thank you for your business!													
																			Total Cost:	**35,296**

25 High Avenue, Clearview ,SA 5085
Phone:+61-(0) 8-8359 6611, Fax: +61-(0) 8-8349 6764: Mobile+61-(0) 40849 7371
Email; nsantarelli@imdex.com.au

Clay Study

For

Karoon Gas

Megascolides #1 Re-Entry

Side Track #1

Prepared by:
Sandeep Alphonso
Nick Santarelli
January 2007

Introduction

Washed shale samples from the Megascolides #1 sidetrack were sent to the AMC lab in Adelaide for testing. Samples were from 1650m, 1700m, 1750m, 1800m, and 1850m. The well had been drilled with a low % KCl Polymer fluid, and concerns that the samples had been exposed to KCl may have negated the effects of lab testing for fluid compatibility.

Unfortunately, dried and screened samples are not the best way to determine shale properties as they have been washed and are not really representative of the drilled structure. Bulk samples from the shakers – large uncut and unsorted samples, hole fill, cavings – are the best subjects for this type of test as some structural definition can be seen and large volumes of unaffected shale can be cut out from the surface affected by mud and water.

However, the washed samples did give some insight into the nature of the clays, and have confirmed some conclusions made in the past on other drilling projects in the area.

Lab Methodology

Samples were all mixed together in a tub and mixed until consistent. Some fresh water was added to the cuttings until they showed some plasticity, and the samples were formed into 100 gm balls (dried). The balls were dried in an oven at 200 deg F for 3 hours until they started to crack.

Samples were then placed into a variety of fluids as follows:

1. 10% KCl Brine
2. 10% KCl Polymer
3. 10% KCl PHPA Polymer
4. Fresh Water Polymer (natural Polymer)
5. 10% KCl Polymer 6% Glycol
6. Fresh Water Polymer 6% Glycol.

Samples were placed in hot rolling chambers and hot rolled at 200 deg F for 14 hours, then allowed to cool.

Photographs of the samples were taken both before and after testing. K+ ion measurements were taken after testing in order to determine sensitivity of the clays to potassium.

Results

As expected, all samples returned in a disassociated state. This was expected as the re-formed samples are never as good a laboratory subject as original "chunks" from the well-bore as they have not been formed under the same pressures.

Samples from the KCl brine and 10% KCl Polymer appeared the most discreet – they looked like the cuttings had maintained their individual structure. The remaining samples returned in various states of "sludge". These observations cannot be used as a determining factor for fluid compatibility, other than to say the presence of KCl helped to maintain cutting integrity.

The most telling observations were made in the K+ content of the fluid, and the % weight loss of recovered samples.

All samples using KCl in the mud make up showed not appreciable sign of K+ take-up. In itself, this does not tell us much, but in combination of the sample weight loss, it is significant. The loss of sample through dispersion was as high as 71% (KCl Brine), indicating highly dispersible clays.

A clay must hydrate before it can disperse, and the fact that it dispersed in a 10% KCl solution after having been drilled with a KCl mud shows how little the K+ ion affects these clays.

The KCl brine solution showed the highest sample weight loss, the KCl mud with the most inhibitive coating polymers and glycol (also coating) showed the least weight loss (35.4%). In all samples, KCl Polymer muds performed better at minimising dispersion than the fresh water muds.

Photo Results

Sample #1

BEFORE TESTING

AFTER TESTING

Sample #2

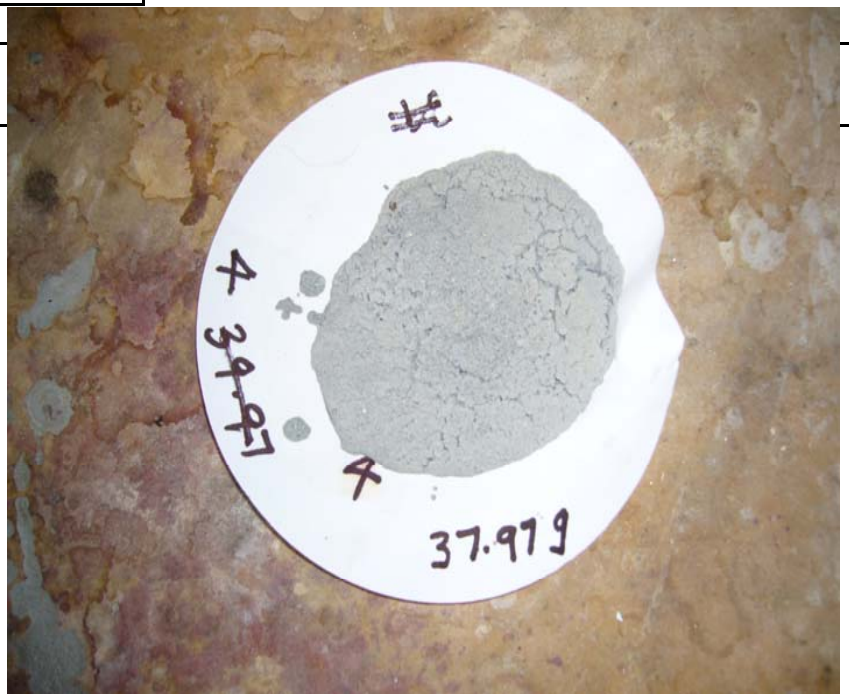
BEFORE TESTING	AFTER TESTING
	

Sample #3

BEFORE TESTING

AFTER TESTING

Sample #4

BEFORE TESTING	AFTER TESTING
	

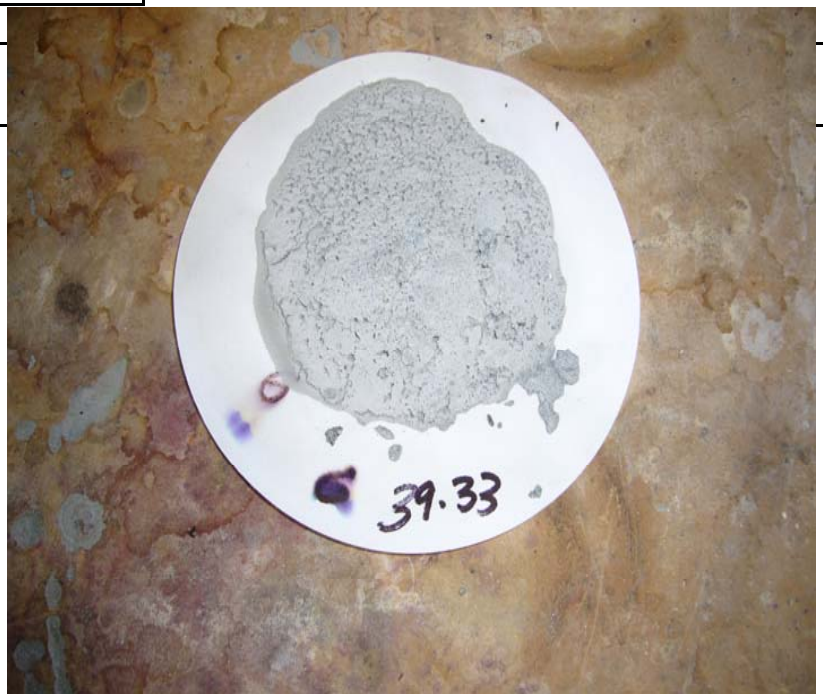
Sample #5

SAMPLE 5

BEFORE TESTING

AFTER TESTING

Sample #6

BEFORE TESTING	AFTER TESTING
	

Tabulated Results

SAMPLE NO.	FLUID TYPE	FLUID FORMULA								KCl %	KCl % Loss	Wt In (gms)	Wt Out (gms)	% Loss	OBSERVATIONS
		KCl (ppb)	PAC R (ppb)	PAC L (ppb)	PHPA (ppb)	Xnthn G (ppb)	A-Dex (ppb)	MgO (ppb)	GLYCOL %						
1	**10% KCl**	40						0.5		10	0	106.36	30	71.8	***Sample appeared in good condition. Cuttings discreet, but 72% sample loss due to dispersion.***
2	**10% KCl/ Polymer**	40	1	2		0.25		0.5		10	0	104.16	41.12	60.5	***Sample appeared in good condition. Cuttings discreet, but 60% sample loss due to dispersion.***
3	**10% KCl / Polymer / PHPA**	40	1	2	0.75	0.25		0.5		10	0	101.38	46.16	54.5	***PHPA improved dispersion loss marginally to 55%, however samples appeared mushy.***
4	**Fresh Water/ Starch**		1			0.25	3	0.5				100.8	37.97	62.3	***Next highest loss compared with KCl Brine at 62%, samples mushy.***
5	**10% KCl/ Polymer/ PHPA/ Glycol**	40	1	2	0.75	0.25		0.5	6	10	0	102.2	66.06	35.4	***Lowest loss rate at 35% but samples very mushy.***
6	**Fresh Water/ Starch/ Glycol**		1			0.25	3	0.5	6			102.39	39.33	61.6	***Third highest loss at 61%, samples very mushy.***

NOTES: **KCl loss in all samples containing KCl too low to measure, indicating high K+ not required to stop dispersion. Dispersion of 35-72% of samples indicate clays are reactive even after having been drilled with a KCl mud. This is consistent with observations made in the field for other operators, indicating dispersion and not ractiveness is the issue with these clays. Level of dispersion indicates the clays are highly reactive and hydrate quickly. Chemical inhibition alone is not necessarily**

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ATTACHMENT 4 : SURVEY REPORTS

Wellname :	Megascolides-1 RE	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767949.5	Spud Date : 14 Dec 2006	Release Date : 29 Dec 2006
G.L. Elevation : 125.20m	UTM East: 402155.9	Spud Time : 00:00	Release Time : 16:00

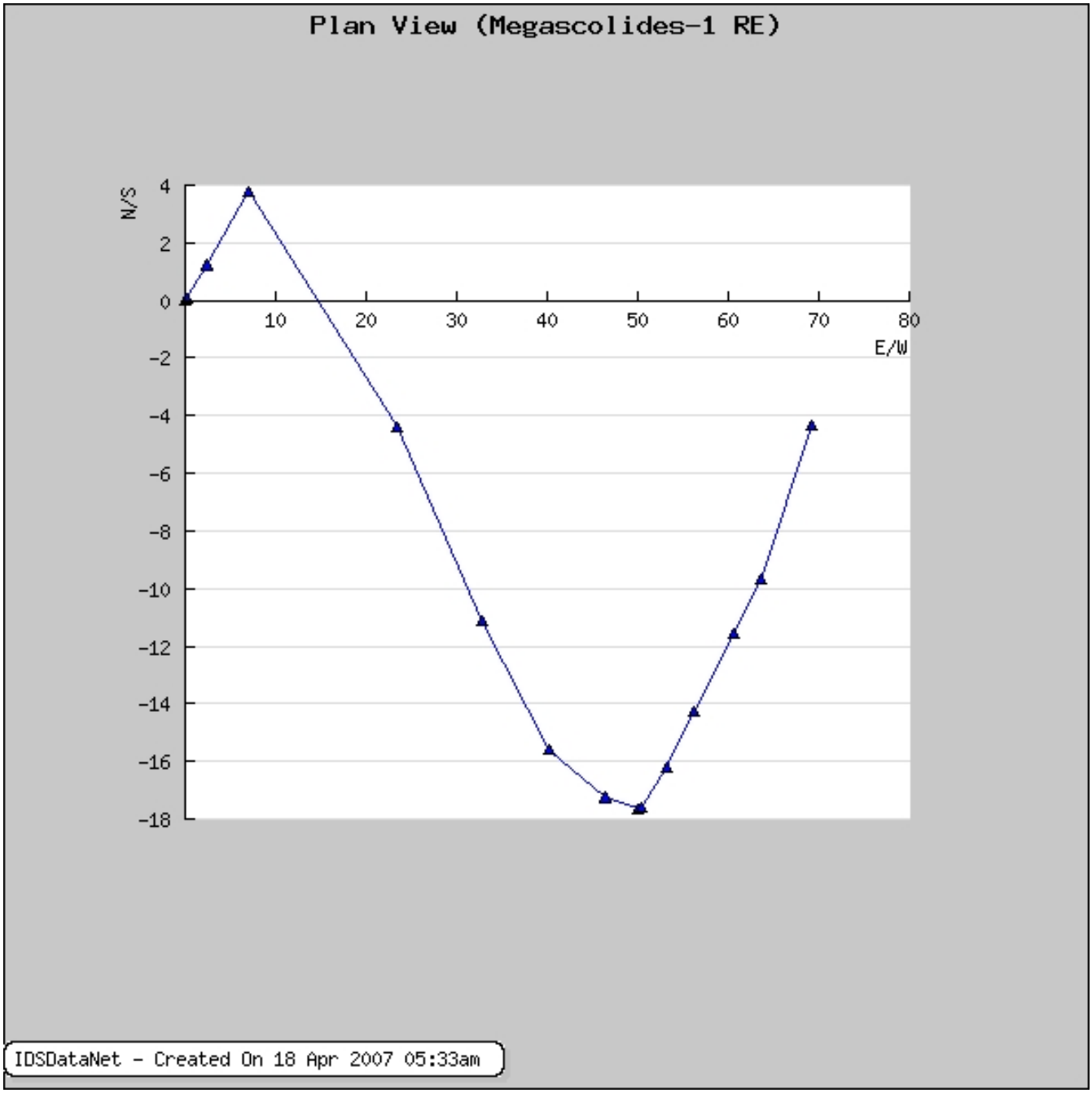
Survey Data

Well: Megascolides-1 RE

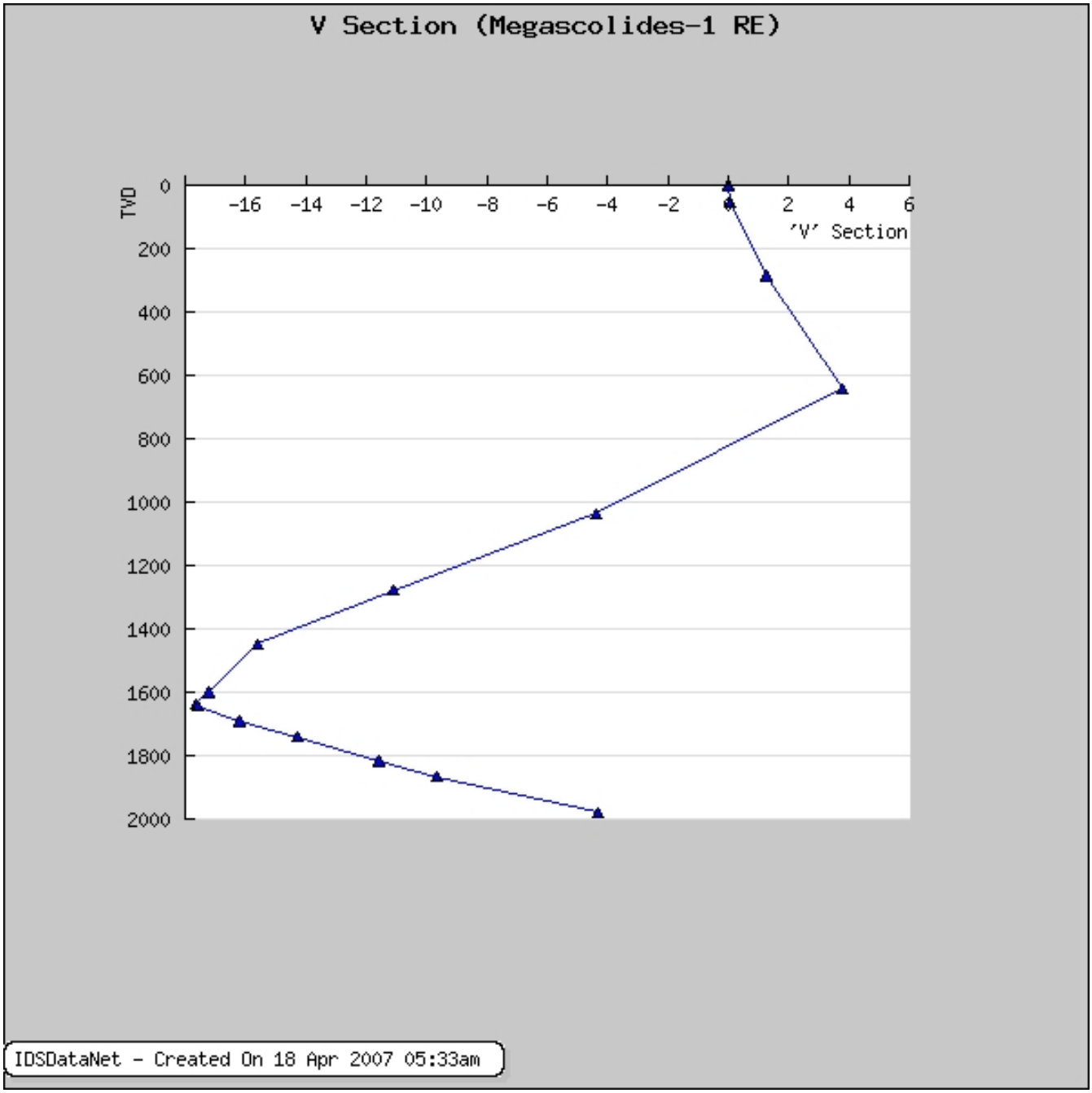
Mag Dec: 12 Sidetrack # 1

MD m	TVD m	INCL deg	CORR. AZ deg	DOGLEG deg/30m	'V' SECT deg	N/S m	E/W m	TOOLTYPE
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Datum
52.90	52.90	0.30	62.00	0.33	0.08	0.08	0.15	Multishot
285.51	285.50	0.90	62.01	0.00	1.24	1.24	2.32	Multishot
641.95	641.89	1.10	82.00	0.84	3.80	3.80	6.92	Multishot
1035.91	1035.39	2.50	128.00	0.16	-4.38	-4.38	23.46	Multishot
1279.79	1279.00	2.90	125.00	0.36	-11.13	-11.13	32.74	Multishot
1448.63	1447.62	3.10	112.00	0.30	-15.60	-15.60	40.13	Multishot
1561.19	1599.99	3.00	99.00	0.37	-17.25	-17.25	46.37	Multishot
1636.23	1634.95	2.70	94.00	0.08	-17.65	-17.65	49.98	Multishot Tie-in
1644.00	1642.71	3.00	72.00	4.35	-17.60	-17.60	50.36	MSS
1693.64	1692.25	4.25	57.00	0.94	-16.20	-16.20	53.13	MSS
1743.00	1741.48	4.00	57.00	0.15	-14.26	-14.26	56.11	MSS
1819.00	1817.30	4.00	62.00	0.14	-11.58	-11.57	60.68	MSS
1869.00	1867.18	4.00	52.00	0.42	-9.68	-9.68	63.59	MSS
1980.00	1977.91	4.00	40.00	0.23	-4.33	-4.33	69.13	Assumed TD

Wellname :	Megascolides-1 RE	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767949.5	Spud Date : 14 Dec 2006	Release Date : 29 Dec 2006
G.L. Elevation : 125.20m	UTM East: 402155.9	Spud Time : 00:00	Release Time : 16:00



Wellname :	Megascolides-1 RE	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767949.5	Spud Date : 14 Dec 2006	Release Date : 29 Dec 2006
G.L. Elevation : 125.20m	UTM East: 402155.9	Spud Time : 00:00	Release Time : 16:00



HOFCO OILFIELD SERVICES

TARGET CO-ORDINATES

MTS EAST	X=	0
MTS NRTH	Y=	0
	TVD=	1754.75
TNGT ANGLE		0
VERT SECT		0.0

COMPANY: **Upstream Petroleum**
SURVEY: **Magnetic Multi Shot**
NAME : **Megascolides 1 RE**
****
DATE: **16th December 2006**

	MD (m MD)	ANGLE (deg)	AZIM (deg)	TVD (m)	V.SECT (m)	NORTH (m)	EAST (m)	DLS (/30m)
TIE IN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1	15.19	0.30	62.00	15.19	0.02	0.02	0.04	0.59
2	34.79	0.10	62.00	34.79	0.05	0.05	0.10	0.31
3	52.90	0.30	62.00	52.90	0.08	0.08	0.15	0.33
4	70.83	0.30	62.01	70.83	0.12	0.12	0.23	0.00
5	89.12	0.50	62.00	89.12	0.18	0.18	0.35	0.33
6	107.47	0.30	62.00	107.47	0.24	0.24	0.46	0.33
7	126.17	0.60	62.00	126.17	0.31	0.31	0.59	0.48
8	144.87	0.60	62.01	144.87	0.41	0.41	0.76	0.00
9	163.57	0.50	62.00	163.57	0.49	0.49	0.92	0.16
10	172.95	0.50	62.01	172.95	0.53	0.53	0.99	0.00
11	210.47	0.70	62.00	210.46	0.71	0.71	1.34	0.16
12	247.99	0.90	62.00	247.98	0.96	0.96	1.80	0.16
13	285.51	0.90	62.01	285.50	1.24	1.24	2.32	0.00
14	323.03	0.90	62.00	323.01	1.51	1.51	2.84	0.00
15	360.55	0.90	62.01	360.53	1.79	1.79	3.36	0.00
16	398.07	1.00	62.00	398.04	2.08	2.08	3.91	0.08
17	435.59	1.00	62.01	435.56	2.39	2.39	4.49	0.00
18	473.11	0.50	62.00	473.07	2.62	2.62	4.93	0.40
19	510.63	0.70	62.00	510.59	2.80	2.80	5.27	0.16
20	529.39	0.80	62.00	529.35	2.92	2.92	5.49	0.16
21	548.15	0.80	57.00	548.11	3.05	3.05	5.71	0.11
22	585.67	0.50	37.00	585.62	3.32	3.32	6.03	0.30
23	623.19	1.40	62.00	623.14	3.67	3.67	6.54	0.78
24	641.95	1.10	82.00	641.89	3.80	3.80	6.92	0.84
25	660.71	1.60	93.00	660.65	3.81	3.81	7.36	0.90
26	679.47	1.80	108.00	679.40	3.71	3.71	7.90	0.78
27	698.23	2.20	111.00	698.15	3.49	3.49	8.51	0.66
28	716.99	2.30	107.00	716.89	3.25	3.25	9.21	0.30
29	735.75	2.90	108.00	735.64	2.99	2.99	10.02	0.96
30	773.27	3.20	114.00	773.10	2.27	2.27	11.88	0.35
31	792.03	3.40	115.00	791.83	1.83	1.83	12.86	0.33
32	810.79	3.70	115.00	810.56	1.34	1.34	13.92	0.48
33	848.31	3.50	116.00	848.00	0.32	0.32	16.04	0.17
34	885.83	3.00	122.00	885.46	-0.70	-0.70	17.91	0.48
35	923.35	2.50	122.00	922.94	-1.65	-1.65	19.43	0.40
36	960.87	2.50	123.00	960.42	-2.53	-2.53	20.81	0.03
37	979.63	2.50	124.00	979.16	-2.99	-2.99	21.49	0.07
38	998.39	2.40	124.00	997.91	-3.43	-3.43	22.16	0.16
39	1035.91	2.50	128.00	1035.39	-4.38	-4.38	23.46	0.16
40	1073.43	2.60	128.00	1072.88	-5.40	-5.40	24.77	0.08
41	1110.95	2.70	124.00	1110.36	-6.42	-6.42	26.17	0.17
42	1148.47	2.70	124.01	1147.83	-7.41	-7.41	27.64	0.00
43	1167.23	2.70	125.00	1166.57	-7.91	-7.91	28.37	0.07

HOFCO OILFIELD SERVICES

TARGET CO-ORDINATES

MTS EAST	X=	0
MTS NRTH	Y=	0
	TVD=	1754.75
TNGT ANGLE		0
VERT SECT		0.0

COMPANY: **Upstream Petroleum**
SURVEY: **Magnetic Multi Shot**
NAME : **Megascolides 1 RE**
****
DATE: **16th December 2006**

	MD (m MD)	ANGLE (deg)	AZIM (deg)	TVD (m)	V.SECT (m)	NORTH (m)	EAST (m)	DLS (/30m)
TIE IN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
44	1185.99	2.80	124.00	1185.31	-8.42	-8.42	29.11	0.18
45	1204.75	2.80	125.00	1204.05	-8.94	-8.94	29.86	0.08
46	1223.51	2.80	129.00	1222.79	-9.49	-9.49	30.60	0.31
47	1242.27	2.70	128.00	1241.52	-10.05	-10.05	31.30	0.18
48	1261.03	2.70	127.00	1260.26	-10.59	-10.59	32.00	0.08
49	1279.79	2.90	125.00	1279.00	-11.13	-11.13	32.74	0.36
50	1298.55	2.90	124.00	1297.74	-11.67	-11.67	33.53	0.08
51	1336.07	2.80	124.00	1335.21	-12.71	-12.71	35.07	0.08
52	1373.59	3.00	124.00	1372.68	-13.77	-13.77	36.65	0.16
53	1392.35	3.00	120.00	1391.42	-14.29	-14.29	37.48	0.33
54	1411.11	3.00	118.00	1410.15	-14.77	-14.77	38.34	0.17
55	1429.87	3.00	115.00	1428.89	-15.20	-15.20	39.21	0.25
56	1448.63	3.10	112.00	1447.62	-15.60	-15.60	40.13	0.30
57	1467.39	3.30	108.00	1466.35	-15.96	-15.96	41.11	0.48
58	1486.15	3.40	106.00	1485.08	-16.28	-16.28	42.16	0.25
59	1504.91	3.40	105.00	1503.81	-16.58	-16.58	43.23	0.09
60	1523.67	3.40	103.00	1522.53	-16.85	-16.85	44.31	0.19
61	1561.19	3.00	99.00	1559.99	-17.25	-17.25	46.37	0.37
62	1598.71	2.70	96.00	1597.47	-17.50	-17.50	48.22	0.27
63	1636.23	2.70	94.00	1634.95	-17.65	-17.65	49.98	0.08
64	1673.75	2.70	87.00	1672.42	-17.66	-17.66	51.74	0.26
65	1692.51	2.50	86.00	1691.16	-17.61	-17.61	52.59	0.33
66	1711.27	2.80	85.00	1709.90	-17.54	-17.54	53.45	0.49
67	1730.03	2.50	81.00	1728.64	-17.44	-17.44	54.31	0.56
68	1748.79	2.00	84.00	1747.39	-17.34	-17.34	55.04	0.82

Closure 57.71 meters Azimuth 107.49 degrees
Magnetic Variation 12 degrees

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ATTACHMENT 5 : DIRECTIONAL DRILLING REPORT

HALLIBURTON

Drilling and Formation Evaluation

Karoon Gas

Directional Drilling End of Well Report

Well : Megascolides-1 ST1

Date: December 2006

Sperry Drilling Services

Table of Contents

Client : Karoon Gas

Well Name : Megascolides-1 ST1

Job Objectives:

Using a single shot survey tool, orient a steerable assembly and sidetrack in an easterly quadrant from a cement plug at 1635m. Once the sidetrack is confirmed the motor assembly will be pulled for a rotary assembly to drill to core point at approximatly 1883m.

Summary of Results:

Discussion:

BHA #	Bit #	Motor Run #	Hole Size (in)	MD In (m)	MD Out (m)	TVD In (m)	TVD Out (m)	Inc In (deg)	Inc Out (deg)	Azi In (deg)	Azi Out (deg)	Drlg hrs	Circ hrs
3	?		8.500	1599	1635	1597	1634	2.7	2.7	96	94	1	8
4	1rr2	1	8.500	1635	1659	1634	1658	2.7	3.4	94	66	35	1
5	2		8.500	1659	1833	1658	1831	3.4	4.0	66	63	17	0

Table 1 - BHA Summary

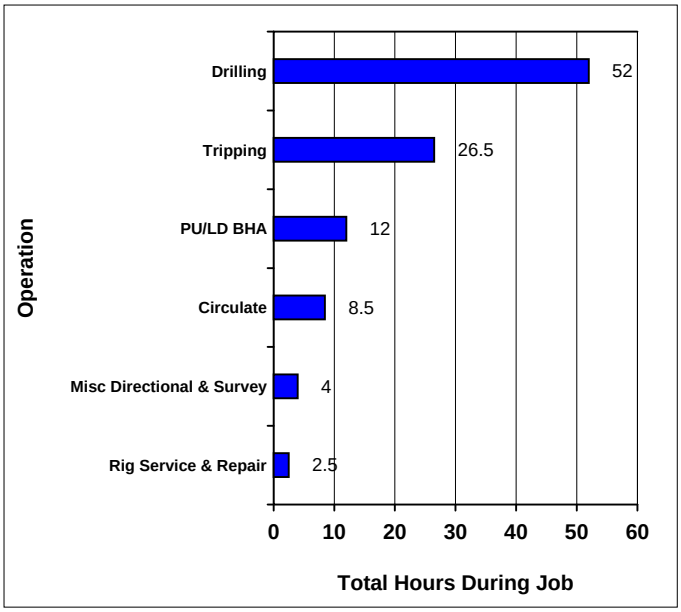
Motor Run #	Manufacturer	Type	Lobe	OD (in)	Gauge (in)	Bend (deg)	Adj	DLS (Ori) (°/30m)	ROP (Ori) (m/hr)	ROP (Rot) (m/hr)
1	SSDS	Powerdrill	4/5	6.750		1.50	Y		1	1

Table 2 - Motor Run Summary

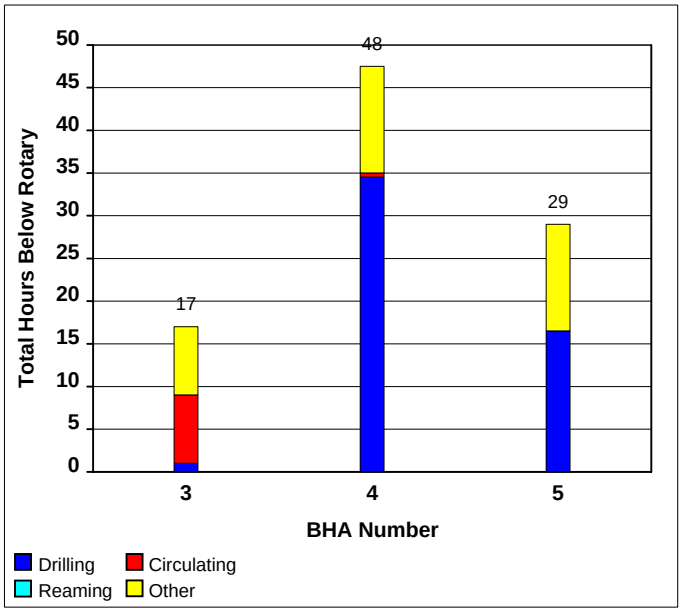
Bit #	Manufacturer	Style	OD (in)	Gge Len (in)	Nozzles (/32's)	TFA (in²)	Dull Grades I O D L B G O R	Ftge (m)	Drlg hrs	ROP (m/hr)
?	DBS Security	EBXSCIS	8.500		3x20	0.920		36	1.00	36
1rr2	DBS Security	EBXSCIS	8.500		3x20	0.920	3-3-WT-A -E-I-NO-TD	24	34.50	1
2	DBS Security	FM3553	8.500		5x11	0.464		174	16.50	11

Table 3 - Bit Run Summary

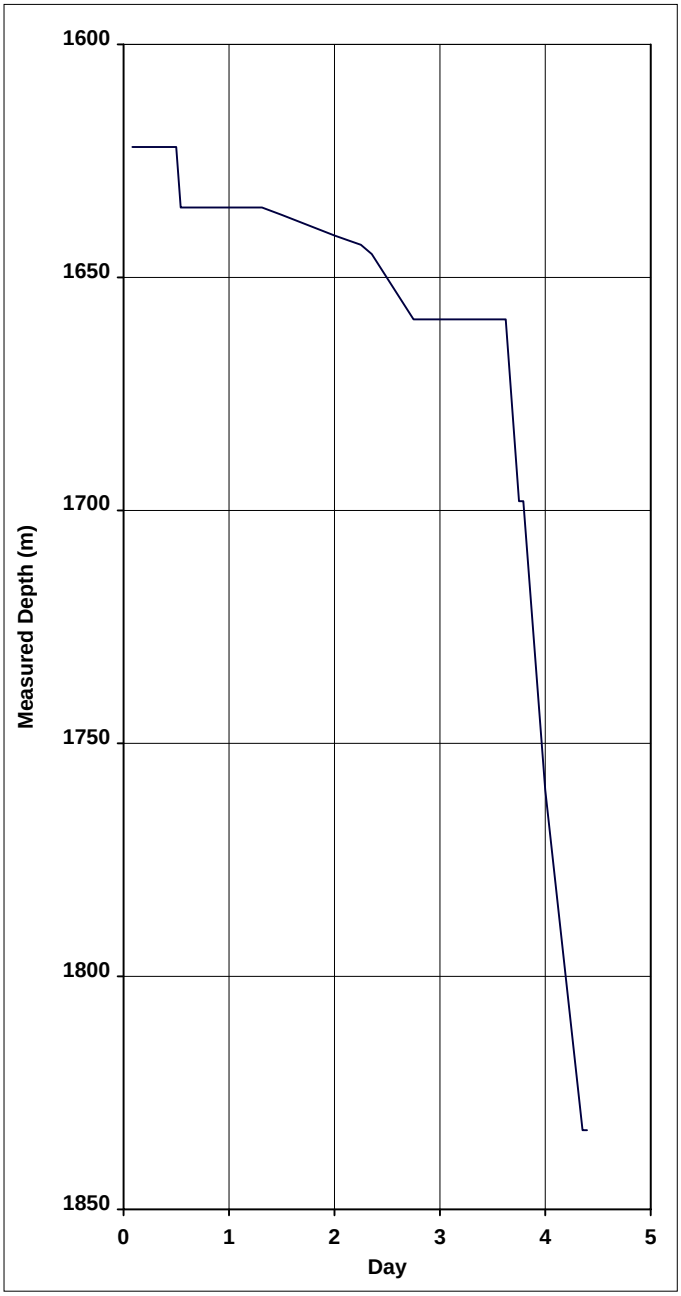
Hours by Operation Summary



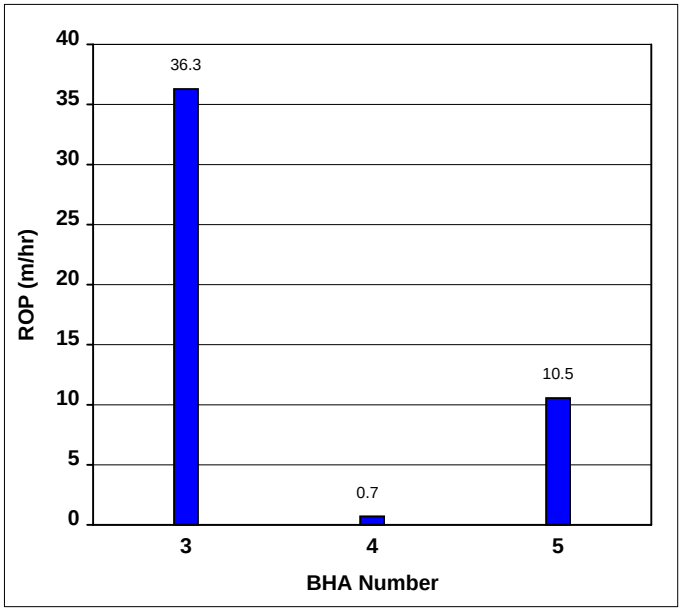
Hours per BHA Breakdown



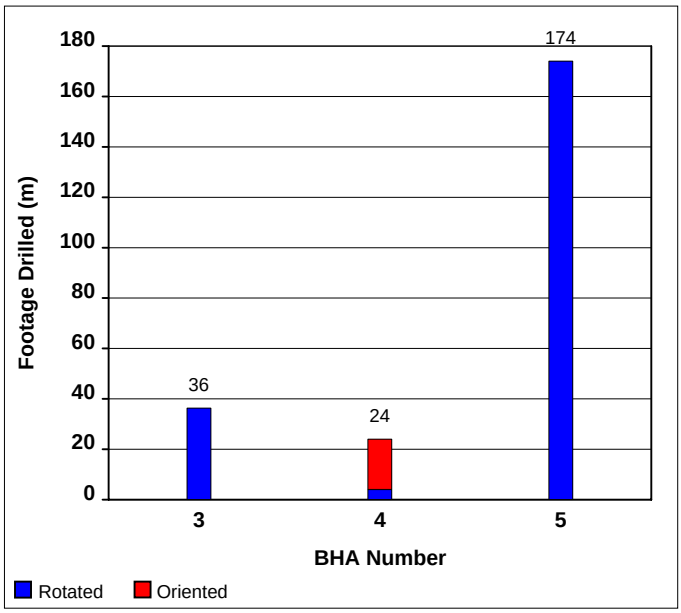
Days vs. Depth



Average Rate of Penetration per BHA



Footage per BHA



MD (m)	Formation Name MD/TVD	Inclination / DLS	Bit Data	Drilling Parameters	Motor	BHA Stabilizers	Comments	BHA ID
1620								
1630			EBXSCIS 3x20 /32's 1.98 ft/min 1.00 hrs	WOB klbs RPM FLO gpm SPP psi		8.500 in @ 1.98 m 8.500 in @ 31.10 m		#3 @ 1622
1640			EBXSCIS 3x20 /32's 0.04 ft/min 34.50 hrs	WOB 10 klbs RPM 50 FLO 300 gpm SPP 730 psi	6-3/4" Powerdrill 4/5 L 1.50° ABH			#4 @ 1635
1650								
1660			FM3553 5x11 /32's 0.58 ft/min 16.50 hrs	WOB 11 klbs RPM 183 FLO 320 gpm SPP 1013 psi		8.500 in @ 1.09 m 8.500 in @ 11.96 m 8.500 in @ 31.81 m		#5 @ 1659
1670								
1680								
1690								
1700								
1710								
1720								
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1780								
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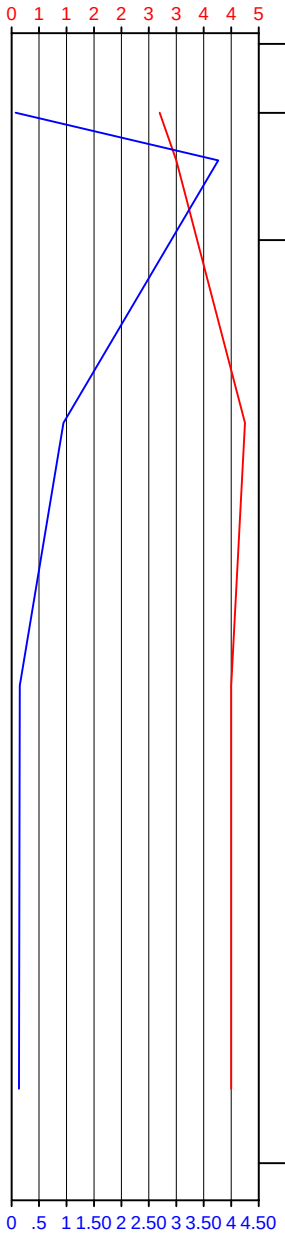
1800								
1810								
1820								
1830								
1840								



sperry-sun DRILLING SERVICES

Survey and Drilling Parameters

Client : Karoon Gas
Well Name : Megascolides-1 ST1
Rig : Century 11

Field : Western On-Shore Gippsland Basin
Location : Lardner
Job # : AU-DD-0004867015

North Ref : Mag **Declination :** ° **VS Dir :** 100.79° (from Wellhead)

WELLBORE SURVEY										DRILLING PARAMETERS									
Measured Depth (m)	Incl Angle (deg)	Azi Dir (deg)	Vertical Depth (m)	Vertical Section (m)	Coordinates N/S (m)	Coordinates E/W (m)	DLS (°/30m)	Build Rate (°/30m)	Turn Rate (°/30m)	WOB (klbs)	RPM	Flow Rate (gpm)	Stand Pipe (psi)	Orientation From (m)	Orientation To (m)	Tool Face (deg)	ROP (m/hr)	BHA No. (#)	Comment
1598.71	2.70	96.00	1597.5	50.6	-17.5	48.2	0.00	0.00	0.00										Tieon
1635.00	2.70	94.07	1633.7	52.3	-17.7	49.9	0.08	0.00	-1.60	10		300	720				2	4	
1644.00	3.00	72.00	1642.7	52.8	-17.6	50.4	3.77	1.00	-73.57	10		300	720	1635	1644	90m	2	4	
1693.46	4.25	57.00	1692.1	55.2	-16.2	53.1	0.95	0.76	-9.10	12	200	320	1050	1644	1650	90m	22	5	
														1654	1659	90m		5	
1743.00	4.00	57.00	1741.5	57.8	-14.3	56.1	0.15	-0.15	0.00	10	180	320	1000				18	5	
1819.00	4.00	62.00	1817.3	61.8	-11.6	60.7	0.14	0.00	1.97	12	180	320	1000				25	5	

sperry-sun
DRILLING SERVICES

BHA Report

Client : Karoon Gas
Well Name : Megascolides-1 ST1
Field : Western On-Shore Gippsland Basin
Location : Lardner
Rig : Century 11
Job # : AU-DD-0004867015

BHA# 3

BHA# 3 : **Date In** :18/12/200 **MD In (m) :** 1599 **TVD In (m) :** 1597 **Date Out** 18/12/2006 **MD Out (m):** 1635 **TVD Out (m):** 1634

BIT DATA

Bit #	OD (in)	MFR	Style	Serial#	Nozzles (/32's)	TFA (in²)	Dull Condition
	8.500	DBS Security	EBXSCIS	10858843	3x20	0.920	

MOTOR DATA

Run #	OD (in)	MFR	Model	Serial#	Bend	Nzl (/32's)	Avg Dif (psi)	Cum Circ Hrs

COMPONENT DATA

Item #	Description	Serial #	OD (in)	ID (in)	Gauge (in)	Weight (lbs/ft)	Top Con	Length (m)	Bit - Center Blade (m)
1	Roller Cone Steel EBXSCIS	10858843	8.500	2.750	8.500	173.14	P 4-1/2" Reg	0.27	
2	Bit Sub	CDL0345	6.500	2.125		101.00	B 4" IF	0.99	
3	8-1/2" Stabilizer	HOFCO	6.125	2.813	8.500	79.24	B 4" IF	1.44	1.98
4	3x Drill collar		6.250	2.813		83.38	B 4" IF	27.66	
5	8-1/2" Stabilizer	HOFCO	6.375	2.813	8.500	87.60	B 4" IF	1.48	31.10
6	6x Drill collar		6.250	2.813		83.38	B 4" IF	54.09	
7	Drilling Jar	A248792	6.250	2.675		85.40	B 4" IF	9.58	
8	3x Drill collar		6.250	2.813		83.38	B 4" IF	27.38	
9	6x HWDP		4.500	2.750		41.00	B 4" IF	56.10	
								178.99	

Parameter	Min	Max	Ave
WOB (klbs) :			
RPM (rpm) :			
Flow (gpm) :			
SPP (psi) :			

Activity	Hrs
Drilling :	1.00
Reaming :	0.00
Circ-Other :	8.00
Total :	9.00

BHA Weight	(lb)
in Air (Total) :	41363
in Mud (Total) :	
in Air (Bel Jars) :	23643
in Mud (Bel Jars) :	

Drill String	OD(in)	Len (m)
DP(S)-NC46(XH)-16.60#	4.500	1456

PERFORMANCE

	In	Out
Inclination (deg)	2.70	2.70
Azimuth (deg)	96.00	94.07

	Distance (m)	ROP (m/hr)	Build (°/30m)	Turn (°/30m)	DLS (°/30m)
Oriented :	0.00	0			
Rotated :	36.29	0			
Total :	36.29	36	0.00	-1.60	0.08

COMMENTS

OBJECTIVES:

Using a stabilized rotay assembly RIH to confirm and polish of cement kick off plug at approximatly 1620m.

RESULTS:

Taged cement at 1622m, confimed integrity and polished off to 1635m.

Sperry-Sun DRILLING SERVICES

BHA Report

Client : Karoon Gas
Well Name : Megascolides-1 ST1
Field : Western On-Shore Gippsland Basin
Location : Lardner
Rig : Century 11
Job # : AU-DD-0004867015

BHA# 4

BHA# 4 : **Date In** :18/12/200 **MD In (m) :** 1635 **TVD In (m) :** 1634 **Date Out** 21/12/2006 **MD Out (m):** 1659 **TVD Out (m):** 1658

BIT DATA

Bit #	OD (in)	MFR	Style	Serial#	Nozzles (/32's)	TFA (in²)	Dull Condition
1rr2	8.500	DBS Security	EBXSCIS	10858843	3x20	0.920	3-3-WT-A -E-I-NO-TD

MOTOR DATA

Run #	OD (in)	MFR	Model	Serial#	Bend	Nzl (/32's)	Avg Dif (psi)	Cum Circ Hrs
1	6.750	SSDS	Powerdrill	67552042	1.50°		130	35.00

COMPONENT DATA

Item #	Description	Serial #	OD (in)	ID (in)	Gauge (in)	Weight (lbs/ft)	Top Con	Length (m)	Bit - Center Blade (m)
1	Roller Cone Steel EBXSCIS	10858843	8.500	2.750	8.500	173.14	P 4-1/2" Reg	0.27	
2	6-3/4" Powerdrill Lobe 4/5	67552042	6.750	4.498		67.80	B 4" IF	6.50	
3	Cross Over Sub	CDL	6.375	2.750		88.54	P 4-1/2" Reg	0.25	
4	Bit Sub c\w Ported Float	CDL 0345	6.500	2.125		101.00	B 4" IF	0.99	
5	Cross Over Sub	CDL 0402	6.500	2.250		99.54	B 4-1/2" IF	0.25	
6	UBHO Sub	HOFCO675-2	6.750	2.250		108.40	B 4-1/2" IF	0.78	
7	Cross Over Sub	CDL	6.250	2.813		83.38	B 4" IF	0.41	
8	1x Non-Mag Drill collar	HOFCO-65	6.750	2.813		101.00	B 4" IF	9.33	
9	8x Drill collar		6.250	2.813		83.38	B 4" IF	72.48	
10	Drilling Jar	A248792	6.250	2.675		85.40	B 4" IF	9.58	
11	3x Drill collar		6.250	2.813		83.38	B 4" IF	27.38	
12	6x HWDP		4.500	2.750		41.00	B 4" IF	56.10	
								184.32	

Parameter	Min	Max	Ave
WOB (klbs) :	10	12	10
RPM (rpm) :	50	50	50
Flow (gpm) :	300	300	300
SPP (psi) :	720	780	730

Activity	Hrs
Drilling :	34.50
Reaming :	0.00
Circ-Other :	0.50
Total :	35.00

BHA Weight	(lb)
in Air (Total) :	43109
in Mud (Total) :	37064
in Air (Bel Jars) :	25389
in Mud (Bel Jars) :	21829

Drill String	OD(in)	Len (m)
DP(S)-NC46(XH)-16.60#	4.500	1475

PERFORMANCE

	In	Out
Inclination (deg)	2.70	3.35
Azimuth (deg)	94.07	66.29

	Distance (m)	ROP (m/hr)	Build (°/30m)	Turn (°/30m)	DLS (°/30m)
Oriented :	20.00	1			
Rotated :	4.00	1			
Total :	24.00	1	0.81	-34.73	1.98

COMMENTS

OBJECTIVES:

Using a single shot survey tool, orient a steerable assembly and sidetrack in an easterly quadrant from a cement plug at 1635m. Once the sidetrack is confirmed the motor assembly will be pulled for a rotary assembly to drill to core point at approximatly 1883m.

RESULTS:

A single shot survey was used to orient the motor in an easterly direction. Once oriented, time drilling was used to initiate the sidetrack. Due to the tough nature of the formation, 9m of time drilling was required before cuttings samples showed a kick off was being achieved. After about 12m cuttings samples were 100% formation so the sliding ROP was ramped up however with the maximum weight on bit for the motor (12-15klbs) only 1-2 m/hr was achievable. After drilling another 13m with 100% formation it was decided that a sidetrack had been achieved. A Single Shot survey at a depth of 1644m showed the beginings of the sidetrack with an increase of inclination along a new azimuth. The motor assembly was tripped for a rotary assembly.

sperry-sun
DRILLING SERVICES

BHA Report

Client : Karoon Gas
Well Name : Megascolides-1 ST1
Field : Western On-Shore Gippsland Basin
Location : Lardner
Rig : Century 11
Job # : AU-DD-0004867015 **BHA# 5**

BHA# 5 : **Date In** :21/12/200 **MD In (m) :** 1659 **TVD In (m) :** 1658 **Date Cur**: 22/12/2006 **MD Cur (m):** 1833 **TVD Cur (m):** 1831

BIT DATA

Bit #	OD (in)	MFR	Style	Serial#	Nozzles (/32's)	TFA (in²)	Dull Condition
2	8.500	DBS Security	FM3553	10881881	5x11	0.464	

MOTOR DATA

Run #	OD (in)	MFR	Model	Serial#	Bend	Nzl (/32's)	Avg Dif (psi)	Cum Circ Hrs

COMPONENT DATA

Item #	Description	Serial #	OD (in)	ID (in)	Gauge (in)	Weight (lbs/ft)	Top Con	Length (m)	Bit - Center Blade (m)
1	PDC DBS FM3553 # 10881881 (5x 11)	10881881	8.500	2.750	8.500	173.14	P 4-1/2" Reg	0.28	
2	8-1/2" N B Stabilizer c\w Float & Totco Ring	S6529	6.125	2.813	8.500	79.24	B 4" IF	1.61	1.09
3	1x Non Mag Drill collar	HOFCO-65	6.250	2.813		83.38	B 4" IF	9.33	
4	8-1/2" Stabilizer	HOFCO	6.375	2.813	8.500	87.60	B 4" IF	1.48	11.96
5	2x Drill collar		6.250	2.813		83.38	B 4" IF	18.39	
6	8-1/2" Stabilizer	S6527	6.375	2.813	8.500	87.60	B 4" IF	1.44	31.81
7	6x Drill collar		6.250	2.813		83.38	B 4" IF	54.27	
8	Drilling Jar	A248792	6.250	2.675		85.40	B 4" IF	9.58	
9	3x Drill collar		6.250	2.813		83.38	B 4" IF	27.38	
10	6x HWDP		4.500	2.750		41.00	B 4" IF	56.10	
								179.86	

Parameter	Min	Max	Ave
WOB (klbs) :	10	12	11
RPM (rpm) :	150	200	183
Flow (gpm) :	320	320	320
SPP (psi) :	1000	1070	1013

Activity	Hrs
Drilling :	16.50
Reaming :	0.00
Circ-Other :	0.00
Total :	16.50

BHA Weight	(lb)
in Air (Total) :	41565
in Mud (Total) :	35736
in Air (Bel Jars) :	23845
in Mud (Bel Jars) :	20501

Drill String	OD(in)	Len (m)
DP(S)-NC46(XH)-16.60#	4.500	1653

PERFORMANCE

	In	Out
Inclination (deg)	3.35	4.00
Azimuth (deg)	66.29	62.92

	Distance (m)	ROP (m/hr)	Build (°/30m)	Turn (°/30m)	DLS (°/30m)
Oriented :	0.00	0			
Rotated :	174.00	11			
Total :	174.00	11	0.11	-0.58	0.12

COMMENTS

OBJECTIVES:

Using a packed rotary assembly, rotate ahead holding angle and direction to core point at approximately 1882m.

RESULTS:

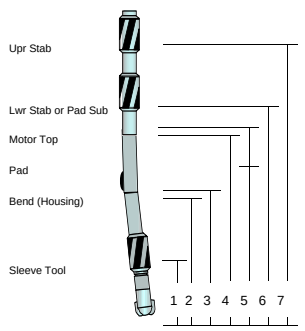
Rotated ahead with 10 - 12klbs WOB averaging approximately 20m/hr. The assembly held angle and direction quite well.

MOTOR PERFORMANCE REPORT

M-AU-DD-0004867015-4

Motor Serial #	67552042	Job #	AU-DD-0004867015
Directional Driller(s)	A.Pritchett	Client	Karoon Gas
Location	Lardner	Rig	Century 11
Well Name	Megascolides-1 ST1	Bit Run #	1rr2 BHA # : 4 Motor Run # : 1
Depth In/Out	1635 / 1659 m	Date In/Out	18/12/2006 / 21/12/2006 Hole Size : 8.500 in
Application Details	Sidetrack		

MOTOR CONFIGURATION



	From Bit (m)	Component		Type	Diam In/Out (in)
1		Sleeve Stab/Pad	No		
2	1.47	Bent Housing	Yes	Adjustable: 1.50° bend	
3		Housing Tool Used	No		
4	6.77	Stator Elastomer			
5		Bent Sub / 2nd Bent Hsg	No		
6		Lower String Stab	No		
7		Upper String Stab	No		

Additional Features :

Flex Collar : No Short Brg Pack : No Rtr Noz / Size : /32's

Brg Cfg (Off/On) : Lobe Cfg : 4/5 BHA OD/ID : 6.375 / 2.750 in

	Arr	Ret
Pick Up Sub	No	No
Bit Box Protr	Yes	Yes

MOTOR RUN DATA

Max Dogleg While Rotating	°/30m	RPM		Motor Stalled : No	Prev Job/Well Hrs : 0.00
Max Dogleg Overpulled In	°/30m	Force	lbf	Float Valve : No	Drilling Hrs : 34.50
Max Dogleg Pushed Through	°/30m	Force	lbf	DP Filter : No	Circ Hrs : 0.50
Hole Azimuth Start / End	94.07° / 66.29°	Inc Start / End	2.70° / 3.35°		Reaming Hrs : 0.00
Interval Oriented / Rot.	20 / 4 m	Directional Perf Ori / Rot	/ °/30m		Total Hrs This Run : 35.00
Jarring Occured : No					New Cumulative Hrs : 35.00

	Diff Press (psi)	Str RPM	Rotn Torque (ft-lbs)	Drag Up/Dn (lbf)	WOB (klbs)	ROP Oriented (m/hr)	ROP Rotated (m/hr)
Avg :	130	50		/	10	1	1
Max :	180	50		/	12	2	3

PRE-RUN TESTS

Motor Tested Pre-Run : No with :

Dump Sub Operating : N/A Brg Play : mm

Flow 1 : gpm Pressure 1 : psi

Flow 2 : gpm Pressure 2 : psi

Driveshaft Rotation Observed : No

Bearing Leakage Observed : No

POST-RUN TESTS

Motor Tested Post-Run : No with :

Dump Sub Operating : N/A Brg Play : mm

Flow 1 : gpm Pressure 1 : psi

Flow 2 : gpm Pressure 2 : psi

Driveshaft Rotation Observed : No

Bearing Leakage Observed : No

Driveshaft Rotated to Drain Mud : No

Fluid Flushed : No Fluid Used :

MUD DATA

Base : Water Additives : Mud Wt : 9.2 ppg SPP Start/End : 720 / 720 psi

% Oil/Water : / % Solids : 4.90 % Sand : 0.20 PV : 22 cp YP : 12.0 lbf/100ft² pH : 12.0

DH Temp Avg/Max : / FlowRate Avg/Max : 300 / 300 gpm Chloride Content : 19000 ppm

Principle Formation Name(s) : Lithology :

BIT DATA

Make : DBS Security Type : EBXSCIS Serial # : 10858843

Pre Existing Hours From Other Wells:

Prev Drilling Hrs : 1.00 Prev Reaming Hrs : 0.00 No of Runs This Bit : 2

Jet Sizes (/32's) : 3x20 TFA : 0.920 in² Gage Length : in

Dull Grade	1	2	3	4	5	6	7	8
In	1	1	NO	A	E	I	NO	TD
Out	3	3	WT	A	E	I	NO	TD

PERFORMANCE COMMENTS

Problem Perceived : No Problem Date : Service Interrupt : No Service Interrupt Hrs :

Performance Motor : No Tandem Motor : No LIH : No PPR Ref # :

Customer Representative's Signature (optional) : ..... Date: .....

sperry-sun DRILLING SERVICES

Daily Drilling Report

Client : Karoon Gas
Well Name : Megascolides-1 ST1
Field : Western On-Shore Gippsland Basin
Location : Lardner
Rig : Century 11
Job # : AU-DD-0004867015

CURRENT STATUS Report # 1 18/12/2006

Total Depth	**(m)**	:	1635	**Casing Depth**	**(m)**	:	504.00	**Operator Reps** : Brian Holland
Drilled last 24 hrs	**(m)**	:	13	**Casing Diameter**	**(in)**	:	9.625	**SSDS Reps** : A.Pritchett (1)
Hole Size	**(in)**	:	8.500	**Casing ID**	**(in)**	:	8.641	

LAST SURVEY

Depth (m)	Inclination	Azimuth	TVD (m)	Displ (m)	Direction
1635.00	2.70	94.07	1633.72	52.95	S70.53E

LAST FORMATION TOP

Formation Name	MD Top (m)	TVD Top (m)

BHA SUMMARY

BHA 3: 178.99 m; Bit # (1. hrs), Sub, Stab, 3x DC, Stab, 6x DC, Jar, 3x DC, 6x HWDP
BHA 4: 184.32 m; Bit #1rr2 (5.5 hrs), PDM #1 (4.5 hrs), Sub, Sub, Sub, Sub, Sub, 1x DC, 8x DC, Jar, 3x DC, 6x HWDP

MUD DATA

Type	Weight (ppg)	FV (sec)	PV (cp)	YP (lbf/100ft²)	Gels	Fluid Loss	pH	Solids (%)	Sand (%)	Oil (%)
KCl/Polymer	9.2	52	22	12.0	1.0 / 2.0	8	12.0	4.90	0.20	

TIME BREAKDOWN

From	To	Hours	TMD (m)	BHA #	Activity
00:00	02:00	2.00	1622.00	3	PU/LD BHA
02:00	03:00	1.00	1622.00	3	Trip In 478m
03:00	09:00	6.00	1622.00	3	Circulate and condition mud while WOC
09:00	12:00	3.00	1622.00	3	Trip In and tag cement at 1622m
12:00	13:00	1.00	1635.00	3	Drill cement from 1622m to 1635m
13:00	15:00	2.00	1635.00	3	Circulate hole clean
15:00	18:00	3.00	1635.00	3	Trip Out to 340m
18:00	18:30	0.50	1635.00	3	Rig Repair
18:30	19:00	0.50	1635.00	3	Trip Out (at Surface)
19:00	20:00	1.00	1635.00	3	Lay out clean out BHA
20:00	00:00	4.00	1635.00	4	Prepare and pick up steerable BHA

COMMENTS

sperry-sun DRILLING SERVICES

Daily Drilling Report

Client : Karoon Gas
Well Name : Megascolides-1 ST1
Field : Western On-Shore Gippsland Basin
Location : Lardner
Rig : Century 11
Job # : AU-DD-0004867015

CURRENT STATUS Report # 2 19/12/2006

Total Depth	**(m)**	:	1641	**Casing Depth**	**(m)**	:	504.00	**Operator Reps** : Brian Holland
Drilled last 24 hrs	**(m)**	:	6	**Casing Diameter**	**(in)**	:	9.625	**SSDS Reps** : A.Pritchett (2)
Hole Size	**(in)**	:	8.500	**Casing ID**	**(in)**	:	8.641	

LAST SURVEY

Depth (m)	Inclination	Azimuth	TVD (m)	Displ (m)	Direction
1635.00	2.70	94.07	1633.72	52.95	S70.53E

LAST FORMATION TOP

Formation Name	MD Top (m)	TVD Top (m)

BHA SUMMARY

BHA 4: 184.32 m; Bit #1rr2 (17.5 hrs), PDM #1 (16.5 hrs), Sub, Sub, Sub, Sub, Sub, 1x DC, 8x DC, Jar, 3x DC, 6x HWDP

MUD DATA

Type	Weight (ppg)	FV (sec)	PV (cp)	YP (lbf/100ft²)	Gels	Fluid Loss	pH	Solids (%)	Sand (%)	Oil (%)
KCl/Polymer	9.2	48	11	9.0	1.0 / 0.0	10	11.0	5.20	0.00	

TIME BREAKDOWN

From	To	Hours	TMD (m)	BHA #	Activity
00:00	01:00	1.00	1635.00	4	Shallow test motor - OK
01:00	02:00	1.00	1635.00	4	RIH with drill collars
02:00	02:30	0.50	1635.00	4	Test run survey barrel through jars
02:30	06:30	4.00	1635.00	4	Trip In to 1628m
06:30	07:30	1.00	1635.00	4	Run single shot survey to aquire tool face direction
07:30	12:00	4.50	1636.58	4	Orient motor and begin time drilling to sidetrack well
12:00	00:00	12.00	1641.00	4	Continue time drilling - 25% formation at 1641m

COMMENTS

sperry-sun DRILLING SERVICES

Daily Drilling Report

Client : Karoon Gas
Well Name : Megascolides-1 ST1
Field : Western On-Shore Gippsland Basin
Location : Lardner
Rig : Century 11
Job # : AU-DD-0004867015

CURRENT STATUS Report # 3 20/12/2006

Total Depth	**(m)**	:	1659	**Casing Depth**	**(m)**	:	504.00	**Operator Reps** : Brian Holland
Drilled last 24 hrs	**(m)**	:	18	**Casing Diameter**	**(in)**	:	9.625	**SSDS Reps** : A.Pritchett (3)
Hole Size	**(in)**	:	8.500	**Casing ID**	**(in)**	:	8.641	

LAST SURVEY

Depth (m)	Inclination	Azimuth	TVD (m)	Displ (m)	Direction
1644.00	3.00	72.00	1642.71	53.34	S70.74E

LAST FORMATION TOP

Formation Name	MD Top (m)	TVD Top (m)

BHA SUMMARY

BHA 4: 184.32 m; Bit #1rr2 (35.5 hrs), PDM #1 (35. hrs), Sub, Sub, Sub, Sub, Sub, 1x DC, 8x DC, Jar, 3x DC, 6x HWDP

MUD DATA

Type	Weight (ppg)	FV (sec)	PV (cp)	YP (lbf/100ft²)	Gels	Fluid Loss	pH	Solids (%)	Sand (%)	Oil (%)
KCl/Polymer	9.2	52	22	12.0	1.0 / 2.0	8	12.0	4.90	0.20	

TIME BREAKDOWN

From	To	Hours	TMD (m)	BHA #	Activity
00:00	03:00	3.00	1642.00	4	Time drilling to sidetrack well - 30% formation at 1642m
03:00	06:00	3.00	1643.00	4	Continue to time drill - 80% formation at 1643m
06:00	08:30	2.50	1645.00	4	Continue time drilling - 97% formation at 1645m
08:30	18:00	9.50	1659.00	4	Drilling with 100% formation to 1659m
18:00	19:00	1.00	1659.00	4	Deviation Survey
19:00	19:30	0.50	1659.00	4	Circulate hole clean prior to POOH for rotary assembly
19:30	00:00	4.50	1659.00	4	Trip Out to HWDP

COMMENTS

sperry-sun DRILLING SERVICES

Daily Drilling Report

Client : Karoon Gas
Well Name : Megascolides-1 ST1
Field : Western On-Shore Gippsland Basin
Location : Lardner
Rig : Century 11
Job # : AU-DD-0004867015

CURRENT STATUS Report # 4 21/12/2006

Total Depth	**(m)**	:	1760	**Casing Depth**	**(m)**	:	504.00	**Operator Reps** : Brian Holland
Drilled last 24 hrs	**(m)**	:	101	**Casing Diameter**	**(in)**	:	9.625	**SSDS Reps** : A.Pritchett (4)
Hole Size	**(in)**	:	8.500	**Casing ID**	**(in)**	:	8.641	

LAST SURVEY

Depth (m)	Inclination	Azimuth	TVD (m)	Displ (m)	Direction
1743.00	4.00	57.00	1741.48	57.90	S75.75E

LAST FORMATION TOP

Formation Name	MD Top (m)	TVD Top (m)

BHA SUMMARY

BHA 4: 184.32 m; Bit #1rr2 (35.5 hrs), PDM #1 (35. hrs), Sub, Sub, Sub, Sub, Sub, 1x DC, 8x DC, Jar, 3x DC, 6x HWDP
BHA 5: 179.86 m; Bit #2 (8. hrs), Stab, 1x DC, Stab, 2x DC, Stab, 6x DC, Jar, 3x DC, 6x HWDP

MUD DATA

Type	Weight (ppg)	FV (sec)	PV (cp)	YP (lbf/100ft²)	Gels	Fluid Loss	pH	Solids (%)	Sand (%)	Oil (%)
KCl/Polymer	9.2	52	22	12.0	1.0 / 2.0	8	12.0	4.90	0.20	

TIME BREAKDOWN

From	To	Hours	TMD (m)	BHA #	Activity
00:00	02:00	2.00	1659.00	4	Rack back HWDP and Drill collars
02:00	03:00	1.00	1659.00	4	Lay out steerable BHA - Service down hole motor
03:00	04:30	1.50	1659.00	4	Make up rotary BHA
04:30	07:00	2.50	1659.00	5	Trip In to shoe at 497m
07:00	09:00	2.00	1659.00	5	Cut Drill Line
09:00	15:00	6.00	1659.00	5	Trip In to bottom at 1659m
15:00	18:00	3.00	1698.00	5	Drilling 1659 - 1698m
18:00	19:00	1.00	1698.00	5	Deviation Survey
19:00	00:00	5.00	1760.00	5	Drilling 1698 - 1760m

COMMENTS

sperry-sun DRILLING SERVICES

Daily Drilling Report

Client : Karoon Gas
Well Name : Megascolides-1 ST1
Field : Western On-Shore Gippsland Basin
Location : Lardner
Rig : Century 11
Job # : AU-DD-0004867015

CURRENT STATUS Report # 5 22/12/2006

Total Depth	**(m)**	:	1833	**Casing Depth**	**(m)**	:	504.00	**Operator Reps** : Bruce Pilat
Drilled last 24 hrs	**(m)**	:	73	**Casing Diameter**	**(in)**	:	9.625	**SSDS Reps** : A.Pritchett (5)
Hole Size	**(in)**	:	8.500	**Casing ID**	**(in)**	:	8.641	

LAST SURVEY

Depth (m)	Inclination	Azimuth	TVD (m)	Displ (m)	Direction
1819.00	4.00	62.00	1817.30	61.77	S79.21E

LAST FORMATION TOP

Formation Name	MD Top (m)	TVD Top (m)

BHA SUMMARY

BHA 5: 179.86 m; Bit #2 (16.5 hrs), Stab, 1x DC, Stab, 2x DC, Stab, 6x DC, Jar, 3x DC, 6x HWDP

MUD DATA

Type	Weight (ppg)	FV (sec)	PV (cp)	YP (lbf/100ft²)	Gels	Fluid Loss	pH	Solids (%)	Sand (%)	Oil (%)
KCl/Polymer	9.2	52	22	12.0	1.0 / 2.0	8	12.0	4.90	0.20	

TIME BREAKDOWN

From	To	Hours	TMD (m)	BHA #	Activity
00:00	08:30	8.50	1833.00	5	Drilling 1760 - 1833m
08:30	09:30	1.00	1833.00	5	Deviation Survey

COMMENTS

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ATTACHMENT 6 : LOCATION SURVEY REPORT

NOBELIUS LAND SURVEYORS Pty. Ltd.

ACN 006 181 344
ABN 25 006 181 344

Suite 4 / 1 Cook Drive
P. O. Box 461
Pakenham 3810

Phone: 03 5941 4112
Mobile: 0419 355 120
Fax: 03 5941 7359

My Ref: 5037
Date: 8 February 2007

To: Karoon Gas Pty Ltd ,
Level 9, 406 Collins St
Melbourne 3000

Attention: Mr. Ross Tolliday **Operation Geologist**

Project

WELL CO-ORDINATION
Hunters Road, Ellinbank.

The well site at the western end of Hunters Road has been co-ordinated as requested. These co-ordinates are based on the Tetoora Trig.

CO-ORDINATES

WELL SITE:

MGA94 (Zone 55) E. 402 155.9 N. 5 767 949.5
Latitude: -38° 13' 52.064" Longitude: 145° 52' 55.443"
Reduced Level 120m AHD

Based on GDA94 (Geocentric Datum of Australia), using ellipsoid GRS80 (Geodetic Reference System).

If you require any further information or clarification do not hesitate to contact me.

Yours faithfully,

Robin P. Nobelius
Licensed Surveyor

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ATTACHMENT 7 : ACTIVITY SUMMARY

RT above GL : 5.20m	UTM North: 5767949.5	Spud Date : 14 Dec 2006	Release Date : 29 Dec 2006
G.L. Elevation : 125.20m	UTM East: 402155.9	Spud Time : 00:00	Release Time : 16:00

Well History

Well: Megascolides-1 RE

#	Date	Depth	24 Hour Summary
1	14 Dec 2006	534m	Commence day rate operations after rig acceptance. Drill surface plug. Pressure tested casing to 1400psi. Wash and ream to 534m (no sign of plug at 9-5/8 shoe), conducted LOT to 16.8ppg, POOH to change BHA. (Note - BOP tested Dec 12 during rig acceptance).
2	15 Dec 2006	1174m	Washed and reamed, Drilled cement plug and continued to wash and ream through stale mud to 1465m
3	16 Dec 2006	1766m	Wash and ream to 1766m. Circulate and condition mud. Pump hi-vis slug. POOH to conduct multishot survey. Rig to run stinger.
4	17 Dec 2006	1622m	RIH with cement stinger, Mix and place 100m long cement Kick Off plug. POOH make up drilling assembly to Polish TOC
5	18 Dec 2006	1635m	WOC, Polish Top of kick off plug, POOH rig up steering assembly
6	19 Dec 2006	1641m	Continue to WOC. RIH with rotary string to polish up top of plug. Tag cement at 1,622m drill to 1635m. Set down 30K. POOH, Pick up motor and UBHO, RIH. Time drill 1635 - 1641m
7	20 Dec 2006	1659m	continue to slide drill 8.5" hole,Pull out of hole
8	21 Dec 2006	1755m	run in hole with Pdc bit to 1659 m,drill ahead with surveys
9	22 Dec 2006	1881m	Drill 8.5" hole with surveys to core piont,reduce mud weight to 9 ppg,wiper trip,P.O.H
10	23 Dec 2006	1881m	P.O.H with 8.5" bit,pressure test casing to 2500 psi,make up & run in hole with core barrel,cut core
11	24 Dec 2006	1881m	Cut core#1, Pull out of hole,recover core,make up core barrel # 2
12	25 Dec 2006	1908m	Cut core number 2,pull out of hole with core barrel,retrieve core,run in hole with PDC bit & packed assembly
13	26 Dec 2006	1980m	Drill 8.5" hole to 1980 m TD, wiper trip,circulate hole clean,pull out of hole to log
14	27 Dec 2006	1980m	Log with precision,run in hole with BHA & layout same,wait with cement stinger at casing shoe for cement to be delivered
15	28 Dec 2006	1980m	Run in hole with cement stinger,set plugs,layout pipe,Wait on cement
16	29 Dec 2006	1980m	Lay out drillpipe. Set surface cement plug. Nipple down BOP's. Release rig at 1600 hrs.

RT above GL : 5.20m	UTM North: 5767949.5	Spud Date : 14 Dec 2006	Release Date : 29 Dec 2006
G.L. Elevation : 125.20m	UTM East: 402155.9	Spud Time : 00:00	Release Time : 16:00

Activity Report For Megascolides-1 RE

Date : 14 Dec 2006 **Daily Cost : $ 0** **Report Number : 1**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
42	PH1	P	DC		9	Tag cement at 6 m Drill cement to 41.9m
42	PH1	U	PT		0.5	Pressure test, casing able to contain 1,400 psi
50	PH1	P	DC		0.5	Wash and ream from 41.9 to 50 m
50	PH1	P	RO		1	Remove Kelly spinner and torque Top connection. Replace Kelly spinner.
534	PH1	P	RW		9.5	Wash and ream to 534m. Did not encounter cement, and was past the shoe which is at 508m.
534	PH1	TU	TO	OTH	0.5	Pull back to 485, inside shoe and prepare to conduct LOT
534	PH1	TU	LOT	OTH	0.5	Conduct LOT (16.8 ppg)
534	PH1	TU	LOT	OTH	0.5	Rig down Pressure testing equipment and prepare to POOH
534	PH1	P	TO		2	POOH from 485 to 83 m

Date : 15 Dec 2006 **Daily Cost : $ 0** **Report Number : 2**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
0	PH1	P	TO		0.5	Continue to POOH from 83m to Surface
516	PH1	P	RW		3.5	M/U New BHA & RIH to 516m
557	PH1	P	RW		1	PU Kelly and MU Ream and Wash to 557m
557	PH1	P	DC		1	Tag cement & drill plug from 557m to 565m
593	PH1	P	DC		4	Continue to drill plug from 565m to 593 m
593	PH1	P	RW		0.5	Circulate & work tight hole
593	PH1	P	RS		0.5	Rig Service
619	PH1	P	DC		5	Continue to Drill cement plug from 593 to 619m
752	PH1	P	RW		4	RIH washing and reaming
1174	PH1	P	RW		4	Continue through bridge at 990 m and wash and ream 1174m

Date : 16 Dec 2006 **Daily Cost : $ 0** **Report Number : 3**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1212	PH1	P	RW		1	Wash and Ream from 1174 to 1212 m
1212	PH1	P	TI		0.5	Clean and strap additional drill pipe confirm measurement and tally
1766	PH1	P	RW		10.5	Ream and wash from 1212 m to 1766 m (below anticipated top of cement plug 3). Encountered tight hole. Elected to set kick-off plug.
1766	PH1	P	CMD		6	Circulate old mud out of hole and condition as new mud. Several circulations required to obtain desired properties. Spot viscous pill at 1766 m and rig to POOH
1766	PH1	P	SVY		0.5	Prepare survey timer and drop survey barrel. Wait for survey to drop.
1766	PH1	P	TO		5	POOH with magnetic multishot survey tool, pause as required. L/O BHA stabs and rack DC's. Retrieve multishot survey.
1766	PH1	P	CMP		0.5	Prepare to RIH with stinger. MU tubing handling tools.

Date : 17 Dec 2006 **Daily Cost : $ 0** **Report Number : 4**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1766	PH1	P	CMP		1	Clear rig floor and prepare JSA for non routine activity (RIH with tubing for cement stinger).
1766	PH1	P	CMP		4.5	MU 3 1/2" tubing for cement stinger. RIH on DP to 496 m
1766	PH1	P	SC		1	Hang Blocks and slip 30 foot drilling line; conduct BOP drill.
1766	PH1	P	CMP		3.5	Cont. RIH from 496m to 1744 m Bottom of proposed cement plug

Date : 17 Dec 2006 **Daily Cost : $ 0** **Report Number : 4**

1766	PH1	P	CMP	1	Conduct tool box meeting. Then rig up Halliburton cementing stand pipe and circulating head.
1766	PH1	P	CMP	1	Circulate to condition BHCT
1766	PH1	P	CMP	1.5	PTSM. Pump 20bbl drill water, Press Test to 3000 psi for 5 min. Mix and pump 45 bbl 16.8ppg slurry, followed with 2 bbl drill water. Displace with rig pump, 71 bbl (1437 stks)
1622	PH1	P	CMP	0.5	Rig down circulating head and pull DP from 1744 to 1591 m
1622	PH1	P	CMP	1.5	Rig Circulating head and circulate 1.5 X BU. 15,000 stokes. Observe well and flow check. Well static.
1622	PH1	P	CMP	6.5	Lay out 15 joints drill pipe, POOH rack remaning stands. Lay out the cement stinger.
1622	PH1	P	CMP	2	Lay out the NMDC. Pick up bit and bit sub with ported float. MU New BHA.

Date : 18 Dec 2006 **Daily Cost : $ 0** **Report Number : 5**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1622	PH1	P	HBHA		0.5	Rig up to handle BHA and strap new components
1622	PH1	P	HBHA		2.5	PU and MU New BHA. RIH from Surface 478m.
1622	PH1	P	WOC		3	WOC. Circulate and condition mud in pits
1622	PH1	P	WOC		3.5	WOC. Circulate and condition mud in pits
1622	PH1	P	TI		3	RIH hole tag cement at 1622m, lay out excess pipe
1635	PH1	P	DC		0.5	Drill cement from 1622 to 1635m. Set down 30k on plug. Plug firm
1635	PH1	P	CMD		2	Circulate Hole clean and condition mud, flow check and pump pill
1635	PH1	P	TO		3	POOH from 1635m to 340m. Conduct Drill
1635	PH1	P	RS		0.5	Replace Drum Clutch throttle to repair air leak
1635	PH1	P	HBHA		1.5	Cont to POOH from 340 m. Lay out stab from BHA
1635	PH1	P	HT		4	Prepare subs and X-overs for motor. Set bent sub to 1.5 deg

Date : 19 Dec 2006 **Daily Cost : $ 0** **Report Number : 6**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1635	PH1	P	HBHA		1	M/U Mud motor and function test, calibrate newly install BHI block height encoder.
1635	PH1	P	TI		1	RIH with BHA to jars
1635	PH1	P	SVY		1.5	Pick up survey barrel and run in hole to rabbit the string and check depth to UBHO. OK
1635	PH1	P	TI		3	Continue to RIH to 1628 m
1635	ST	P	SVY		1	Run Survey on WL. Retrieve tool and process.
1641	ST	P	DM		16.5	Orient tool face and slide. Time drilling to KO. Slide 1635 - 1641m

Date : 20 Dec 2006 **Daily Cost : $ 0** **Report Number : 7**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1643	ST	P	DM		18	Sliding while time drilling from 1641m to 1643m
1659	ST	P	DM		12	Sliding while time drilling from 1643m to 1659m
1659	ST	P	SVY		1	Run W.L.S @ 1638 m (3dg-70 az)
1659	ST	P	TO		0.5	circulate bottoms up, flow check,slug pipe
1659	ST	P	TO		4.5	Pull out of hole with kick off assembly

Date : 21 Dec 2006 **Daily Cost : $ 0** **Report Number : 8**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1659	ST	P	TO		2	Pull out of hole with kick off assembly
1659	ST	P	HT		1	Service HOFCO motor as per instructions, break out bit
1659	ST	P	TI		4	Pick up & make up bit # 2 and BHA # 2, run in hole to 497 m (fill up pipe)
1659	ST	P	SC		2	slip & cut drilling line,reset instrument recorders,rig service
1659	ST	P	TI		4	Continue to run in hole with bit # 2 to 1645 m (fill up pipe @ 1000m)
1659	ST	P	RW		0.5	Break circulation & wash from 1645 m to 1659 m (no fill)
1711	ST	P	DA		6	Drill ahead with 8.5" bit from 1659 m to 1711 m
1711	ST	P	SVY		0.5	Circulate & run survey @ 1693 m
1755	ST	P	DA		4	Continue to drill ahead with 8.5" hole from 1711 m to 1755 m

Date : 22 Dec 2006 **Daily Cost : $ 0** **Report Number : 9**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1755	ST	P	SVY		0.5	Circulate & run W.L.S @ 1746 m (4dg-N45E)
1805	ST	P	DA		4.5	Drill 8.5" hole from 1755 m to 1805 m
1805	ST	P	SVY		0.5	Circulate & run W.L.S @ 1791 m (miss run)
1808	ST	P	DA		1	Drill 8.5" hole from 1805 m to 1808 M
1814	ST	P	DA		0.5	Drill 8.5" hole from 1808 m to 1814 M
1814	ST	P	SVY		0.5	Circulate & run W.L.S @ 1802 m (miss run)
1833	ST	P	DA		1.5	Drill 8.5" hole from 1814 m to 1833 m
1833	ST	P	DA		0.5	Circulate & run W.L.S @ 1819 m (4dg-62 az)
1850	ST	P	DA		3.5	Drill ahead with 8.5" bit from 1833 m to 1850 m
1850	ST	P	WTH		1	Work tight hole on connection,drill string stuck, jar free & work pipe,pump 30 bbl Hi-Vis sweep,Continue to clean hole
1881	ST	P	DA		3	Drill ahead with 8.5" hole from 1850 m to 1881 m (core piont)
1881	ST	P	CMD		4.5	circulate & condition mud (reduce mud weight to 9 ppg as per directions)
1881	ST	P	WT		3	P.O.H wiper trip from 1881 m to 1635 m (KOPP

Date : 23 Dec 2006 **Daily Cost : $ 0** **Report Number : 10**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1881	ST	P	RW		1	Wash from 1872 m to 1881 m (no fill),pump 25 bbl Hi-Vis sweep & circulate out
1881	ST	P	SVY		0.5	Run W.L.S @ 1869 m (4dg-N52E)
1881	ST	P	TO		6	P.O.H with 8.5" bit to pick up core barrel
1881	ST	P	HBHA		0.5	Lay down NMDC,NBS,2 x String Stabs
1881	ST	P	HT		0.5	Pick up & make up RTTS packer assembly
1881	ST	P	TI		2	R.I.H with RTTS packer to 467 m
1881	ST	P	PT		1	Set packer on Depth @ 467 m, pressure test casing to 2500 psi for 15 min "ok"
1881	ST	P	TO		1.5	Unset packer,P.O.H with RTTS assembly,break & layout
1881	ST	P	COR		0.5	House keep drill floor,hold pre job safety meeting prior to picking up core barrel
1881	ST	P	COR		1.5	Pick up & make up core barrel
1881	ST	P	TI		7	Run in hole with core barrel to 1858 m
1881	ST	P	TI		1.5	Wash from 1858 m to 1881 m
1881	ST	P	TI		0.5	Space out,circulate bottoms up

RT above GL : 5.20m | UTM North: 5767949.5 | Spud Date : 14 Dec 2006 | Release Date : 29 Dec 2006

G.L. Elevation : 125.20m | UTM East: 402155.9 | Spud Time : 00:00 | Release Time : 16:00

Date : 24 Dec 2006 **Daily Cost : $ 0** **Report Number : 11**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1889	ST	P	COR		4.5	Drop ball,Cut core # 1 from 1881 m to 1889 m (barrel jammed)
1889	ST	P	TO		7.5	Pull out of hole with core # 1 (tight hole, pump out from 1889m to 1868 m)
1889	ST	P	COR		2	Recover core # 1 from barrel (recovery 1881m to 1887.6 m 82.5%)
1889	ST	P	RS		0.5	Rig service
1889	ST	P	SC		0.5	Slip 40 ft drill line
1889	ST	P	TI		5	Make up modified 7.8m core barrel # 2 and run in hole to 1805 m
1889	ST	P	RW		2.5	Wash from 1805 m to 1889 m
1889	ST	P	RW		0.5	Space out,circulate bottoms up
1889	ST	P	COR		1	Cut core # 2 from 1889 m to 1889.1 m

Date : 25 Dec 2006 **Daily Cost : $ 0** **Report Number : 12**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1895	ST	P	COR		6	Cut core # 2 from 1889 m to 1895 m
1895	ST	P	TO		6	Pull out of hole with core # 2
1895	ST	P	HT		1.5	Retrieve core # 2 from barrel (recovered 5.0 m, 83.5%), layout core barrel and assorted coring equipment
1895	ST	P	RS		0.5	Rig service
1895	ST	P	TI		2.5	Pick up & make 8.5" pdc bit and packed drilling assembly,Run in hole to casing shoe,fill up pipe
1895	ST	P	TI		5	Continue to run in hole to 1877m (fill up pipe @ 1180 m)
1908	ST	P	DA		2.5	Drill 8.5" hole from 1895 m to 1908 m

Date : 26 Dec 2006 **Daily Cost : $ 0** **Report Number : 13**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1958	ST	P	DA		6	Drill 8.5" hole from 1908 m to 1958 m TD
1980	ST	P	DA		5	Drill 8.5" hole from 1958 m to 1980 m TD
1980	ST	P	CS		1	Pump 25 bbl Hi-Vis seep & circulate hole clean
1980	ST	P	SVY		1	Run W.L.S @ 1968 m (miss run)
1980	ST	P	WT		2	Wiper trip from 1980 m to 1635 m (KOP)
1980	ST	P	CMD		1.5	Pump 25 bbl Hi-vis pill & circulate out
1980	ST	P	WT		0.5	Run W.L.S @ 1968 m (miss run)
1980	ST	P	TO		6.5	Pull out of hole to log
1980	E1	P	LOG		0.5	House keep drill floor,hold pre job safety meeting

Date : 27 Dec 2006 **Daily Cost : $ 0** **Report Number : 14**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1980	E1	P	LOG		8	Log with precision,Run # 1, DLL-SLL-MLL-GR-CSS-PDS-CNS-SP-CML
1980	E1	P	LOG		7	Log with precision,Run # 2,MCGMFT
1980	E1	P	LOG		1	Rig Down Precision logging
1980	E1	P	LOG		0.5	assist OTSA to pack up equipment due to change of plans
1980	ABN	P	HBHA		1	Run in hole with BHA
1980	ABN	P	HBHA		3.5	Layout BHA
1980	ABN	P	HBHA		0.5	Pull wear bushing
1980	ABN	P	TI		2.5	Run in hole cement stinger on 4.5" drill pipe to 282m

RT above GL : 5.20m	UTM North: 5767949.5	Spud Date : 14 Dec 2006	Release Date : 29 Dec 2006
G.L. Elevation : 125.20m	UTM East: 402155.9	Spud Time : 00:00	Release Time : 16:00

Date : 28 Dec 2006 **Daily Cost : $ 1738717** **Report Number : 15**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1980	ABN	P	TI		1	Run in hole with cement stinger to casing shoe
1980	ABN	P	CMP		5	Wait on cement & haliburton to arrive on location (clean floor of excess equipment & prepare for Plugs)
1980	ABN	P	CMP		4	Run in hole with cement stinger to 1890 m
1980	ABN	P	CMP		0.5	Circulate & spot 15 bbl Hi-Vis pill @ 1890 m
1980	ABN	P	CMP		0.5	P.O.H with cement stinger from 1890 m to 1840 m (lay out)
1740	ABN	P	CMP		2	Set cement plug # 1 from 1840 m to 1740 m (pump 20bbl water ahead,PT lines to 2000 psi"ok" mix & pump 32.8 bbl class"A" cement @ 15.6 ppg,chase with 2 bbl water,underdisplace with rig pumps)
1740	ABN	P	CMP		0.5	P.O.H with cement stinger from 1840 m to 1640 m (layout)
1740	ABN	P	CMP		0.5	Reverse circulate 2 times string volume
1740	ABN	P	CMP		3	P.O.H with cement stinger from 1640 m to 600 m (layout)
1740	ABN	P	CMP		1	Circulate & spot 15 bbl Hi-Vis pill @ 600 m
418	ABN	P	CMP		1	Set cement plug # 2 from 450 m to 600 m (pump 20 bbl water ahead,PT lines to 2000 psi"ok" mix & pump 47 bbl class "A" cement @ 15.6 ppg,chase with 2 bbl water,underdisplace with rig pumps
418	ABN	P	CMP		0.5	P.O.H with cement stinger from 600 m to 350 m & reverse circulate 2 times string volume
418	ABN	P	CMP		4	Wait on Cement (break kelly & soft bolt BOP)
418	ABN	P	CMP		0.5	Run in hole with cement stinger to tag cement plug # 2 @ 418 m with 20,000 lbs

Date : 29 Dec 2006 **Daily Cost : $ 89009** **Report Number : 16**

Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
418	ABN	P	CMP		7.5	Layout drill pipe from 418 m
418	ABN	P	CMP		1	Head up Halliburton to 3.5" tbg,unable to pump through due to cement blockage,rig down Halliburton,Layout 9 joints 3.5" tbg
418	ABN	P	CMP		0.5	Pick up & run in hole with 7 joints 4.5" drill pipe
55	ABN	P	CMP		0.5	Set cement plug # 3 from 55m to 5m (pump 20 bbl water ahead, PT lines to 2000 psi"ok" mix & pump 12 bbl class"A" cement @ 15.6 ppg,chase with 2 bbl water
5	ABN	P	CMP		1	Layout 7 joints 4.5" drill pipe,flush BOP with water
5	ABN	P	CMP		5.5	Nipple down BOP system,dump & clean mud tanks,layout kelly
						RIG RELEASE @ 16:00 Hrs

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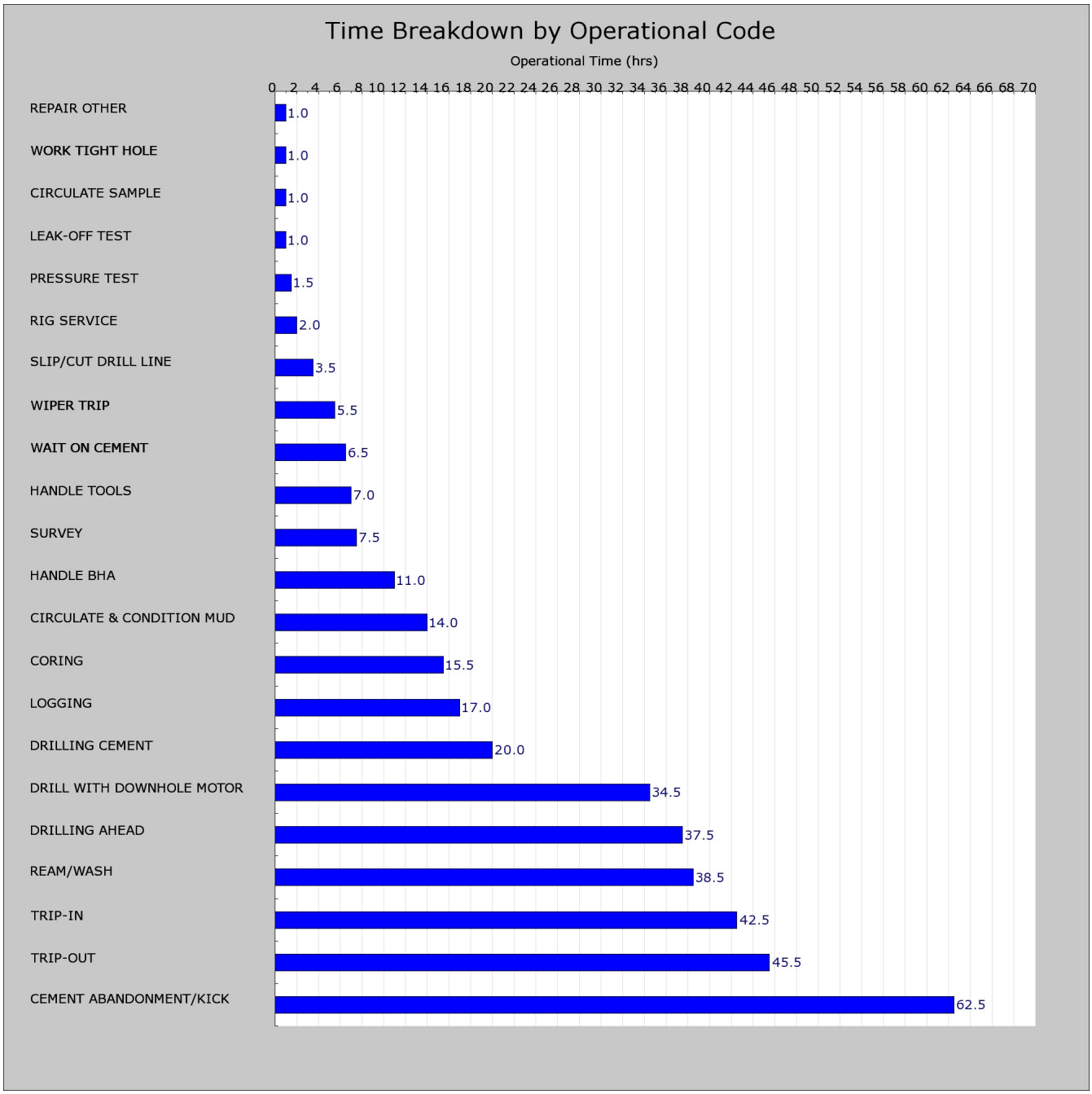
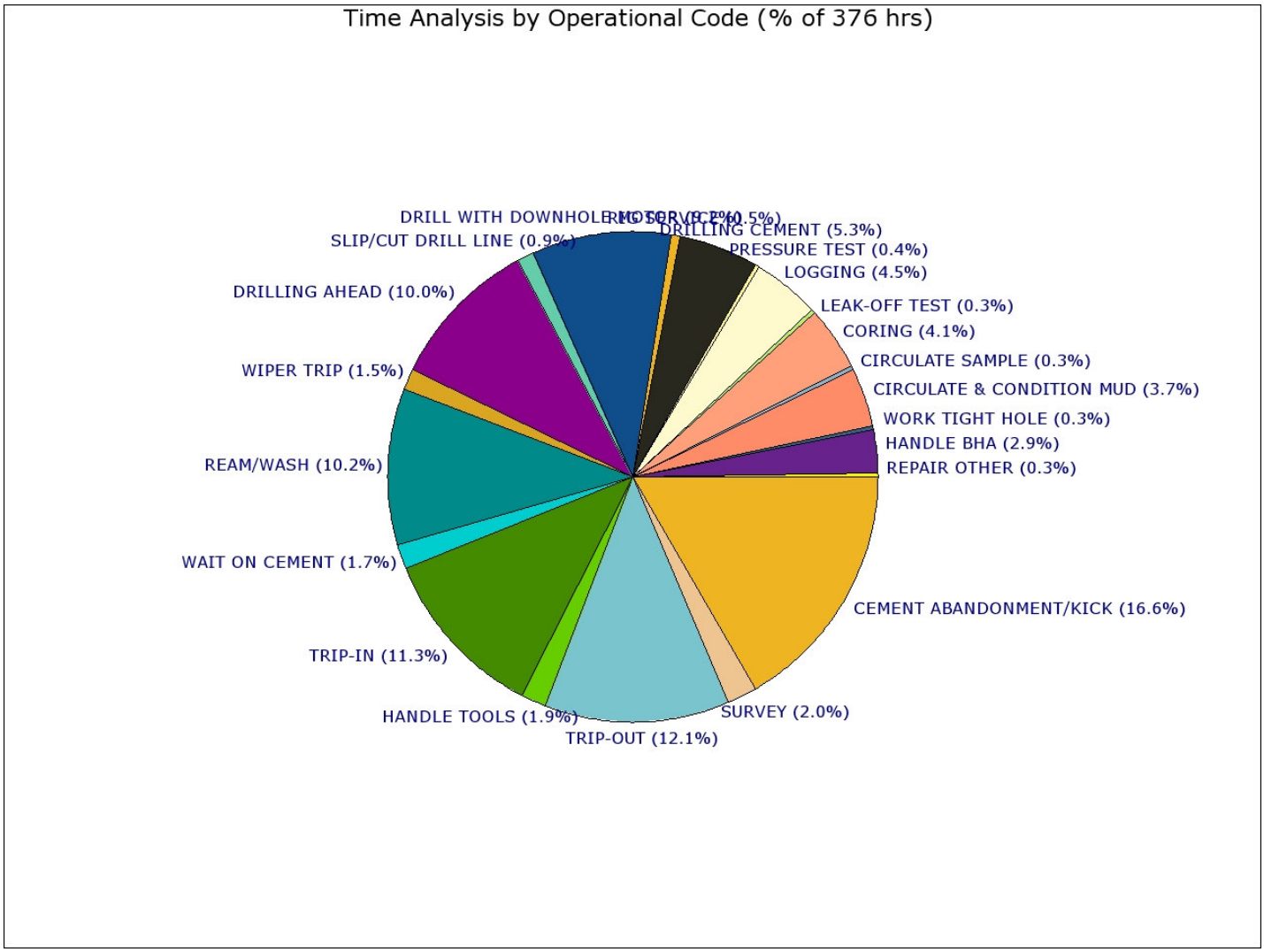
ATTACHMENT 8 : WELL TIME SUMMARY GRAPHS

Time Analysis



Wellname :	Megascolides-1 RE	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767949.5	Spud Date : 14 Dec 2006	Release Date : 29 Dec 2006
G.L. Elevation : 125.20m	UTM East: 402155.9	Spud Time : 00:00	Release Time : 16:00



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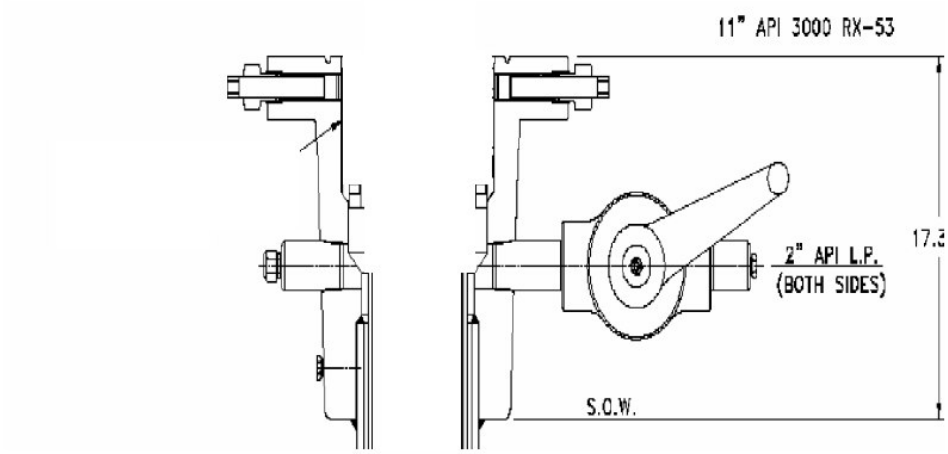
ATTACHMENT 9 : WELLHEAD & CASING INFORMATION

WELLHEAD

- **Well Head:**

Type: The wellhead stack consisted of a 9-5/8" THD Bottom x 11" API 3K Flanged Top Casing Head with 2" LP Outlets



Casing Head, BP, 11" 3k x 9-5/8" BTC with 2 x 2" LPO PSL-1,PR-1,P-U,AA P/N 342164

Bull Plug, 2" x 4" Long, P/N 80-100-002-4X

Nipple 2" x 6" Long, P/N 80-200-200-02

Ball Valve 2" x 3K, P/N 31LH31UNKFHXX

Ring Gasket RX-53 CS,P/N RX-53 CS

16 Studs and Nuts 1-3/8" x 10" Long, P/N SN0138-0010B7

SURFACE CASING

Casing Running & Cementing Report

Well Name:	Megascolides # 1	**County:**	Gippsland PEP 162	**State:**	Victoria

Hole Size:	12 1/4	"	**Depth**	508	'	**Date Cemented:**	20 th Nov 2004	**Mud Weight:**	9.6 #/gallon
Ground Level:	01m AMS		**DF**			**KB**	4.27m		

Casing Detail (Show casing as run in hole--bottom to top. Threads Off Meaurement.)

No. of Joints:	Size O.D.	Manufacturer--Item	Wt./#	Grade	Type Threads	Footage
	9 5/8	Float shoe	36	Howco	BTC	0.52
1	9 5/8	Marubeni Casin	36	J-55	BTC	11.90
	9 5/8	Float Collar	36	Howco	BTC	0.37
40	9 5/8	Casing	36	J-55	BTC	486.58
1	9 5/8	Landing joint	36	J-55	BTC	4.63
					TOTAL:	504.00

Set Casing @:	504M	' KB	**Scratchers:**	Nil
Total Jts. Run:	41			
Float Collar		' KB	**Centralizers:**	3 Centralisers were run .On middle of 1 st jt - top of 3rd and Last joint
Other Equipment:	1 tins HOWCO weld, 3 stop collar.			

Comments:

Casing drifted-Shoe and Float collar made up with Halliburton Weld-A Filled Casing while running

Cementing by	Halliburton		**Circulated:**	30	**mins. @** 150	**psi.**
Started Pumping:	22:50	20/11/2004	**Pressure on Plug:**	1500		**psi.**
Plug Down @	23:48	20/11/04	**Bled to:**	0		**psi.**

Cemented with:

SAFETY MEETING, PUMP 20 BBLS H20 SPACER, PRESSURE TEST SURFACE LINES TO 13000PSI. MIX ED AND PUMPED 260 sx CLASS "A" 12.5 PPG SLURRY FOLLOWED BY 136 sx CLASS "A" 15.6PPG SLURRY THEN DISPLACED WITH 126 BBLS 9.4ppg MUD ,AND BUMPED THE PLUG WITH 1500 PSI ,HELD . Cement returns to surface - 30% Excess used on this job Volume pumped 97.2bbls lead and 29bbls tail slurry

	SURFACE	**by temperature survey:**		**CBL:**		**Calculated:**	
Signature:	*Lou DeVattimo*				**Date:**		20/11/2004

NOTE: ATTACH COPY OF CASING TALLY TO THIS REPORT

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ATTACHMENT 10 : LEAK OFF TEST REPORT

LOT/FIT FORM

Well: Megascolides 1 RE ST **Rig:** Century 11 **Date** 14-Dec-06

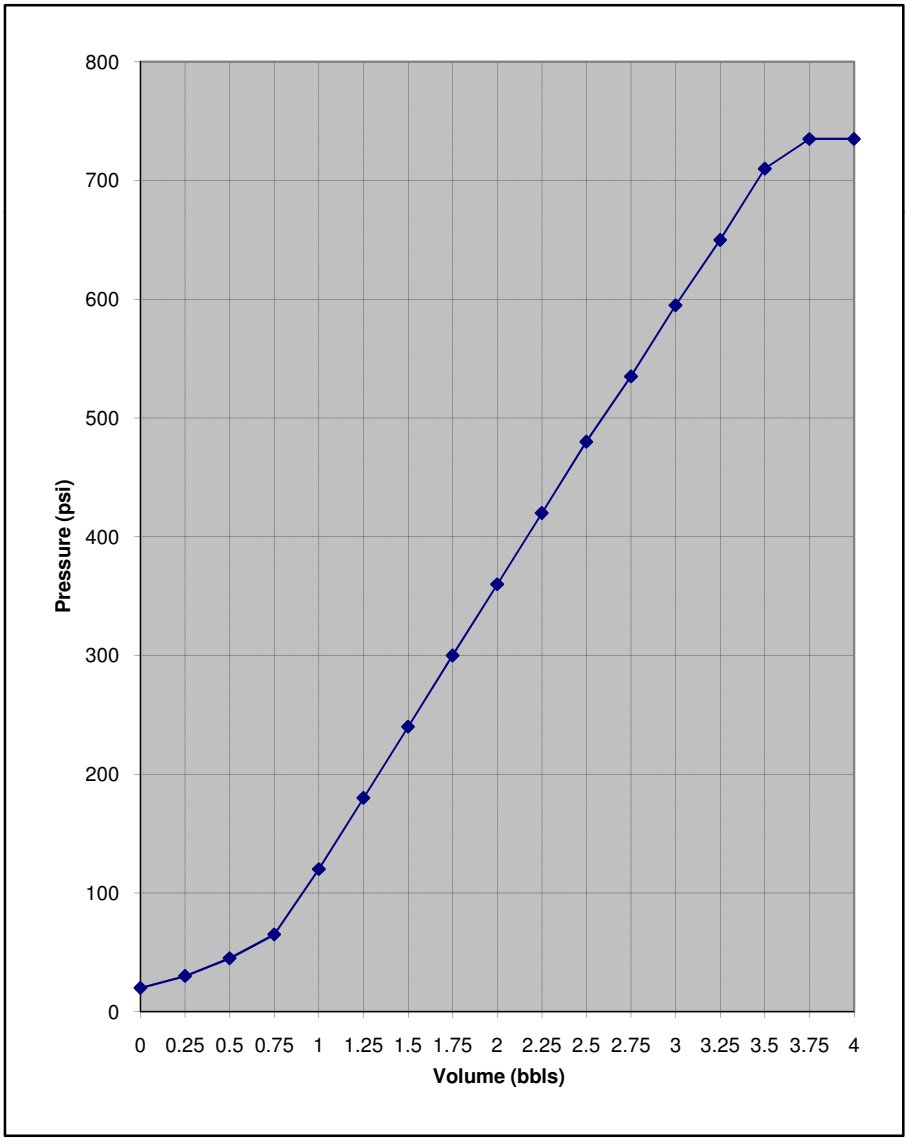
Test (FIT/LOT):

Mud Properties		Well Depth (m)	534	Vol pumped (bbls)	4
Weight (ppg)	8.33	Well TVD (m)	534	Vol lost (bbls)	0.25
PV (cp)	nc	Casing size	9 5/8	Leak-off pressure(psi)	735
YP(lb/100sq.ft)	nc	Shoe Depth (m)	508	Pump rate(bbls/min)	0.25
FL (cc)	nc	Min.Burst (psi)	3,720	FIT/LOT-sg (EMW)*	16.79

$$\text{*FIT/LOT(EMW ppg)} = \frac{\text{Leak-off pressure (psi)}}{\text{Shoe Depth (m)} \times 0.171} + \text{Mud weight}$$

Time	Vol (bbls)	Ps (psi)
21:16	0	20
	0.25	30
	0.5	45
	0.75	65
21:17	1	120
	1.25	180
	1.5	240
	1.75	300
21:18	2	360
	2.25	420
	2.5	480
	2.75	535
21:19	3	595
	3.25	650
	3.5	710
	3.75	735
21:20	4	735

Ps = Surface pressure



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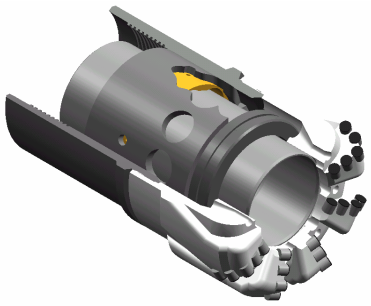
ATTACHMENT 11 : CORING REPORT

CORING REPORT



MEGASCOLIDES-1RE

Prepared for:

KAROON Gas Australia

Upstream Petroleum

By:

Dave Whitby

Corpro Systems Ltd.

DATE: 2nd January 2007

1. OBJECTIVES & INITIAL OPERATIONAL PLAN

1.1. INTRODUCTION

In 2004 Megascolides-1 was drilled as a Coal Bed Methane exploration well. CBM was located but deemed to be non-commercial, however shows of oil were noted in the Crayfish Group.

1.2. THE MAIN OBJECTIVES

The main objective of re entering the well is to fully evaluate the Crayfish Group equivalent quartzose sandstone reservoir encountered in Megascolides-1. This will be achieved by re-entering and sidetracking towards a core point just above the reservoir sandstones.

1.3. CORE PROGRAMME MAIN TARGETS

Coring will commence approximately 2m above the expected top of the reservoir sandstone. An 18m core will be attempted. Depending on the recovery and lithology of Core#1 a decision will be made whether to run another barrel before drilling to TD.

1.4. INITIAL CORING PLAN

Table 1 Proposed coring Plan

Run#	Coring Interval	Barrel / Core size	Comments
1	1881 to 1899m	8-1/2" x 7" x 4" x 18m TSS	TSS dressed with Half Moon Inner Barrel Liners.
2			
3			
	Total length	18m	

2. CORE ACQUISITION DESIGN AND IMPLEMENTED METHODOLOGY

2.1. IMPLEMENTED METHODOLOGY

Corpro recommended & supplied a new 8-1/2" x 4" MCP662 PDC corehead, which was run with the Thin Sleeve System (TSS), dressed with 1st generation Half Moon "On-Ice" Aluminium Liners. A Mechanical Shear Plate Boot was employed to minimise core disturbance during core lay-out operations. Plug taking, handling & storage of the core was all handled by ACS Laboratories.

3. PERFORMANCE SUMMARY

3.1. CORING PERFORMANCE

Table 2 Actual Coring Operation

Run#	Coring Interval	Thickness (m)	Barrel size / Length	ROP (m/hr)	Comments
1	1881 to 1889m	8	7” x 4” x 18m	2.8	Coring Technician recommended to POOH after drop in ROP & increase in SPP.
2	1889 to 1895m	6	7” x 4” x 6m	0.8	Slow ROP in highly cemented formation.
3					
	Total length	**Cut**	**%Rec.**	**ROP.m/h**	
		(14m)	**(12.4m)**	**(1.38)**	

4. OPERATION SUMMARY

On reaching core point depth, an 18m Core Barrel assembly with TSS / Half Moon & 1st Generation “On-Ice” was made-up & run in hole. Tripping in through the kick-off point & into open hole went without issue. Circulation was broken a couple of stands from bottom, & the core barrel washed down to tag bottom. Once a positive indication of the drop ball landing was noted, coring commenced. Initial ROP was quite high at 7.5m/hr, which then gradually declined to 1.9m/hr after 8m of core had been cut. At this point ROP dropped to zero & SPP increased, indicating a possible “jam off” had occurred. The Coring Technician at this point asked the Driller to begin POOH.
Before instructing the Driller to POOH, the Coring Technician should have spoken with either the Wellsite Geologist or Well Site Representative. This point has been made clear for future operations.
The hole was tight from TD to 1868m & pumping-out was required to trip out over this interval. The remainder of the trip out was slick. On surface the core was laid-out & pumped-out of the TSS Inner Barrels, with a total recovery of 6.6m out of 8m cored. The recovery of 83% could have been from one of two reasons (or both), either some core slipped out of the core catcher before engagement, leaving a “stump” on the bottom of the hole, or 1.4m was milled away from jamming off.

As the reservoir sequence had not been completely cored with core run #1, it was decided to RIH with a shorter 6m assembly for core run #2.

Ran in Hole, washed from 1805m to 1889m (TD) without problem. Dropped ball & once an indication of landing was observed, commenced coring. ROP for Core run #2 was very slow with maximum ROP of 1m/hr. Average ROP for the core was 0.8m/hr. From cutting samples & geologist experience, it was noted that the core was being cut in a very tight, highly cemented sandstone.
After 6m of core was cut the core was broken off bottom & POOH without the requirement to pump-out.
On surface the core was laid out & pumped-out of the TSS Inner Barrel. From 6m cut, 5.8m of core was recovered (97%).
It was noted that the Air Saw was not cutting well. A service kit has been requested by the Service Technician.

4.1. CORE BARREL ASSEMBLY

The Thin Sleeve System (TSS) was employed with Half Moon Liners (1st Generation "On-Ice" to allow immediate on-site plug sampling of the core (performed by ACS Labs).

The recommended corehead was an MCP662 PDC, which is built with 6 blades dressed with 13mm cutters. The corehead delivered good ROP at the beginning of core #1, which steadily declined to 0.8m/hr at the end of core #2, as a result of increasingly harder, more cemented sandstone formation.

The corehead was new & is now considered to be in a 1-1-WT-A-X-IN-NO-RR condition.

8-1/2" x 4" MCP662

4.2. UNCONSOLIDATED CORING SYSTEM

Not required.

4.3. CORE RECOVERY & CORE CONDITION

The recovery operation went well after the Pump-Out Unit for the TSS was sorted out. The core condition was considered to be very good with no damaged due to lay-out, recovery, down-hole parameters or other on-site handling.

4.4. CORE PROCESSING & STABILIZATION

Core handling was conducted by ACS Labs, whom also performed the Plug Taking.

4.5. CORE STORAGE

Not Required.

5. CORE RUN ANALYSIS

5.1. CORE#1

7" x 4" – TSS with Half Moon (1st Gen "On-Ice) - 18m Assembly Length- MCP662 PDC Corehead S/N: 8492-C

Depth In (m)	Depth Out (m)	Cored (m)	Recov. (m)	Recov. (%)	Efficiency (%)	Hours (Hrs)	ROP (m/hr)
1881	1889	8	6.6	83	44.4	2.9	2.8

5.2. CORE#2

7" x 4" – TSS with Half Moon (1st Gen "On-Ice")Re-run from Core #1 – 6m Assembly Length – MCP662 PDC Corehead (Re-run) S/N: 8492-C

Depth In (m)	Depth Out (m)	Cored (m)	Recov. (m)	Recov. (%)	Efficiency (%)	Hours (Hrs)	ROP (m/hr)
1889	1995	6	5.8	97	100	7.2	0.8

6. CONCLUSION

In general the coring operations went very well with good performance from the Coring Technician & the equipment.

For improvement in future work, the Coring Technician has been reminded that consultation with either the Wellsite Geologist & or Well Site Representative should be done before making a decision to POOH (or any other action relating to core recovery, safety or rig operations).

Some issues were encountered with the new Pump-Out Unit supplied, but were sorted out off critical path time. The Air Saw appeared to be lacking in performance, but at this stage it is not certain whether this is due to lack of air volume supplied or because the saw requires further servicing. A spares kit has been ordered, but at this stage it looks doubtful whether it will arrive for a few weeks.

ACS Labs have commented that the core condition is good with no visible signs of core disturbance.

In summary all objectives of the coring program were met. No health & safety incidents or issues related to coring operations were raised & our Coring Technician commented that the crews were helpful & safe during the operation.

7. RECOMMENDATIONS AND REMARKS FOR FUTURE WORK

For Megascolides-2, the main item that should be reviewed is the core barrel length run in hole. Although a connection was not made on Core run #1 & cannot be blamed for premature jamming, the general opinion of the Well Site Representative & Geology is that shorter cores have generally been the most successful historically in the Gippsland Basin. However, an 18m core barrel is not usually considered as a long assembly. A 12m assembly may be more suitable, dependant on the requirements of Karoon Gas.

8. CORING REPORTS

Coring Log & Parameters

Job # **34710**

CORPRO

CORE# 1

Formation name	Crayfish Grp	Lithology	Sandstone	Early Cretaceous

m Depth	# Cored	Minutes	m /Hr	ROP LOG (metre or feet / hours)	ft-lbf Torque Min	Torque Max	TORQUE LOG Off bottom	Maxi	Head RPM	lb WOB	gpm Flow	psi SPP	Lithology
1881.0	*Starting depth*			Graph Zoom: 20.0			Graph Zoom: 1.0						
1882.0	1.0	8.0	7.5						80	4	200	323	
1883.0	2.0	10.0	6.0						80	5	200	323	
1884.0	3.0	12.0	5.0						80	10	200	330	
1885.0	4.0	35.0	1.7						70	12	250	492	
1886.0	5.0	23.0	2.6						70	12	250	494	
1887.0	6.0	30.0	2.0						70	11	250	462	
1888.0	7.0	23.0	2.6						70	11	250	477	
1889.0	8.0	32.0	1.9										

From	To	Cored	Hrs On Btm	ROP	Recovery lgth	Recovery %
1881.0	1889.0	8.0	2.9	2.8	6.6	83

After 1889M no movement on ROP. Increase WOB to 14K still no movement, and PSI increase to 538

POOH Reason

Jamming

Job # **34710**

Coring Data

Well information	
Operator	Karoon Gas
Contractor	Century
Rig	Century 11
Well #	Megascolides-1RE
Country	Australia
Area	Onshore

Core #	1	
Date	23/Dec/06	
Well angle	4	
Stat. temp.		
Drive	Kelly	
Torq off b		ft-lbf
OffBTM Press	390	psi

Core barrel		
Size	#N/A	
Length	18	m
Direct.Bar	No	
TSS	Yes	
IT Type	H/Moon	
Vented IT	No	

Core head	
Type	MCP662
OD	8 1/2 x 4
S/N	8492 C
IADC	M133
TFA (sq in)	1.01
% Worn	0

Mud properties		
Type	Water Base	
WT	8.95	ppg
PV	12	cP
YP	8	
GEL	1	
% sand	0.1	%
% Solid	3	%
Viscosity	44	cP

Corehead Condition									
At Run Start	New								
At Run End									

Previous Footage	0	m	Run Footage	8	m	Total Footage	8	m

CORPRO

BHA	
1	Corehead
2	Core Barrel
3	X-over
4	8 X 6-1/4 DC
5	Jar
6	3 X 6-1/4 DC
7	6 X 6-1/4 HWDP
8	
9	
10	

Background Parameters

String Weight	lb
⇧	160
↷	150
⇩	135

Torque OffBottom		
60	rpm	ft-lbf
80	rpm	ft-lbf
100	rpm	ft-lbf

Bottom Pressure		
Flow Rate	250	gpm
On Bottom	430	psi
Off Bottom	390	psi

Ball Valve Information		
Flow Rate	200	gpm
SPP Ref 1	240	psi
SPP Ref 2	286	psi
Pres. Incr.	46	psi
Time	10	Min

Overpull Connection	1	2	3	4	5	6	7
lb							

Timing

Starting Date : 23/12/06

Pickup Barrel		
Start	14:15	
Stop	16:05	
Interval	1.83	hrs

Start in Hole		
Start	16:10	
Stop	22:00	
Interval	5.83	hrs

Coring		
Start	0:30	
Stop	3:25	
Interval	2.92	hrs

POOH		
Start		
Stop		
Interval	0.00	hrs

Core Rec./LD Brl		
Start		
Stop		
Interval	0.00	hrs

Performance

Depth In	Depth Out	Cored m	Rec. m	Rec. %	Eff. %	Hours hrs	ROP m/hrs
1881.0	1889.0	8.0	6.60	83%	44%	2.9	2.8

Customer	Corpro
Bruce Pilat	Eddie Teo

Coring Log & Parameters

Job # 34710

CORPRO

CORE# 2

Formation name	Crayfish Grp	Lithology	Sandstone	Early Cretaceous

m Depth	# Cored	Minutes	m /Hr	ROP LOG (metre or feet / hours)	ft-lbf Torque Min	Torque Max	TORQUE LOG Off bottom	Maxi	Head RPM	lb WOB	gpm Flow	psi SPP	Lithology
1889.0	*Starting depth*			Graph Zoom: 20.0			Graph Zoom: 1.0						
1890.0	1.0	85.0	0.7	I					70	6	250	421	
1891.0	2.0	65.0	0.9	I					80	10	250	419	
1892.0	3.0	78.0	0.8	I					80	10	250	409	
1893.0	4.0	61.0	1.0	I					80	12	250	442	
1894.0	5.0	70.0	0.9	I					80	13	250	439	
1895.0	6.0	75.0	0.8	I					80	14	250	422	

From	To	Cored	Hrs On Btm	ROP	Recovery lgth	%	POOH Reason
1889.0	1895.0	6.0	7.2	0.8	5.8	97	Full Barrel

Job # **34710**

Coring Data

Well information	
Operator	Karoon Gas
Contractor	Century
Rig	Century 11
Well #	Megascolides-1RE
Country	Australia
Area	Onshore

Core #	2
Date	24/Dec/06
Well angle	4
Stat. temp.	
Drive	Kelly
Torq off b	ft-lbf
OffBTM Press	0 psi

Core barrel	
Size	#N/A
Length	6 m
Direct.Bar	No
TSS	Yes
IT Type	H/Moon
Vented IT	No

Core head	
Type	MCP662
OD	8 1/2 x 4
S/N	8492 C
IADC	M133
TFA (sq in)	1.01
% Worn	

Mud properties		
Type	Water Base	
WT	8.95	ppg
PV	12	cP
YP	8	
GEL	1	
% sand	0.1	%
% Solid	3	%
Viscosity	44	cP

Corehead Condition									
At Run Start	New								
At Run End									

Previous Footage	m	Run Footage	6	m	Total Footage	6	m

CORPRO

BHA	
1	Corehead
2	Core Barrel
3	X-over
4	8 X 6-1/4 DC
5	Jar
6	3 X 6-1/4 DC
7	6 X 6-1/4 HWDP
8	
9	
10	

Background Parameters

String Weight	lb
⇧	145
↷	150
⇩	160

Torque OffBottom		
60	rpm	ft-lbf
80	rpm	ft-lbf
100	rpm	ft-lbf

Bottom Pressure	
Flow Rate	gpm
On Bottom	psi
Off Bottom	psi

Ball Valve Information		
Flow Rate	190	gpm
SPP Ref 1	202	psi
SPP Ref 2	250	psi
Pres. Incr.	48	psi
Time	10	Min

Overpull Connection	1	2	3	4	5	6	7
lb							

Timing

Starting Date : 24/12/06

Pickup Barrel		
Start		
Stop		
Interval	0.00	hrs

Start in Hole		
Start		
Stop		
Interval	0.00	hrs

Coring		
Start		
Stop		
Interval	0.00	hrs

POOH		
Start		
Stop		
Interval	0.00	hrs

Core Rec./LD Brl		
Start		
Stop		
Interval	0.00	hrs

Performance

Depth In	Depth Out	Cored m	Rec. m	Rec. %	Eff. %	Hours hrs	ROP m/hrs
1889.0	1895.0	6.0	5.80	97%	100%	7.2	0.8

Customer	Corpro
Bruce Pilat	Eddie Teo

Core Barrel Assembly - 18 m Core

CORPRO

20.03 m
TOTAL LENGTH

Corebarrel Size #N/A

DATA	Hole Size	in	8 1/2
	Core Size	in	4

Job # 34710

OUTER BARREL	OD x ID	in	#N/A
	Stabiliser Diameter	in	8-15/32
	Fishing Neck Length	in	11 1/2
	Outer Head Top Connection		4 1/2 IF
	Overpull	Klbf	860
	Make-up Torque	ft-lbf	25000
	Maximum Torque	ft-lbf	70000
	Ball Size*(larger one used)*	in	#N/A

COREHEAD	Type	MCP662	
	Size	in	8 1/2 x 4
	Serial Number	8492 C	
	IADC / TFA	M133	1.01 in²
	Make-up Torque	ft-lbf	20000

INNER BARREL	Configuration	Thin Sleeve System	
	Inner Tube Type	H/Moon	
	OD x ID Steel IT	in	5 x 4 1/2
	OD x ID Inner Sleeve	in	4.4 x 4 1/4

RANGE	Weight On Bit Max	lb	
	Flow Rate Max	gpm	
	Rotary Speed Max	RPM	

DATA

Date :	23/12/06
Operator :	Karoon Gas
Country :	Australia
Well :	Megascolides-1RE
Rig :	Century 11
Core#	1
Run#	One

CONFIGURATION

Bottom Section

Standard Barrel

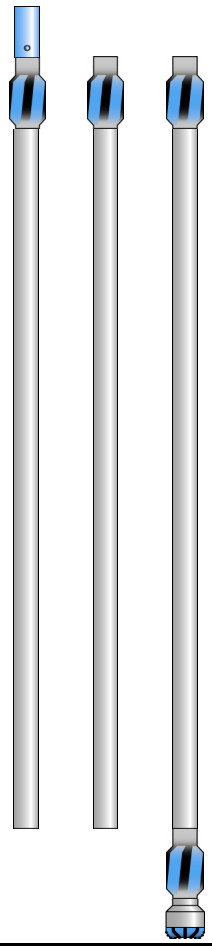
Middle Section

Qty 2

Additional ...

Circulating Sub	N
Drop Ball Sub	N
Top Connection	

Recommendation



CORING BOTTOM HOLE ASSEMBLY

#	Description	Length		S/N	#	Description	Length	S/N
1	Top Head	0.61	m	701 012				
2	Stabiliser	0.76	m	W 0137 028				
3	Outer Barrel	5.33	m	728 015				
4	Stabiliser	0.76	m	W 0137 204				
5	Outer Barrel	5.33	m	W 0135 137				
6	Stabiliser	0.76	m	W 0137 219				
7	Outer Barrel	5.33	m	W 0135 209				
8	Stabiliser	0.76	m	W 0137 183				
9	Corehead	0.37	m	8492 C				

COMPLETE BHA

Description + Size	Length
6 X 6-1/4 HWDP	
3 X 6-1/4 DC	
Jar	
8 X 6-1/4 DC	
X-over	
Core Barrel	19.66 m
Corehead	0.37 m

Core Barrel Assembly - 6 m Core

CORPRO

7.83 m
TOTAL LENGTH

Corebarrel Size #N/A

DATA	Hole Size	in	8 1/2
	Core Size	in	4

Job # 34710

OUTER BARREL	OD x ID	in	#N/A
	Stabiliser Diameter	in	8-15/32
	Fishing Neck Length	in	11 1/2
	Outer Head Top Connection		4 1/2 IF
	Overpull	Klbf	860
	Make-up Torque	ft-lbf	25000
	Maximum Torque	ft-lbf	70000
	Ball Size*(larger one used)*	in	#N/A

COREHEAD	Type	MCP662	
	Size	in	8 1/2 x 4
	Serial Number	8492 C	
	IADC / TFA	M133	1.01 in²
	Make-up Torque	ft-lbf	20000

INNER BARREL	Configuration	Thin Sleeve System	
	Inner Tube Type	H/Moon	
	OD x ID Steel IT	in	5 x 4 1/2
	OD x ID Inner Sleeve	in	4.4 x 4 1/4

RANGE	Weight On Bit Max	lb	
	Flow Rate Max	gpm	
	Rotary Speed Max	RPM	

DATA

Date :	24/12/06
Operator :	Karoon Gas
Country :	Australia
Well :	Megascolides-1RE
Rig :	Century 11
Core#	2
Run#	Two

CONFIGURATION

Bottom Section

Standard Barrel

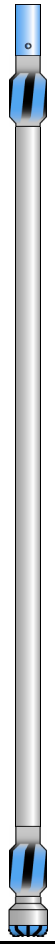
Middle Section

Qty

Additional ...

Circulating Sub	N
Drop Ball Sub	N
Top Connection	

Recommendation



CORING BOTTOM HOLE ASSEMBLY

#	Description	Length		S/N	#	Description	Length	S/N
1	Top Head	0.61	m	701 012				
2	Stabiliser	0.76	m	W 0137 219				
3	Outer Barrel	5.33	m	W 0135 209				
4	Stabiliser	0.76	m	W 0137 183				
5	Corehead	0.37	m	8492 C				

COMPLETE BHA

Description + Size	Length
6 X 6-1/4 HWDP	
3 X 6-1/4 DC	
Jar	
8 X 6-1/4 DC	
X-over	
Core Barrel	7.47 m
Corehead	0.37 m

CORING SUMMARY

Job # 34710

Operator	Karoon Gas
Contractor	Century
RIG	Century 11
Well #	Megascolides-1RE
Country	Australia
Area	Onshore

Hole size	8 1/2
Casing dia	9-5/8
Shoe depth	500 m
Well angle	4
Mud type	Water Base
Mud WT	8.95 ppg

Service eng. names	
Eddie Teo	
Date On / Date Off	
20-Dec-06	
25-Dec-06	

Core#	Corehead		Corebarrel				Core							
	SN	Type	Size	Lgth	TSS	IT type	Depth in	Cut lgth	Rec. lgth	%	Hrs	Rop	Lithology	Formation
1	8492 C	MCP662	#N/A	18	YES	H/Moon	1881.0	8	6.6	83	2.9	2.8	Sandstone, Early Cretaceous	Crayfish Grp
2	8492 C	MCP662	#N/A	6	YES	H/Moon	1889.0	6	5.8	97	7.2	0.8	Sandstone, Early Cretaceous	Crayfish Grp
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														
23														
24														
25														
26														
27														
28														
29														
30														

Total Cut	14.0	m
Total Recovered	12.4	m
Overall % Recovered	88.6	
Total Hours	10.1	
Overall ROP	1.4	

Remarks:

Customer	Corpro
Bruce Pilat	Eddie Teo

Core Job Summary

CORPRO
The Core Company

Operator	Karoon Gas
Contractor	Century
Rig	Century 11
Well	Megascolides-1RE
Area	Onshore
Country	Australia

Hole Size		8 1/2
Last Casing		9-5/8
Shoe Depth	m	500
HTHP Well		No
Hole Angle		4
Mud Type		Water Base
Mud Wt	ppg	8.95
Driver		Kelly

Field name	
Formation Age	CRETACEOUS LOWER
Formation Name	Crayfish Grp
Lithology	Sandstone
Barrel Size	#N/A

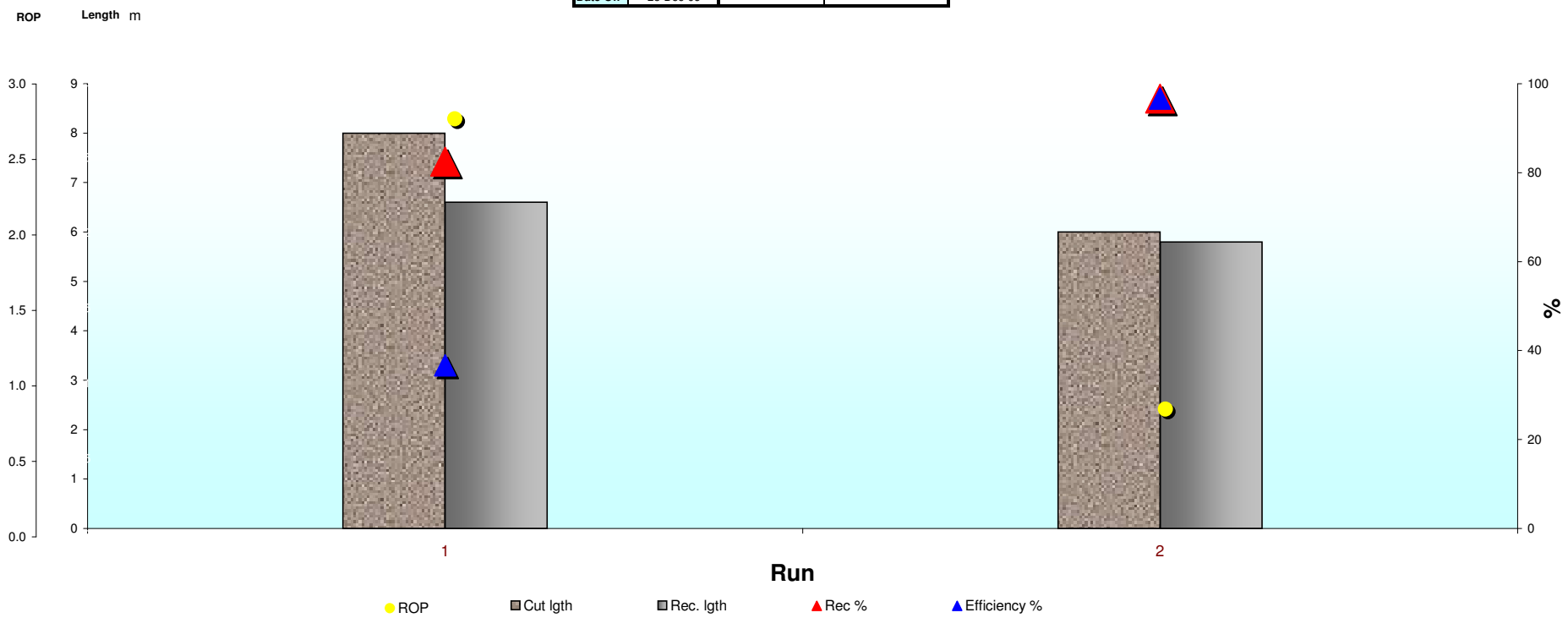
Job Number		**34710**	
Service Engineer		**Service Engineer**	
Date On	20-Dec-06	Eddie Teo	
Date Off	25-Dec-06		

Additionnal Services

Core Processing Module	
Gamma-Ray	
Corpro Core Container	X
Corias Core Imaging	
Plugging and Trimming	
Tracer Technologies	
Core Quick View (CQV)	

Preservation Services

Waxing	
Gypsum	
Foam Injection	
Freezing	
Resination	



Total Cut	14.0	**m**
Total Recovered	12.4	**m**
Overall % Recovered	88.6	
Total Hours	10.1	
Overall ROP	1.4	

Job # **34710**

Service Ticket

Operator	Karoon Gas
Well #	Megascolides-1RE
Country	Australia

Date from	20-Dec-06
Date to	26-Dec-06
Contract Number	PO-237

CORPRO

Operational rates for equipment

Description	Nbr of unit	Stdby Days	Operation days	Amount (USD)
7" X 20' Corebarrel	3 section			As per contract
Tool Box S/no: P01	1 e.a			
Tool Basket S/no 645-15	1 e.a			
Air Saw Unit	1 e.a			
Laydown Cradle S/no: W 1020 162	1 e.a			
TSS Inner Steel Tube	3 e.a			
Core Container	1 e.a			

Footage and usage charges

Description	Nbr of unit	Running Hrs	Meter Core	Amount (USD)
Cut 4" Core using MCP 662 S/no: 8492C with TSS Systems	1	2.9	8	As per contract
Cut 4" Core using MCP 662 S/no: 8492C with TSS Systems	2	7.2	6	
	Total Of Meter Core		14	

Consumables

Description	Nbr of unit	Qty Used	Amount (USD)
Half Moon Inner Tube	7 sets	3 sets	As per contract
Diamonad Air Saw Blade	2 e.a	1 e.a	
Lower Thrust Bearing	2 e.a	1 e.a	
Upper Thrust Bearing	2 e.a	1 e.a	
Core Catcher	2 e.a	2 e.a	
End Cap	106 e.a	26 e.a	
Snap Clip	120 e.a	26 e.a	

Personnel

Service Engineer	Date In	Date Out	Nbr days	Amount (USD)
Eddie Teo Wei Chuan	20-Dec-06	26-Dec-06	6	As per contract
				As per contract

Customer representative	Corpro Representative
Bruce Pilat	Eddie Teo

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ATTACHMENT 12 : CEMENTING REPORTS

Upstream Petroleum Pty Ltd
Level 3, 342 Flinders Street
Melbourne VIC 3000

Megascolides #1
Post Job Report

Prepared for Adelaide Lam
5th February 2007

Submitted by Premkumar Salibendla
Halliburton Australia Pty Ltd
90 Talinga Rd, Cheltenham, VIC, 3192
Ph: 03 9581 7536 Fax: 03 9581 7599

HALLIBURTON

90 Talinga Road
Cheltenham, Vic 3192
Tel: +61 3 9583 7500
Fax: +61 3 9583 7599

5th February 2007

Adelaide Lam
Drilling Engineer
Upstream Petroleum Pty Ltd
Level 3, 342 Flinders Street
Melbourne VIC 3000 Australia

Adelaide,

Re: Megascolides#1 Post Job Report

Included for your review is a copy of the Post Job Report of Megascolides #1. The PJR details a summary of the cementing operations including the programs, job logs, and the lab reports.

I trust this PJR meets the requirements of Upstream Petroleum Pty Ltd and with insight and reflection provides sufficient detail for future reference.

Yours sincerely,

Premkumar Salibendla
Associate Technical Professional

cc
Andrew Stobie
Technical Professional

Louis Gomatos
Cementing Service Coordinator

Table of Contents

1.0 SUMMARY OF OPERATIONS

Upon reaching TD (1740m), the 11" open hole was plugged using 100m whipstock plug for the kick off purposes. Then the hole was kicked off and drilled further down to TD (1840m). Upon reaching the TD the well was plug and abandoned using three plugs.

2.0 CEMENTING PROGRAM

MEGASCOLIDES 1 - Kick off Plug

1.0 - KOP in 11in Open Hole (1640m -1740m)

Plug Details

Plug Bottom MD	1740	m	***Workstring***						
Plug Top MD	1640	m	4 1/2in	DP	16.6	ppf	0m	-	1590m
Plug Length DP out	100	m	3 1/2in	TBG	9.3	ppf	1590m		1740m
Plug Length DP in	105	m	***Annulus***						
TVD	1740	m	11in	OH	0	%Ex	504m	-	1740m
Plug Volume	38.6	bbls							
Spacer Ahead	20.0	bbls							
Spacer Behind	2.0	bbls	***Temperatures***			***@ 3.50ºC/100m***			
Displacement	74.0	bbls	BHST	88 Deg C	BHCT	71 Deg C			

SLURRY Design

16.8	ppg	ABC Class G	94 lb/sk	213	sks
1.02	cuft/sk	CFR-3L	10 gal/10bbls MF	21	gal
3.98	gal/sk Mix Water	HR-6L	3.2 gal/10bbls MF	7	gal
4.09	gal/sk Total Mix Fluid	NF-6	0.5 gal/10bbls MF	1	gal
0.0	**bbls Pit losses**	Mix Water		20.2	bbls
		Mix Fluid		20.8	bbls

PROCEDURE

1. RIH with workstring to 1740m MD, tag existing cement plug
2. Establish circulation, pressure test surface lines to 2000psi
3. Pump 20bbls freshwater spacer ahead
4. Mix and Pump 38.6bbls of Slurry at 16.8ppg
5. Pump 2bbls freshwater spacer behind to balance
6. Displace with 73bbls of well fluid. (1bbls underdisplaced to aid in dry POOH)
7. Pick up 6 stands above TOC (~1540m). Forward circulate 1.5times annular volume to clean drill pipe

Approval

HALLIBURTON **UPSTREAM**

APPROVED

By Andrew Stobie at 6:06 pm, Dec 14, 2006

MEGASCOLIDES 1 - P&A

Plug 1 - (1740m -1840m)

Plug Details

Plug Bottom MD	1840	m	***Workstring***					
Plug Top MD	1740	m	4in	DP	14	ppf	0m	-	1690m
Plug Length DP out	100	m	3 1/2in	TBG	9.3	ppf	1690m		1840m
Plug Length DP in	105	m	***Annulus***					
TVD	1840	m	10.1in	OH	0	%Ex	1740m	-	1840m
Plug Volume	32.5	bbls						
Spacer Ahead	20.0	bbls						
Spacer Behind	2.0	bbls	***Temperatures***			***@***	***3.50ºC/100m***	
Displacement	58.3	bbls	BHST	91 Deg C	BHCT	52 Deg C		

SLURRY Design

15.6	ppg	Class A Cement	94	lb/sk	154	sks
1.19	cuft/sk	Halad-413L	20	gal/10bbls MF	40	gal
5.00	gal/sk Mix Water	HR-6L	3	gal/10bbls MF	6	gal
5.30	gal/sk Total Mix Fluid	NF-6	0.5	gal/10bbls MF	1	gal
0.5	**bbls Pit losses**	Mix Water			18.9	bbls
		Mix Fluid			20.0	bbls

PROCEDURE

1. Set 15bbl Hi-Vis pill below, POOH to 1840m and prepare for cement plug
2. Establish circulation, pressure test surface lines to 1000psi
3. Pump 20bbls freshwater spacer ahead
4. Mix and Pump 32.5bbls of Slurry at 15.6ppg
5. Pump 2bbls freshwater spacer behind to balance
6. Displace with 57.3bbls of well fluid. (1bbls underdisplaced to aid in dry POOH)
7. Pick up 2 stands above TOC. Reverse circulate to clean pipe

MEGASCOLIDES 1 - P&A

Plug 2 - (450m - 550m)

Plug Details

Plug Bottom MD	550	m	***Workstring***						
Plug Top MD	450	m	4in	DP	14	ppf	0m	-	400m
Plug Length DP out	100	m	3 1/2in	TBG	9.3	ppf	400m		550m
Plug Length DP in	105	m	***Annulus***						
TVD	550	m	9.625in	CSG	36	ppf	450m	-	497m
Plug Volume	39.2	bbls	13in	OH			497m	-	550m
Spacer Ahead	20.0	bbls							
Spacer Behind	2.0	bbls	***Temperatures***			***@ 3.50ºC/100m***			
Displacement	12.6	bbls	BHST	46 Deg C	BHCT	33 Deg C			

SLURRY Design

15.6	ppg	Class A Cement	94	lb/sk	187	sks
1.18	cuft/sk	CaCl2 (1%BWOC)	7.5	lb/10bbls MF	18	lb
5.26	gal/sk Mix Water	NF-6	0.5	gal/10bbls MF	1	gal
5.26	gal/sk Total Mix Fluid	Mix Water			24.0	bbls
0.5	**bbls Pit losses**	Mix Fluid			24.0	bbls

PROCEDURE

1. Set 15bbl Hi-Vis pill below, POOH to 550m and prepare for cement plug
2. Pump 20bbls freshwater spacer ahead
3. Mix and Pump 39.3bbls of Slurry at 15.6ppg
4. Pump 2bbls freshwater spacer behind to balance
5. Displace with 11.6bbls of well fluid. (1bbls underdisplaced to aid in dry POOH)
6. Pick up 2 stands above TOC. Reverse circulate to clean pipe
7. WOC - Min 6hrs before pressure test and tag

MEGASCOLIDES 1 - P&A

Plug 3 - Surface Plug

Plug Details

Plug Bottom MD	50	m	***Workstring***						
Plug Top MD	0	m	4in	DP	14	ppf	0m	-	50m
Plug Length DP out	50	m							
Plug Length DP in	50	m	***Annulus***						
TVD	50	m	9.625in	CSG	36	ppf	0m	-	50m
Plug Volume	12.7	bbls							
Spacer Ahead	10.0	bbls							
Spacer Behind	0.0	bbls	***Temperatures***			***@ 3.50ºC/100m***			
Displacement	0.0	bbls	BHST	28 Deg C	BHCT	25 Deg C			

SLURRY Design

15.6	ppg	Class A Cement	94	lb/sk	61	sks
1.18	cuft/sk	CaCl2 (1%BWOC)	7.5	lb/10bbls MF	6	lb
5.26	gal/sk Mix Water					
5.26	gal/sk Total Mix Fluid	Mix Water			8.2	bbls
0.5	**bbls Pit losses**	Mix Fluid			8.2	bbls

PROCEDURE

1. Run stinger or DP to 50m
2. Pump 10bbls freshwater spacer ahead
3. Mix and Pump 13bbls of Slurry at 15.6ppg
4. Pump 1bbls or more freshwater spacer behind to flush lines

3.0 SLURRY LAB REPORTS

HALLIBURTON

CEMENT SLURRY REPORT

JOB INFORMATION

Customer	:	Karoon Gas	**Date**	:	16/11/2006
Well Name	:	Megascolides 1	**Reference**	:	M-06-01E
Casing Size	:	11" Open Hole			
Job Type	:	KOP			
Slurry Type	:	Single			
Time to Temp	:	26 min.			

WELL PROPERTIES

Depth(MD from RKB)	:	1740	Meters	**Depth(TVD from RKB)**	:	1740	Meters
Surface Temperature	:	25	Deg.C.	**Temperature Gradient**	:	3.62	Deg.C./100M
BHST	:	88	Deg.C.	**BHCT (per API Spec 10)**	:	71	Deg.C.
Mud Weight	:	9.30	PPG	**Water Source**	:	DRILL	

SLURRY PROPERTIES

ABC Class G	:	94.00	Lbs/sk		
NF-6	:	0.25	gal/10bbl of Mix Fluid	0.002	gal/sk
CFR-3L	:	10.00	gal/10bbl of Mix Fluid	0.098	gal/sk
HR-6L	:	3.20	gal/10bbl of Mix Fluid	0.031	gal/sk

Slurry Weight	:	16.80	PPG	**Slurry Yield**	:	1.02	CuFt/Sack
Mixing Water	:	3.99	Gals/Sack	**Total Mixing Fluid**	:	4.12	Gals/Sack

THICKENING TIME

Reading (BC)	:	**Initial BC**	**30 BC**	**50 BC**	**70 BC**	3,308	psi
Time(hrs:mins)	:	9	3:19	3:27	3:30	71	Deg.C.

RHEOLOGY READINGS

Fann Readings (RPM)	:	**300**	**200**	**100**	**6**	**3**	**PV**	**YP**
25 Deg C	:	95	63	33	5	4	93	2
BHCT 71 Deg C	:	72	52	28	10	9	66	6

COMPRESSIVE STRENGTH

UCA Summary	:	**50psi**	0:25	**UCA Max Temp**	:	78	Deg C
	:	**500psi**	5:09	**UCA Pressure**	:	3000	psi
	:	4320**psi**	24:00				

FREE WATER

Reading	:	TRACE	Vertical	-	45 degrees

Notes : The test was conducted to the specifications provided.

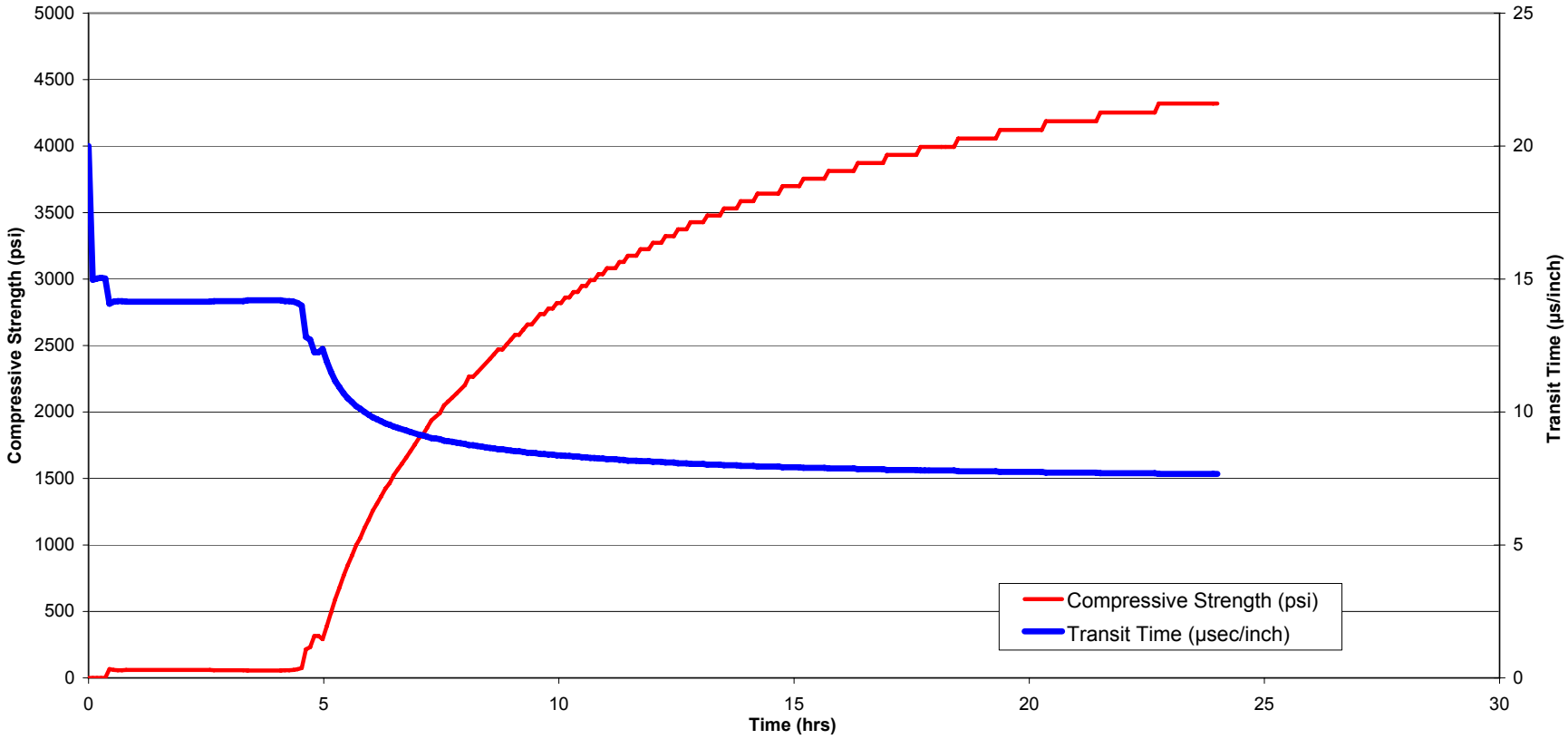
Lab Technician : Claudio Diaz

Approved : Lucien Bianchi / Andrew Stobie

Project No	: M-06-01E	HALLIBURTON	Strength 1 (50psi)	:	0:25
Well Name/Job	: Megascolides 1 / KOP		Strength 2 (500psi)	:	5:09
Date	: 16/11/2006		Strength 3 (4320psi)	:	24:00
Pressure	: 3000psi	ULTRASONIC CEMENT ANALYZER			
Temperature	: 78°C/173°F				

Cement : ABC Class G & CFR-3L - 10.0gal/10bbl & HR-6L - 3.2gal/10bbl & NF-6 - 0.25gal/10bbl & Fresh Water

Density – 16.8ppg ▲ Yield – 1.02cuft/sk ▲ Water – 3.99gal/sk ▲ Total Fluid – 4.12gal/sk



HALLIBURTON

CEMENT SLURRY REPORT

JOB INFORMATION

Customer	:	Karoon Gas	**Date**	:	27/12/2006
Well Name	:	Megascolides 1	**Reference**	:	M-06-04C
Casing Size	:	10" Open Hole			
Job Type	:	Plug #1			
Slurry Type	:	Single			
Time to Temp	:	26 min.			

WELL PROPERTIES

Depth(MD from RKB)	:	1800	Meters	**Depth(TVD from RKB)**	:	1800	Meters
Surface Temperature	:	25	Deg.C.	**Temperature Gradient**	:	3.61	Deg.C./100M
BHST	:	90	Deg.C.	**BHCT (per API Spec 10)**	:	52	Deg.C.
Mud Weight	:	9.30	PPG	**Water Source**	:	DRILL	

SLURRY PROPERTIES

Class A Cement	:	94.00	Lbs/sk		
NF-6	:	0.25	gal/10bbl of Mix Fluid	0.003	gal/sk
HR-6L	:	5.00	gal/10bbl of Mix Fluid	0.063	gal/sk
Halad-413L	:	20.00	gal/10bbl of Mix Fluid	0.252	gal/sk

Slurry Weight	:	15.60	PPG	**Slurry Yield**	:	1.19	CuFt/Sack
Mixing Water	:	5.00	Gals/Sack	**Total Mixing Fluid**	:	5.30	Gals/Sack

THICKENING TIME

Reading (BC)	:	**Initial BC**	**30 BC**	**50 BC**	**70 BC**	3,600	psi
Time(hrs:mins)	:	10	2:40	2:50	3:00	52	Deg.C.

Notes : This test is projected from data compiled on our database. Actual test results may differ slightly

Lab Technician : Prem

Approved : Andrew Stobie

4.0 JOB LOGS (FARPAC'S)

HALLIBURTON

CUSTOMER	SALES ORDER No.	DATE
Karoon Gas Ltd.	NA	28-29/12/2006

CEMENT/PUMPING JOB SUMMARY

WELL	LOCATION/FIELD NAME	COUNTRY	HES REP	CUSTOMER REP	WELL TYPE
Megascolides #1	Warragul	Australia	Ronald Zwarteveen	Bruce Pilat	Exploration

JOB TYPE	JOB PURPOSE CODE	BDA
Zonal Isolation	PLUG TO ABANDON 7528	Perth

PERSONNEL / EXPOSURE (HRS)			PERSONNEL / EXPOSURE (HRS)			PERSONNEL / EXPOSURE (HRS)			PERSONNEL / EXPOSURE (HRS)		
#N/A	Ronald Zwarteveen	12	#N/A	Danny Lamaroo							
#N/A	Robert Bridgeman	12									

EQUIPMENT

PUMPING/MIXING UNIT	HRS	BULK SUPPLY/TANKS	HRS	VEHICLES/TRAILERS	HRS	OTHER	HRS

FLOAT EQUIPMENT	CASING ATTACHMENTS	CASING EQUIPMENT	CASING EQUIPMENT

WELL PROFILE

PREVIOUS CASING	PREVIOUS CASING/LINER	NEW CASING	OPEN HOLE/EXCESS	CALLIPER VOLUME

FOR PLUG AND LINER JOBS PLEASE INDICATE WORKSTRING

CEMENT DESIGN

Plug #1		Plug #2		Plug #3	
ABC Class 'A'	Drillwater	ABC Class 'A'		ABC Class 'A'	
Density 15.6 ppg	Water	Density 15.6 ppg		Density 15.6 ppg	Water gal/sk
Yield 1.19 cuft/sk	MW 5.30 gal/sk	Yield 1.18 cuft/sk	MW 5.26 gal/sk	Yield 1.18 cuft/sk	MW 5.26 gal/sk
Halad-413L 20.0 gal/10bbl	NF-6 0.25 gal/10bbl				
HR-6L 5.00 gal/10bbl					

PUMPING SCHEDULE

FLUID	VOLUME	DENSITY	RATE	FLUID	VOLUME	DENSITY	RATE	FLUID	VOLUME	DENSITY	RATE

EJCS / CUSTOMER COMMENTS

Dear Customer,

We hope you were happy with the service quality of this job performed by Halliburton. It is the aim of our management and service personnel to deliver equipment and services of a standard unmatched in the service sector of the energy industry

Please take the time to let us know if our performance met your expectations. Please be as critical as possible to ensure we constantly improve our service. Your comments are of great value to us and are intended for the exclusive use of Halliburton.

Please indicate your response by placing a tick in the box underneath the rating that best matches your opinion.

	Excellent (Performance benchmark achieved)	**Good** (successful and efficient execution)	**Average** (Did what was required)	**Below Average** (minimum effort was made)	**Poor** (Did not comply)
	5	4	3	2	1
Did our personnel perform the job to your satisfaction?		✓			
Did our equipment perform the job to your satisfaction?		✓			
Did we perform the job to the agreed upon design?		✓			
Did our products and materials perform as you expected?		✓			
Did we perform in a safe & careful manner?		✓	✓		
Did we perform in an environmentally sound manner?		✓			
Was the job performed as scheduled?		✓			
Did the equipment condition & appearance meet you expectations?		✓			
How well did our personnel communicate during mobilisation, rig-up and job execution?		GOOD			

Customer Comments? *(What can we do to improve/maintain our services?)*

Customer Signature: ..... **Date:** 29/12/06

HALLIBURTON

CUSTOMER	SALES ORDER No.	DATE
Karoon Gas Ltd.	NA	28-29/12/2006

CEMENTING/ PUMPING JOB LOGS

WELL	LOCATION/FIELD NAME	COUNTRY	HES REP	CUSTOMER REP	WELL TYPE
Megascolides #1	Warragul	Australia	Ronald Zwarteveen	Bruce Pilat	Exploration

JOB TYPE	JOB PURPOSE CODE	BDA
Zonal Isolation	PLUG TO ABANDON 7528	Perth

PERSONNEL / EXPOSURE (HRS)			PERSONNEL / EXPOSURE (HRS)		PERSONNEL / EXPOSURE (HRS)	PERSONNEL / EXPOSURE (HRS)
#N/A	Ronald Zwarteveen	12	#N/A	Danny Lamaroo		
#N/A	Robert Bridgeman	12				

KEY PERFORMANCE INDICATORS

JOB TYPE	Primary Cement Job	TOTAL TIME PUMPING FLUIDS	1 hrs	PIPE MOVEMENT	NONE
TOTAL NON PRODUCTIVE RIG TIME	0 hrs	NUMBER OF UNPLANNED SHUTDOWNS	0	HES INCIDENT, ACCIDENT, INJURY?	NO
% MIXING DENSITY ON TARGET	90 %	%MIXING PUMP RATE ON TARGET	95 %	WAS ADC USED?	YES
NUMBER OF REMEDIAL SQUEEZE JOBS REQUIRED AFTER PRIMARY JOB PERFORMED BY HES	0			RIG CLASSIFICATION	LAND
NUMBER OF REMEDIAL SQUEEZE JOBS REQUIRED AFTER PRIMARY JOB PERFORMED BY COMPETITION	0			IN THE EVENT OF UNPLANNED SHUTDOWNS OR NPT PLEASE PROVIDE DETAILS OF CAUSE	
NUMBER OF REMEDIAL PLUG JOBS REQUIRED AFTER PRIMARY PLUG JOB PUMPED BY COMPETITION	0				

JOB LOG

DATE DAY-MONTH-YEAR	TIME HRS:MIN	VOLUME bbls	PRESSURE (psi) HIGH	PRESSURE (psi) LOW	RATE bpm	JOB DESCRIPTION REMARKS/DETAILS
28/12/2006	06:30					Arrive Location
						Spot Equipment
Plug #1	11:15					ToolBox Meeting
1840-1740mtr.	11:40					start Job
		20	450		5	Pump 20bbl Fw Spacer
			3000			Press.Test Lines
	12:15	32.8	200		4	Mix & Pump 32.8 bbl @15.6 Slurry
	12:25	2				Pump 2 bbl.FW to balance
						Rig pumps Displace
	12:30					end Job
Plug #2	18:00					ToolBox Meeting
550-450mtr.	18:25					start Job
	18:30	20	200			Pump 20bbl Fw Spacer
	18:35		1000			Press.Test Lines
			50			
	18:40	47	250			Mix & Pump 47bbl @15.6 Slurry
		2	100			Pump 2 bbl.FW to balance
		10				Pump Diplacement 10 bbl
	19:00					end Job
Plug #3	07:30					ToolBox Meeting
50-0 mtr.	10:10					start Job
	10:10	20				Pump 20bbl Fw Spacer
	10:15		1000			Press.Test Lines
	10:20	12	75			Mix & Pump 12bbl @15.6 Slurry
	10:30		50			Pump 2 bbl.FW to balance and Displace
	10:35					end Job
						Cement used: 427 sks
						Chemicals used:
						Halad-413L 40 gals.
						HR6-L 6Gals.
						NF-6 5Gals.

END OF JOB LOGS PAGE 1

HALLIBURTON

CUSTOMER	SALES ORDER No.	DATE
Karoon/Upstream	NA 478298/ 360	17-Dec-06

CEMENT/PUMPING JOB SUMMARY

WELL	LOCATION/FIELD NAME	COUNTRY	HES REP	CUSTOMER REP	WELL TYPE
Megascolides #1	Megascolides	Australia	Ronald Zwarteveen	Brian Holland	Re-Entry

JOB TYPE	JOB PURPOSE CODE	BOA
Zonal Isolation	WHIPSTOCK/PLUG 7529	Perth

PERSONNEL / EXPOSURE (HRS)		PERSONNEL / EXPOSURE (HRS)	PERSONNEL / EXPOSURE (HRS)	PERSONNEL / EXPOSURE (HRS)
#N/A Ronald Zwarteveen	12			
	12			

EQUIPMENT

PUMPING/MIXING UNIT	HRS	BULK SUPPLY/TANKS	HRS	VEHICLES/TRAILERS	HRS	OTHER	HRS

FLOAT EQUIPMENT	CASING ATTACHMENTS	CASING EQUIPMENT	CASING EQUIPMENT

WELL PROFILE

PREVIOUS CASING	PREVIOUS CASING/LINER	NEW CASING	OPEN HOLE/EXCESS	CALLIPER VOLUME

FOR PLUG AND LINER JOBS PLEASE INDICATE WORKSTRING

CEMENT DESIGN

FIRST STAGE / LEAD/ SINGLE SLURRY				SECOND STAGE / TAIL				THIRD STAGE			
ABC Class 'G'		Drillwater									
Density	16.8 ppg	Water	3.99 gal/sk	Density	ppg	Water	gal/sk	Density	ppg	Water	gal/sk
Yield	1.02 cuft/sk	MW	4.12 gal/sk	Yield	cuft/sk	MW	gal/sk	Yield	cuft/sk	MW	gal/sk
NF-6	0.3 gal/10bbl				%BWOC						
CFR-3L	##### gal/10bbl				%BWOC						
HR-6L	3.20 gal/10bbl				%BWOC						
					gal/10bbl						

PUMPING SCHEDULE

FLUID	VOLUME	DENSITY	RATE	FLUID	VOLUME	DENSITY	RATE	FLUID	VOLUME	DENSITY	RATE
FW			6bpm	Lead	45	16.8	4.5 bpm				
Spacer	20	8.3	5bpm								
Freshwater				Displacement	71.7	10	6 bpm				

EJCS / CUSTOMER COMMENTS

Dear Customer,

We hope you were happy with the service quality of this job performed by Halliburton. It is the aim of our management and service personnel to deliver equipment and services of a standard unmatched in the service sector of the energy industry

Please take the time to let us know if our performance met your expectations. Please be as critical as possible to ensure we constantly improve our service. Your comments are of great value to us and are intended for the exclusive use of Halliburton.

Please indicate your response by placing a tick in the box underneath the rating that best matches your opinion.

	Excellent (Performance benchmark achieved)	**Good** (successful and efficient execution)	**Average** (Did what was required)	**Below Average** (minimum effort was made)	**Poor** (Did not comply)
	5	4	3	2	1
Did our personnel perform the job to your satisfaction?		4			
Did our equipment perform the job to your satisfaction?		4			
Did we perform the job to the agreed upon design?		4			
Did our products and materials perform as you expected?		4			
Did we perform in a safe & careful manner?		4			
Did we perform in an environmentally sound manner?		4			
Was the job performed as scheduled?		4			
Did the equipment condition & appearance meet you expectations?		4			
How well did our personnel communicate during mobilisation, rig-up and job execution?		4			

Customer Comments? *(What can we do to improve/maintain our services?)*

Customer Signature: Brian Holland **Date:**

HALLIBURTON	CUSTOMER	SALES ORDER No.	DATE
	Karoon/Upstream	NA	17-Dec-06

CEMENTING/ PUMPING JOB LOGS

WELL	LOCATION/FIELD NAME	COUNTRY	HES REP	CUSTOMER REP	WELL TYPE
Megascolides #1	Megascolides	Australia	Ronald Zwarteveen	Brian Holland	Re-Entry
JOB TYPE		JOB PURPOSE CODE		BDA	
Zonal Isolation		WHIPSTOCK/PLUG 7529		Perth	

PERSONNEL / EXPOSURE (HRS)			PERSONNEL / EXPOSURE (HRS)		PERSONNEL / EXPOSURE (HRS)		PERSONNEL / EXPOSURE (HRS)	
#N/A	Ronald Zwarteveen	12						
		12						

KEY PERFORMANCE INDICATORS

JOB TYPE	Primary Cement Job	TOTAL TIME PUMPING FLUIDS	1 hrs	PIPE MOVEMENT	NONE
TOTAL NON PRODUCTIVE RIG TIME	0 hrs	NUMBER OF UNPLANNED SHUTDOWNS	0	HES INCIDENT, ACCIDENT, INJURY?	NO
% MIXING DENSITY ON TARGET	95 %	%MIXING PUMP RATE ON TARGET	95 %	WAS ADC USED?	YES
NUMBER OF REMEDIAL SQUEEZE JOBS REQUIRED AFTER PRIMARY JOB PERFORMED BY HES			0	RIG CLASSIFICATION	LAND
NUMBER OF REMEDIAL SQUEEZE JOBS REQUIRED AFTER PRIMARY JOB PERFORMED BY COMPETITION			0	IN THE EVENT OF UNPLANNED SHUTDOWNS OR NPT PLEASE PROVIDE DETAILS OF CAUSE	
NUMBER OF REMEDIAL PLUG JOBS REQUIRED AFTER PRIMARY PLUG JOB PUMPED BY COMPETITION			0		

JOB LOG

DATE DAY-MONTH-YEAR	TIME HRS:MIN	VOLUME bbls	PRESSURE (psi) HIGH	PRESSURE (psi) LOW	RATE bpm	JOB DESCRIPTION REMARKS/DETAILS
15/12/2006	11:30					Arrive Location
	12:00					Spot Bulker 1410
	15:45					Load Cement 241 sks
16/12/2006						
	09:00					Spot Cement unit
						Rig up Lines
						Prepare Mixwater
17/12/2006						
	12:00					ToolBox meeting
	12:40					Start Job
		17	300		6	Rig pumps 17 bbl Fw spacer
	12:50	3	350		6	Hall pumps 3bbl Fw spacer
	12:55		3000			PressTest lines 3000 psi
	13:00	44	200		4.5	Mix & pump Slurry @ 16.8 ppg
	13:15	2	50		4	Pump 2 bbl Fw to Balance
	13:17	71.9			6	Rig pumps 71.9 bbl Displacement
	13:45					End Job
						Chemicals used:
						Cement G 240 sks
						CFR-3 42 gals.
						HR6-L 14 gals.
						NF-6 4 gal

Brian Holland

END OF JOB LOGS PAGE 1

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ATTACHMENT 13 : MFT SUMMARY TABLE

COMPACT FORMATION TESTER
TEST SUMMARY

CLIENT:	KAROON GAS	**DATE:**	27-Dec-06
FIELD:	WILDCAT	**UNIT:**	HSU2
WELL:	MEGASCOLIDES1 RE ST1	**ENG:**	E.MANN
LOC:	145*, 52', 50.8” E -38*, 13', 57.5” S	**EQUIP:**	MCG162, MFT017

Test No.	Depth (m)	$P_{hyd\ before}$ (psi)	$P_{d/down}$ (1) (psi)	P_{form} (1) (psi)	$P_{d/down}$ (2) (psi)	P_{form} (2) (psi)	D/Down Vol CC	Rate CC/S	$P_{hyd\ after}$ (psi)	Drawdown Mobility (1) (mD/cP)	Drawdown Mobility (2) (mD/cP)	Drawdown Mobility (3) (mD/cP)	Remarks
1	1796.7	2776.5	n/a	n/a	n/a	n/a	5	0.50	2776.3	n/a	n/a	n/a	TIGHT TEST
2	1798.0	2778.4	n/a	n/a	n/a	n/a	5	0.50	2778.3	n/a	n/a	n/a	TIGHT TEST
3	1806.5	2791.4	n/a	n/a	n/a	n/a	5	0.50	2791.2	n/a	n/a	n/a	TIGHT TEST
4	1831.2	2828.9	n/a	n/a	n/a	n/a	5	0.50	2828.7	n/a	n/a	n/a	TIGHT TEST
5	1833.0	2831.6	n/a	n/a	n/a	n/a	5	0.50	2831.4	n/a	n/a	n/a	TIGHT TEST
6	1882.5	2906.6	n/a	n/a	n/a	n/a	5	0.50	2906.4	n/a	n/a	n/a	TIGHT TEST
7	1883.6	2908.2	n/a	n/a	n/a	n/a	5	0.50	2908.2	n/a	n/a	n/a	NO SEAT
8	1883.8	2908.6	n/a	n/a	n/a	n/a	5	0.50	2908.6	n/a	n/a	n/a	NO SEAT
9	1884.5	2909.6	n/a	n/a	n/a	n/a	5	0.50	2909.6	n/a	n/a	n/a	TIGHT TEST
10	1884.6	2909.8	n/a	n/a	n/a	n/a	5	0.50	2909.8	n/a	n/a	n/a	NO SEAT
11	1885.3	2910.8	n/a	n/a	n/a	n/a	5	0.50	2910.9	n/a	n/a	n/a	TIGHT TEST – LOST SEAL
12	1886.0	2911.8	n/a	n/a	n/a	n/a	5	0.50	2911.6	n/a	n/a	n/a	TIGHT TEST – LOST SEAL
13	1886.2	2912.3	n/a	n/a	n/a	n/a	5	0.25	2912.3	n/a	n/a	n/a	NO SEAT
14	1888.0	2914.9	n/a	n/a	n/a	n/a	5	0.25	2914.8	n/a	n/a	n/a	TIGHT TEST
15	1889.3	2916.9	n/a	n/a	n/a	n/a	5	0.25	2916.7	n/a	n/a	n/a	TIGHT TEST
16	1889.5	2917.2	n/a	n/a	n/a	n/a	5	0.25	2917.2	n/a	n/a	n/a	NO SEAT

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ATTACHMENT 14 : OTSA WELL TEST MOBLISATION REPORT

OTSA Field Supervisors- Well Test Report

Client:	Karoon Gas Australia	**Well:**	Megascolides-1
Date In:	27/Dec/06	**Test Interval:**	Open hole 508 - 1980M
Date Out:	27/Dec/06	**Formation:**	n/a
Client Rep:	Bruce Pilot	**Test Type:**	DST
Permit:	n/a	**Rig Contractor:**	Century
Town / State:	Lardner	**Rig Name:**	Rig-11

Safety

OTSA Personnel:	2	**Safety Meetings:**	0
Current LTA:	0	**Rig Inductions:**	1
Current LTI:	0	**JHA's:**	0
Incidents Reported:	***1 (OIR-001)***	**Toolbox Talks:**	1

click on any OTSA logo to return to this page

Reports

Standard Well Test Report | ***Metric Well Test Report***

Sequence of Operations | ***Daily Costs***

Key Performance Indicators | ***Conversion Tables***

Constants

Separator:	30 X 10 3phase SS 1440 psi	**Meter-run size:**	3.00
Local ATM Press:	14.73	**Obs API Gravity:**	30.00
Hydrometer Temp:	80.00	**Oil Meter Factor:**	1.00
Water Meter Factor:	1.00	**Shrinkage Factor:**	1.00

Test Crew & Support

Proj. Coordinator:		**Test Operator:**	Chris Caston
Field Test Eng:		**Test Technician:**	
Test Supervisor:	Gary Drummond	**Trainee / Helper:**	

OTSA Oilfield Technical Services Australia

KAROON Gas Australia

Date/Time			
Date	Time	Comments	Description
24hr	*hh:mm*	*from report*	*Details of events*
26/Dec/06	08:30	Order to mob	Stand-by from 15 Dec - 25 Dec 2006
26/Dec/06	10:00	Load equipment	
26/Dec/06	12:00	Depart Adelaide	
26/Dec/06	22:30	Arrive location - Century Rig-11	Logging operations with Precision - Got instructions from location for camp
26/Dec/06	23:00	Arrive camp	
27/Dec/06	03:00	Equipment arrive on location	
27/Dec/06	06:30	Personnel on location	Precision running logging operations - Gary Drummond & Chris Caston arrive on location for rig-up
27/Dec/06	08:00	Inspect equipment	Found gas line on separator damage to downstream of back pressure valve - 2" line shered
27/Dec/06	09:00	Offload equipment	Crane arrived - offload equipment in temporary spce for relocation righ of catwalk
27/Dec/06	10:00	Spot equipment	Rg up pipe with asistance from rig crew and make repairs to back pressure valve on gas line
27/Dec/06	14:45	Complete seperator repairs	Flange up back pressure valve.
27/Dec/06	15:00	Test canceled	Advised by company man Bruce Pilot that well will be P&A - start rigging down - call for trucks to return
27/Dec/06	18:00	Depart location	Complete rig-down - Bruce Pilot advised he will coordinate OTSA equipment loadout.
27/Dec/06	06:30	OTSA crew depart Warragul	
28/Dec/06	07:00	KJM load equipment	
28/Dec/06	09:00	KJM depart for Adelaide	
28/Dec/06	16:30	OTSA crew arrive Adelaide	Unload equipment from vehicle to storage containers at KJM yard
28/Dec/06	21:00	KJM arrive Adelaide	

OTSA Oilfield Technical Services Australia

Incident & Risk Evaluation

Lock Record

No: OIR-61-ADLOP-001

PART 1 - SOURCE

1.00 Report Origin

1.01 Source: Direct Entry | Rep Type: Post-Evaluation (correction) | Date: 27-Dec-06

1.02 Person making this report: PER-103-06 | Drummond | Gary | Projects

PART 2 - INVOLVEMENT — IDENTIFICATION

2.00 OTSA Employees

2.01	Principle Employee involved:		Caston	Chris	Operations
2.02	Principle Employee Effected:				
2.03	Third-party Observer:			Shane	KJM

Notes: Shane is one of the drivers of the two truck/trailers that transported OTSA equipment from Adelaide to Lardner, Victoria.

2.10 Clients

2.11	Principle Client involved:				
2.12	Principle Client Effected:				
2.13	Third-party Observer:		Pilot	Bruce	Karoon Gas

Notes: The company man (Bruce Pilot) inspected the damage and took photos for records. His immediate observations and comments indicated damage caused due to road conditions.

2.20 Visitors

2.21	Principle Visitor involved:				
2.22	Principle Visitor Effected:				
2.23	Third-party Observer:			Cesar	Century

Notes: The rig manager (Cesar) was the first to notice the broken pipe prior to offloading the seperator. He ordered the rig crew to assist OTSA in dismanteling the damaged item and help with rig-up operations.

PART 3 - CLASSIFICATION — IDENTIFICATION

3.00 Type of Evaluation

3.01 Type of Incident: Property Damage | Location: Lardner - Victoria

3.02 Proximity details: Megascolides-1

EFFECTING

	v People	v Assets	v Environment eco/socio	v Reputation
3.02	No Injury	Localized Damage	No Effect	Limited Impact

3.03 Previous Risk Rating: n/a = #N/A

PART 4 - ENVIRONMENT

ANALYSIS

4.00 Conditions

4.01	Time of Incident:	09:00	AM	Visual Conditions:	Good Light
4.02	Surface Conditions:	Bumpy		Weather:	Rain

Notes: Actual time of incident is unknown, however no damage was observed between equipment arrival at the KJM yard Adelaide from Innamincka to loadout for transport to Lardner, Victoria.

4.10 Category

4.11	Involving:	Equipment	Underlying Issues:	Rough Roads

PART 5 - RAC (for rout cause analysis use only)

ANALYSIS

5.00						
5.01	Management:	1		2		3
		4		5		6
5.02	Operations:	1		2		3
		4		5		6
5.10						
5.11	Issues:	1		2		3
5.20						
5.21	In Use:	1		2		3
5.30						
5.31	General:	1		2		3
		4		5		6
5.32	Detail:	1		2		3
		4		5		6
5.40						
5.41	Issues:	1		2		3
		4		5		6
5.50						
5.51	Assult/Aggr:	1		2		3
5.60						
5.61	Skin Tear:	1		2		3
5.70						
5.71	Issues:	1		2		3
5.80						
5.81	Breach:	1		2		3
5.90						
5.91	Lost/Damage:	1		2		3

Notes:

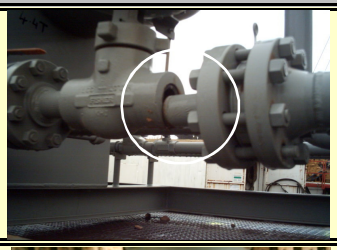
PART 6 - QUALITATIVE ANALYSIS (report) — ANALYSIS

6.00 Summary

6.01 Facts - 15th December 2006 - equipment for Karoon Gas was loaded in the Innamincka Yanpura yard in the Cooper Basin under observation from OTSA personnel, Mark Dibbens and Gary Drummond. The seperator was winched up over a roller bar with no jolting, vibration or stress.

Equipment was taken to the KJM yard at Innamincka and transfered to a road-train where it departed on the 19th of December 2006 and arrived on the 20th December 2006 where detailed inspections were made by Mark Dibbens and Gary Drummond. It was observed that the seperator had been reloaed onto another flatbed trailer (no damage noted) for stand-by for Karoon Gas call-out.

The seperator was reloaded on the 26th of December 2006 for transport to Lardner, Victoria and was again observed by Gary Drummond. Upon arrival and inspection, observed broken nipple downstream of the BP valve and 'U' bolts had come loose.



PART 7 - RISK MANAGEMENT — EVALUATION

7.00 Evaluate

7.01 Upon further inspection, OTSA and welder noted extreme stress on metal on the shered face.

7.02 Risk Rating: 2 x 4 = H

PART 8 - RISK MANAGEMENT — TREATMENT

8.00 Remedial or Mitigating Action to be taken

8.01 A temporary repair was done usiing a certified welder with a 2" sch-80 NPT nipple. As this is downstream, no full pressure will be expected. Upon the arival of the unit, the BPV will need to be removed and redone with certs. Further inspections to be carried out on all joints, welds including calibration, pressure and function test of unit, instrumentation and Rosemount DP cell.

8.02 Responsible Party: PER-103-06 Gary Drummond / Mark Dibbens

8.10 Action Taken - Recovery

8.11 The BPV was taken to Tru-Shape Eng and socket weld re-done. Rosemount was taken to Abstec and checked-ok. Re-installed BPV and hydro-tested separator to 750psi for 15 minutes in 250psi increments - all tested ok.

Date: 18-Jan-07

PART 9 - RISK MANAGEMENT — RESULTS

9.00 Post Treatment Observations

9.01 Preventive measures, load/transport soft-ride and/or on tyres (or trailer mount). U-bolts have been tightened with double lock nuts.

9.02 Risk Rating: 1 x 4 = M

PART 10 - COMPLETION — FILE

10.00 Sign

Drummond Gary

Reviewed: Bruce Farley / Mark Dibbens

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ATTACHMENT 15 : BOP TEST & RIG ACCEPTANCE REPORTS

BLOWOUT PREVENTION EQUIPMENT CHECK LIST

- This report is to be completed before drill out on each well and there after fortnightly. Bleed down and recovery should be performed on initial nipple ups only.
- The accumulator unit should be inspected and tested by operating all BOP's using the energy stored in the accumulator.
- The accumulator should have sufficient capacity to **close** each bag and each ram **once** and **open** one HCR once at the rated well pressure and obtain a seal

Refer to API 53 17.3.2, 17.7.1

Contractor	**Century Drilling, Rig 11**
Report or Week #	**1**
Date	**9th & 10th December 2006**
Well	**Megascolides # 1 RE**
BOP operating unit	**Koomey**
BOP stack	**13 5/8" 5K**
Choke manifold	**3 1/8" 5K**

Before commencing check list on page 2 perform the following:

1. Check Accumulator fluid level
2. Check Accumulator pressure
3. Check Operating pressure
4. Check & confirm bottles fully charged (N2)
5. Check lines are hooked up
6. Check Driller's BOP panel
7. Check remote BOP panel

Repeat steps 4 & 5 after function testing BOP

PUMP SETTINGS	Starts psi	Stops psi	API spec Start psi *	API Spec Stops psi *
Electric Pump	**2800**	**3000**	**2700**	**3000**
Air Pump	**2550**	**2850**	**2550**	**2850**

Accumulator Pressure	
Initial Press	**3,000**
Pre-charge Press	**1,000**
Is final pressure at least 200psi more than Pre-charge Press?	**Yes**

- The primary pump system will **start** automatically at **90%** of the accumulator designed working pressure, and **stop** automatically at the **maximum** designed working pressure.

** The secondary pump system will **start** automatically at **85%** of the accumulator designed working pressure, and **stop** automatically at **95%** of the maximum designed working pressure

BLOWOUT PREVENTION EQUIPMENT CHECK LIST

Accumulator Pressure			Rig No:		Century 11	Date	10th December 2006		
1. BOP	**Type / Size**		**Low Press PSI**	**High Press PSI**	**Duration Minutes**	**Test No.**	**Passed**		
Annular	GL	13 5/8	200	3000	10 / 10	6	Y / Y		
Pipe Rams	SL	13 5/8	200	3000	10 / 10	1-5	Y / Y		
Blind Rams	SL	13 5/8	200	3000	10 / 10	7	Y / Y		
Casing		9 5/8	200	1100	5/5	13	Y / Y		
2. Kill Line								**Function**	**ID**
Stand Pipe		4”	200	3000	10 / 10	1	Y / Y		
Hose		4”	200	3000	10 / 10	1	Y / Y		
Valve Kelly		4”	200	3000	10 / 10	1	Y / Y		
Upper Kelly Cock			200	3000	10 / 10	2	Y / Y		
Lower Kelly Cock			200	3000	10 / 10	3	Y / Y		
Outer Kill			200	3000	10 / 10	1-3	Y / Y		
Inner Kill			200	3000	10 / 10	4	Y / Y		
3. Safety Valves								**Function**	
HCR			200	5000	10 / 10	8-12	Y / Y		
Manual HCR			200	3000	10 / 10	13	Y / Y		
TIW number 1			200	3000	10 / 10	6	Y / Y		
TIW number 2									
Inside BOP valve									
Stabbing Valve			200	3000	10 / 10	4	Y / Y		
4. Choke Manifold								**Function**	
Choke Valves 1, 2 + 3			200	5000	10 / 10	12	Y / Y		
Choke Valves 3, 5 + 7			200	5000	10 / 10	10	Y / Y		
Choke Valves 6, 8 + 9			200	5000	10 / 10	9	Y / Y		
Choke Valves 10 + 11			200	5000	10 / 10	8	Y / Y		
Chokes manual & remote			200		10	11	Manual N Remote Y		

NB

- *Kelly cock ID should be > or = to string ID that is to be run.*
- *Test number should correspond with SOP and be recorded on the Barton Chart.*

BLOWOUT PREVENTION EQUIPMENT CHECK LIST

Notes:

KOOMEY PRESSURE GAUGE READINGS		
	Unit	**Remote**
Accumulator	2850	3000
Manifold	1650	1500
Annular	795	795

BOPs				
Description	**Gallons to Close**	**Gallons to Open**	**Closing Ratio**	**Opening Ratio**
Hydril 13 5/8” annular preventer – 5K	19.76	14.16		
Shaffer 13 5/8” SL Pipe Rams – 5K	5.44	4.46	5.54:1	3:1
Shaffer 13 5/8” SL CSO Rams – 5K	5.44	4.46	5.54:1	3:1
Choke Line HCR	1.42	1.42		

Recovery time from 1,200psi			
Component	**Initial psi**	**Time (seconds)**	**Final psi**
Close pipe rams	3000	3.5	2575
Open pipe rams	2575	4.0	2250
Close annular	2250	16.0	1500
Open HCR	1500	1.0	1500
Close pipe rams	1500	4.0	1410

Recovery time from 1,200psi	
Electric pump	4min 40sec
Air pumps	13min 30sec
Electric & Air pumps combined	3min 40sec

NB

- *Bleed down and recovery tests are required on the initial nipple up only.*
- *If rams take longer than 30 seconds to fully function, system may be in need of repair.*

PRE SPUD CHECKLIST

RIG 11
WELL Megascolides # 1 RE
CONTRACTOR Century

Rating Definitions:

A – Must be addressed before rig acceptance/spud.

All "Critical", "Safety Critical" and "Environmental" items identified by the inspector shall be rectified and confirmed as such prior to acceptance to spud the first well.

B – Requires approval of schedule prior to acceptance

the Contractor and approved by Operator prior to acceptance to spud the first well. All items shall be rectified and confirmed as such prior to acceptance to spud the second well.

C – Minor. Must be addressed within 45 days of spudding 1st well.

A schedule for rectification of all "Minor" items identified by the inspector shall be prepared by the Contractor and approved by Operator prior to drilLing out surface casing on the first well. All items shall be rectified and confirmed as such within 45 days of spudding of the first well.

D – Fit for purpose. Suitable for immediate use.

Condition of equipment/systems is observed to be meeting current standards of practice.

Inspected by Chris Dann **Date 14/12/06**

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
1.0	**Derrick - Mast**				
1.1	Rig identification plate	13/12/06	CD	D	
1.2	Date of last certified expert inspection	12/11/06	CD	D	
1.3	Verticality	5/12/06	CD	D	
1.4	Safety pins in place & secured	5/12/06	CD	D	
1.5	No visible bent beams/braces	5/12/06	CD	D	
1.6	No visible corrosion/cracks	5/12/06	CD	D	
1.7	Electrical grounding onto sub-structure	5/12/06	CD	D	
1.8	Ladder bolting condition	5/12/06	CD	D	
1.9	Rig floor easy access on ladder	5/12/06	CD	D	
1.10	Counterweighted ladder safety belt cable condition	12/11/06	CD	D	N/A - static safety line installed
1.11	Mast raising line system	12/11/06	CD	D	N/A
1.12	Mast telescoping/folding system	12/11/06	CD	D	
1.13	Presence of spring loaded gates for any access to ladder	12/11/06	CD	D	N/A
1.14	Guylines (if any) properly anchored & tensioned	5/12/06	CD	D	
1.15	Guylines in good condition	5/12/06	CD	D	
1.16	No loose objects on the derrick	13/12/06	CD	D	
1.17	Stand pipes secured	5/12/06	CD	D	
1.18	Mud hoses secured at both ends with safety chains	10/12/06	CD	D	
	Casing stabbing board:	10/12/06	CD	D	
1.19	• Fastening	10/12/06	CD	D	

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
1.20	• Platform condition	10/12/06	CD	D	
1.21	• Lifting system condition	10/12/06	CD	D	
1.22	• Access ladder condition (spring closing gate)	10/12/06	CD	D	N/A
2.0	**Crown Block**				
	Proper fastening (safety slings) on to mast of:	12/11/06	CD	D	Crown block integral part of mast - other items not completely
2.1	• Crown block	12/11/06	CD	D	Current certification sighted
2.2	• Sand line sheave	12/11/06	CD	D	N/A
2.3	• Survey sheave	12/11/06	CD	D	
2.4	• Hyd winch #1 line sheave	12/11/06	CD	D	
2.5	• Hyd winch #2 line sheave	12/11/06	CD	D	
2.6	All auxiliary sheave turning freely	12/11/06	CD	D	
2.7	Fixed point to attach electrical logging pulley?	12/11/06	CD	D	N/A - Use travelling blocks
2.8	Fastening of platform gratings	5/12/06	CD	D	
2.9	Platform hand rails	5/12/06	CD	D	
2.10	Red flashing light working	5/12/06	CD	D	
2.11	Explosion proof electrical system	5/12/06	CD	D	
3.0	**Racking board**				
3.1	Fastening of platform gratings	5/12/06	CD	D	
3.2	Platform hand rails	5/12/06	CD	D	
3.3	Fastening to the mast	5/12/06	CD	D	
3.4	Level corresponding to stands length	8/12/06	CD	D	
3.5	Monkey board condition & stability	8/12/06	CD	D	
3.6	Monkey board slip-proof floor	12/11/06	CD	C	Monkey board to be reviewed during well & changes to be carried out as necessary We intend to make changes to the Monkey Board during the next rig move if the fabrication work is completed. Management of Change will be followed. Measurements and drawings have been completed by the rig on 12-12-2006. Drawings have been completed for the footboards. MOC will be completed for the work to commence. UP / KG accept Century assurance that can be operated safely. Century to have changes made next rig move incl MOC.

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
3.7	DP fingers condition	8/12/06	CD	D	
3.8	DC fingers condition	8/12/06	CD	D	
3.9	DP working rope condition	8/12/06	CD	D	
3.10	Sufficient lighting for safe work	8/12/06	CD	D	
3.11	Minimum two safety belts available	8/12/06	CD	D	
	Escape line	8/12/06	CD	D	
3.12	• Fastening to mast	8/12/06	CD	D	
3.13	• Condition, properly flagged	8/12/06	CD	D	
3.14	• Seat access	8/12/06	CD	D	
3.15	• Hand brake condition	8/12/06	CD	D	
3.16	• Slope/tension	10/12/06	CD	D	
3.17	• Speed regulator condition	8/12/06	CD	D	
4.0	**Rig Floor**				
4.1	Safety posters displayed	12/11/06	CD	D	
4.2	Anti skidding floor in critical area	10/12/06	CD	D	
4.3	Moving machinery (if any) properly guarded	13/12/06	CD	D	
4.4	Hand rails condition	8/12/06	CD	D	
4.5	Hand rails equipped w/kick plates	8/12/06	CD	D	
4.6	"V" door opening chained off or door closed when not in use	8/12/06	CD	D	
4.7	"V" door fastening onto rig	8/12/06	CD	D	
4.8	Rig floor holes protected	10/12/06	CD	D	
4.9	All stair steps are horizontal	10/12/06	CD	D	
4.10	Stair hand rails condition	10/12/06	CD	D	
4.11	Rig floor OBM drainage collector *(if applicable)*	12/11/06	CD	D	N/A for this programme
4.12	Mudcan seals and cable fastening	8/12/06	CD	D	
4.13	Set back mats condition	8/12/06	CD	D	
4.14	Minimum 3 exits from rig floor	8/12/06	CD	D	
5.0	**Dog House**				
5.1	Explosive gas portable detector	8/12/06	CD	D	
5.2	Toxic gas portable detector (if needed)	8/12/06	CD	D	
5.3	Drilling parameters recording Instrument condition	13/12/06	CD	D	
5.4	BOP drawings with all necessary relevant information	13/12/06	CD	D	
5.5	Well control procedures displayed in dog house	12/11/06	CD	D	
5.6	Trip control sheets, kick control worksheets daily updated	12/11/06	CD	D	
5.7	Hand tools in good condition	12/11/06	CD	D	
6.0	**Rotary, Tong & Slips**				
6.1	Rotary table master bushings & bowls: erosion & wear condition	12/11/06	CD	D	
6.2	Rotary lockdown system condition	8/12/06	CD	D	

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
6.3	Rotary gearbox condition	12/11/06	CD	D	
6.4	DP & DC elevator	12/11/06	CD	D	
6.5	Rotary Table driving chain protective case	12/11/06	CD	D	
6.6	Make-up & Brake-out tong back-post fastening on substructure	12/11/06	CD	D	
6.7	Driller protection rollers/guards	8/12/06	CD	D	
6.8	Cat-head roller guides & rope dividers	8/12/06	CD	D	
6.9	MU & BO tong wear	8/12/06	CD	D	
6.10	MU & BO tong suspension cable	8/12/06	CD	D	
6.11	MU & BO tong counter-weight system	8/12/06	CD	D	
6.12	Condition of break-out tongs hinge pins	8/12/06	CD	D	
6.13	Cleanliness of tongs dies & condition	8/12/06	CD	D	
6.14	Proper hard metal tong dies retainers	8/12/06	CD	D	
	Powered spinning wrench:				
6.15	• Suspension cable	8/12/06	CD	D	
6.16	• Retaining line	8/12/06	CD	D	
6.17	• Hoses	10/12/06	CD	D	
6.18	Rig floor air/hydraulic winches:	13/12/06	CD	D	
6.19	• Hand brakes	12/11/06	CD	D	Not fitted to hydraulic winches
6.20	• Automatic brakes	8/12/06	CD	D	
6.21	• Cables condition	8/12/06	CD	D	
6.22	• Spooling guides	13/12/06	CD	D	
6.23	• Safe working load marked	12/11/06	CD	D	
6.24	• Mud covers	12/11/06	CD	D	N/A
6.25	Man riding winch fitted with fail safe brake	8/12/06	CD	D	
6.26	Man riding winch marked "MANRIDING"	13/12/06	CD	D	
6.27	Any wire rope rubbing against structural members or rotary/hydraulic hose	8/12/06	CD	D	
6.28	All wire ropes, chains, & slings used for lifting tagged	8/12/06	CD	D	
7.0	**Well Control Equipment (on the floor)**				
7.1	Appropriate drill pipe float available & in good condition	12/11/06	CD	D	
7.2	BOP control panel w/painted BOP stack elements	8/12/06	CD	D	
7.3	BOP blind/shear ram control handle protected with quick release safety device	13/12/06	CD	D	

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
7.5	Stabbing kelly valve ready for use with adequate lifting device and proper X over	12/11/06	CD	D	
7.6	Kelly cock operation wrench available and in good condition	12/11/06	CD	D	
7.7	Date of last pressure test of above	12/11/06	CD	D	9/12/2006
7.8	X over subs for DC threads, available on rig floor	12/11/06	CD	D	N/A
7.9	Inside BOP with adequate lifting device, ready for use	13/12/06	CD	D	
7.10	Date of last pressure test	12/11/06	CD	D	Certified rental item
7.11	Kelly bushing locking device for backing off	12/11/06	CD	D	N/A
7.12	Date of last function test of choke Panel, gauges & controls gauges & controls	12/11/06	CD	D	9/12/2006
7.13	Wireline pneumatic or hydraulic cutter available at hand	12/11/06	CD	D	On site
7.14	MAASP properly displayed on choke panel	12/11/06	CD	D	To be displayed on kill sheets
7.15	Appropriate DSA & spacer spool available	12/11/06	CD	D	
8.0	**Driller Control Panel**				
8.1	Weight indicator condition & date of last test	12/11/06	CD	D	18/06/2006
8.2	Stand pipe pressure gauge condition	8/12/06	CD	D	
8.3	Pit Volume Totalizer calibrated & alarms functioning	13/12/06	CD	D	
8.4	Mud flow indicator	13/12/06	CD	D	
8.5	Electrical emergency stop	12/11/06	CD	D	N/A
8.6	Electrical control panel under air pressure	12/11/06	CD	D	N/A
8.7	Automatic driller condition	12/11/06	CD	D	Not installed
8.8	Pump stroke counter & totalizer	13/12/06	CD	D	
8.9	Make-up torque gauge	12/11/06	CD	D	
8.10	Rotary table speed gauge	13/12/06	CD	D	
8.11	Rotary table torque gauge	13/12/06	CD	D	
9.0	**Drawworks**				
9.1	Fastening onto substructure	12/11/06	CD	D	Drawworks integral on rig carrier
9.2	Vibrations in drawworks	12/11/06	CD	D	
9.3	Drawworks cooling water flow & temperature monitoring system	12/11/06	CD	D	Visual flow only
9.4	Mechanical hand brake adjustment & efficiency	8/12/06	CD	D	
9.5	NDT inspection records for brake band mounting lugs, eye bolts & linkage	12/11/06	CD	D	

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
9.6	Brake bands and rims condition	12/11/06	CD	D	
9.7	Hydromatic operation/condition/last inspection	12/11/06	CD	D	Hydromatic is new & operational
9.8	Crown-o-matic present adjustment	12/11/06	CD	D	
9.9	Date of last test	12/11/06	CD	D	10/12/2006
9.10	Cable condition of catheads line	12/11/06	CD	D	
9.11	Rope to cable connection	12/11/06	CD	D	N/A
9.12	Sandline function	12/11/06	CD	D	N/A
9.13	· Date of last utilization of above	12/11/06	CD	D	Not fitted
9.14	· Sandline cable guide	12/11/06	CD	D	Not fitted
9.15	· Sandline cable depth-meter	12/11/06	CD	D	Not fitted
9.16	Explosion proof slickline unit	12/11/06	CD	D	Hydraulic
9.17	• Spooling guide on above	12/11/06	CD	D	
9.18	• Hand brake condition on above	12/11/06	CD	D	
9.19	• Wireline condition on above	12/11/06	CD	D	New line installed
9.20	• Guarding	12/11/06	CD	D	
9.21	• Date of last utilization of slickline	12/11/06	CD	D	Functioned for installation of line
10.0	**Traveling Block Assembly**				
10.1	Upper bumper safely mounted	12/11/06	CD	D	Mounted below crown block
10.2	Sheave housings safely mounted	12/11/06	CD	D	See comment 10.9
10.3	Date of last sheaves greasing	12/11/06	CD	D	12/11/2006
10.4	Swivel bail hook function	12/11/06	CD	D	
10.5	Date of last X ray inspection of loops	12/11/06	CD	B	9th February 2006 (Catergory III due on 9th August 2006) Swivel has not been used since being rebuilt at Wacol. It was stripped and rebuilt for rig 11. Daniel Wood is writing a letter to confirm this. Letter will be sent through on 13-12-2006. 13-12-2006 - Daniel has issued and signed a letter regarding the Traveling Blocks(Ideco 265 Shorty S/N 355). All documentation is attached.(e-mail to Terry, Chris & Thommo) Subject to review of letter. *Letter supplied by Century*
10.6	Hook spring function	12/11/06	CD	D	
10.7	Elevator links condition	12/11/06	CD	D	
10.8	Date of last X ray inspection of links	12/11/06	CD	D	6th April 2006
10.9	Date of last traveling block and hook NDT test/overhaul	12/11/06	CD	D	9th February 2006 (Catergory III due on 9th August 2006)

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
11.0	**Drilling Line System**				
11.1	Date of last visual inspection	12/11/06	CD	D	12th December 2006
11.2	Present cumulated Ton/Mile work	12/11/06	CD	D	
11.3	Slipping/cutting sequences up to date	12/11/06	CD	D	
11.4	Winding/ Lebus grooving condition	12/11/06	CD	D	
11.5	Active line guiding/stabilizing system	12/11/06	CD	D	N/A
11.6	Drum turn-back rollers (kick back)	12/11/06	CD	D	Not required
11.7	Dead line stabilizers & fastening onto substructure	12/11/06	CD	D	Not required
11.8	Cable fastening device onto the drum	12/11/06	CD	B	MOC for anchor recess 12-12-2006 - MOC needs to be completed. Took photos today of the drum and knuckle area to put with the MOC. 13-12-2006 - MOC has been completed, Photos attached to document. Ok if adequate MOC completed.
11.9	Date of last inspection of above	12/11/06	CD	D	3rd December 2006
11.10	Cable fastening onto dead line anchor (all bolts in place)	12/11/06	CD	D	
11.11	Date of last weight indicator/dead line anchor sensor check	12/11/06	CD	D	12th December 2006
11.12	Length of spare cable left on reserve spool	12/11/06	CD	D	~1,500'
11.13	Type of drilling cable in use: greased or plasticized	12/11/06	CD	D	Greased
12.0	**Kelly, Power Swivel, Rotary Hose, Stand Pipe**				
12.1	Date of lower kelly cock last pressure test & last function test	9/12/06	CD	D	
12.2	Date of upper kelly cock last pressure test & last function test	9/12/06	CD	D	
12.3	Kelly spinner fastening with safety chain	9/12/06	CD	D	
12.4	Condition of kelly bushing	9/12/06	CD	D	
12.5	Condition of the kelly	9/12/06	CD	D	
12.6	Condition of kelly spinner	9/12/06	CD	D	
12.7	Condition of top drive (if any)	9/12/06	CD	D	N/A
12.8	Fastening of top drive power supply lines	9/12/06	CD	D	N/A
12.9	Date of top drive last survey/overhaul	9/12/06	CD	D	N/A
12.10	Date of last pressure and function test of gooseneck	9/12/06	CD	D	
12.11	Safety chain between swivel and rotary hose	9/12/06	CD	D	

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
12.12	Safety chain between Stand Pipe and rotary hose	9/12/06	CD	D	
12.13	Condition of Rotary Hose	9/12/06	CD	D	
12.14	Date of last pressure test of rotary hose, stand Pipe valves on rig floor manifold, etc.	12/12/06	CD	D	
12.15	Spare Kelly Hose available on site?	14/11/06	CD	C	Non-certified Will follow up with certification. Hose still looks almost new. Can read all the numbers and the hose data including WP and TP, Grade, etc. OK. Don't expect to require.
12.16	No 602 hammer unions on site (replaced with 1502's)	14/11/06	CD	D	No Fig 602 x 2" sighted
13.0	**Rig Substructure**				
13.1	Date of last certified inspection on substructure	14/11/06	CD	D	15/03/2004
13.2	No visible corrosion or damage to substructure beams	9/12/06	CD	D	
13.3	Electrical grounding to conductor pipe	9/12/06	CD	D	N/A
13.4	Hand rails condition	9/12/06	CD	D	
13.5	Hand rails equipped with kick plates	9/12/06	CD	D	
13.6	Cellar drainage in place & functioning	9/12/06	CD	D	
13.7	Cellar stability	9/12/06	CD	D	
13.8	Cellar ventilation	9/12/06	CD	D	
14.0	**BOP Accumulator Unit**				
14.1	Accumulator in working order and function tested	9/12/06	CD	D	
14.2	Date of last BOP accumulator bleed down test	9/12/06	CD	D	
14.3	Distance from wellhead, orientation with respect to BOP/Wellhead outlets	9/12/06	CD	D	
14.4	Explosion proof power source	9/12/06	CD	D	Yes
14.5	Date of last nitrogen pressure check (with accumulator at zero pressure)	2/12/06	CD	D	
14.6	All nitrogen and Koomey bottles have correct precharge pressure	9/12/06	CD	D	
14.7	Volume of accumulator hydraulic fluid at zero pressure	9/12/06	CD	D	170gallons
14.8	Volume of accumulator hydraulic fluid at maximum pressure	9/12/06	CD	D	98gallons
14.9	Active volume of hydraulic fluid in reserve in the accumulator at its maximum pressure 3 = 1 - 2	10/12/06	CD	D	Maximum volume = 170gallons Maximum accumulator pressured volume = 72gallons

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
14.10	Total closing + opening volume of all BOP elements	10/12/06	CD	D	56.5gallons
14.11	Volume ratio between accumulator and BOP 5 = 3/4	10/12/06	CD	D	Ratio 72 : 56.5
14.12	Date of last automatic switch ON/OFF test	10/12/06	CD	D	
14.13	Switch OFF pressure / ON pressure?	10/12/06	CD	D	
14.14	Accumulator controls labeled, gauges working, hydraulic lines protected?	10/12/06	CD	C	Lines between accumulator and subbase not covered Because of the tight lease the rig is packed in tighter than usual. Once the rig is set-up as per normal on a lease the right size we will look at what is required to cover the BOP control hoses and the best way to do it. OK.
15.0	**BOP System**				
15.1	Date of last pressure test	9/12/06	CD	D	9/12/2006
15.2	Date of last function test	10/12/06	CD	D	11th Dec 06
15.3	WP of rams BOP	9/12/06	CD	D	5000psi
15.4	WP of annular preventer	9/12/06	CD	D	5000psi
15.5	Guylines condition (to secure BOP to substructure)	9/12/06	CD	D	
15.6	No missing bolts on BOP, all bolts tight & secure?	9/12/06	CD	D	
15.7	Any rust on bolts or hubs or BOP bodies?	9/12/06	CD	D	
15.8	Control lines condition	9/12/06	CD	D	
18.9	Lines not in use blanked off?	9/12/06	CD	D	
15.10	Condition of BOP trolley & rails	9/12/06	CD	D	
15.11	Kill line fastening condition	9/12/06	CD	D	
15.12	Sufficient lighting	9/12/06	CD	D	
15.13	Flameproof shock hose / steel line to manifold	9/12/06	CD	C	To be reviewed by Terry Greany - Choke line hose is API 7K (not 16C) UP/KG accept 7K for present equipment. When replace, or if requested by Karron-CPPL-Lakes or DPI upgrade to 16C.
15.14	Choke lines fastening condition	9/12/06	CD	D	
15.15	Spare Pipe Ram Element for common tubulars run?	9/12/06	CD	D	
15.16	Internal Clearance through BOP equipment sufficient	9/12/06	CD	D	

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
16.0	**In Hole Equipment**				
16.1	Date of last tubular inspection made on: DP, DC, X overs, HWDP, Fishing tools	12/12/06	CD	D	Tubulars inspection completed 10/12/06
16.2	Type of float valve used while drilling	12/12/06	CD	D	Both types available
16.3	Survey tools are on site and have been demonstrated to be in working order	12/12/06	CD	D	
16.4	Fishing equipment for tubulars to be run down hole are on site	12/12/06	CD	C	11" OD reverse circulation basket due on site 20th Dec In transit from Tasman Oiltools. Left Perth on Monday on general freight. Will be here early next week. ok
17.0	**Choke Manifold**				
17.1	Date of last pressure test	9/12/06	CD	B	9/12/06 - Manual choke faulty Century to advise status Trying to source a H2, 3" Cameron choke body from MTQ in Singapore. Nothing available in Australia. Will have an update status regarding MTQ on Wednesday 13 12-2006. Current choke restricts fluid but doesn't not pressure test.14-12-2006 - Have sourced a Choke from MTQ in Singapore. It needs to be overhaud. Have asked for a quote to repair and time frame. MTQ are responding ASAP. Will keep Upstream up to date. Accept as is for Meg 1 & use remote operated choke however Century to follow up with suppliers. Choke body tests. While choke seat is not a pressure retaining device it needs to be able to restrict pressure in controlled manner and internal threads need to seal.
17.2	Choke diagram up to date?	9/12/06	CD	B	MGS valve shown incorrect
17.3	Choke manifold sufficient isolation paths?	9/12/06	CD	D	Yes
17.4	Pressure gauge for annular pressure reading	14/12/06	CD	D	
17.5	Fastening of piping between choke manifold & atmospheric degasser	9/12/06	CD	D	To be checked during nipple up or pre-acceptance pressure test

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
17.6	Fastening of mud dumping line to sump	9/12/06	CD	C	Not Fitted - Open drain to sump ok ex poorboy mgs.
17.7	Fastening of mud return line to shale shakers	9/12/06	CD	D	
17.8	Manifold ready for kick control (valves painted according to OPEN/CLOSE position)	9/12/06	CD	D	
17.9	Flare line secure and straight	13/12/06	CD	D	Discussed with David Wong. No specific DPI requirement. Due to lease size little option. Upstream / Karoon satisfied this does not cause unnecessary risk.
	Remote Choke Control Panel:				
17.11	• DP pressure gauge	9/12/06	CD	D	
17.12	• Annulus pressure gauge	9/12/06	CD	D	
17.13	• Pump No 2 stroke counter	9/12/06	CD	D	
17.14	• Choke position reading gauge	9/12/06	CD	D	
18.0	**Atmospheric Degasser**				
18.1	Fastening of mud return line to shale shakers	9/12/06	CD	D	
18.2	Diameter of vessel	14/11/06	CD	D	20"
18.3	Height of vessel	14/11/06	CD	D	20' (actual vessel height)
18.4	Diameter of exhaust line	14/11/06	CD	D	8"
18.5	Length of exhaust line	9/12/06	CD	D	To flare pit
18.6	Mud "free fall" distance inside degasser (in feet)	14/11/06	CD	D	~6.5'
18.7	Height of mud seal (in feet)	14/11/06	CD	D	~7'
19.0	**Shale shaker motor**				
19.1	Explosion proof motors	14/11/06	CD	D	Yes
19.2	Platform hand rails	9/12/06	CD	C	Hand rails has rust holes Order steel to repair. No material no-site at the moment. ok.
19.3	Platform gratings condition	9/12/06	CD	D	
19.4	Safe clearance on passage ways	9/12/06	CD	C	Restricted access on tank Will look at and discuss with crews, companyman, etc the best solution to get over these obstructions. ok
20.0	**Mud Chemicals Storage**				
20.1	Enough baryte reserve on rig?	9/12/06	CD	D	
20.2	Torn sacks kept to a minimum	9/12/06	CD	D	
20.3	Forklift condition	9/12/06	CD	D	
20.4	Chemical warning signs	9/12/06	CD	D	
20.5	Caustic soda & other hazardous chemicals properly labeled, stored, handled	9/12/06	CD	B	Waiting on Upstream / Karoon delivery of bunded pallets and covers Ok. Chasing up supplier. Should be onsite 14-12-06.
20.6	Liquid chemicals bunded	9/12/06	CD	B	Equipment ordered As for 20.5

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
21.0	**Mud Tanks**				
21.1	Hand rails condition	9/12/06	CD	C	Shale shaker walkway hand rails Order steel to repair. No material no-site at the moment. As per item 19.2. ok
21.2	Gratings and walkway condition	9/12/06	CD	D	Repairs being undertaken - to be
21.3	Workspace free of obstacles	9/12/06	CD	C	Lack of clear walk way due to pipe work on tanks Will look at and discuss with crews, companyman, etc the best solution to get over these obstructions. As per item 19.4. ok
21.4	Agitators working	9/12/06	CD	D	
21.5	Pit level indicators working properly and calibrated	9/12/06	CD	D	
21.6	Safety signs posted	9/12/06	CD	D	
21.7	Caustic soda protection goggles and gloves	9/12/06	CD	D	
21.8	Condition of Rig's mud testing equipment	9/12/06	CD	D	
22.0	**Trip Tank**				
22.1	Trip Tank condition	13/12/06	CD	D	
22.2	Size suitable for rig capacity	9/12/06	CD	D	
22.3	Pump operational	9/12/06	CD	D	
22.4	Trip tank mechanical level indicator operational, calibrated & visible from Driller's position	13/12/06	CD	D	
23.0	**Vacuum Degasser**				
23.1	Operational	9/12/06	CD	D	
23.2	Explosion proof electrical installation	9/12/06	CD	D	
23.3	Fastening of gas exhaust line	9/12/06	CD	D	
23.4	Gratings around degasser	9/12/06	CD	D	
23.5	Hand rails around degasser	9/12/06	CD	D	
23.6	Access stairs	9/12/06	CD	D	
24.0	**Mud Pumps Area**				
24.1	Pump pressure gauges	9/12/06	CD	D	
24.2	Emergency pump shut down switch available in pump area	9/12/06	CD	D	Rig floor & muster point "A"
24.3	Relief valves condition / adjustment / set point	9/12/06	CD	D	
24.4	Relief valves lines with self draining slope	9/12/06	CD	D	
24.5	Discharge lines fastening with safety chain/cable and clamps	9/12/06	CD	D	
24.6	Pumps input shaft protection	9/12/06	CD	D	
24.7	Pumps pulsation dampener precharge pressure	9/12/06	CD	D	700 to 800psi

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
24.8	Charge pump condition	9/12/06	CD	D	
24.9	Last fluid end inspection date	9/12/06	CD	B	TBA by Century
24.10	Spare mud manifold to standpipe	9/12/06	CD	D	N/A
24.11	Guards on all rotating equipment	9/12/06	CD	D	
25.0	**Mud Hopper/Mixing Barrel**				
25.1	Safe means of access & egress to & from mud hopper	9/12/06	CD	D	
25.2	Chemical barrel safely constructed & located	9/12/06	CD	D	
25.3	Personnel instructed in safe handling of chemicals/procedures in place & enforced	11/12/06	CD	D	
25.4	Personnel protective equipment available & used	9/12/06	CD	D	
25.5	Emergency shower station nearby, ready for use	9/12/06	CD	D	
25.6	Material Safety Data Sheets readily available for all mud chemicals	9/12/06	CD	D	
26.0	**Engine Area**				
26.1	Protection of moving machinery	13/12/06	CD	D	
26.2	Protection on exhausts	9/12/06	CD	D	
26.3	Spark arrestors on exhausts	9/12/06	CD	D	
26.4	Emergency stop to close fuel injection on engines (or 26.6)	9/12/06	CD	D	N/A
26.5	Emergency stop to close air intake on engines	9/12/06	CD	D	
26.6	Over speed control	9/12/06	CD	D	N/A
26.7	Date of last test	13/12/06	CD	D	12th December 2006
26.8	Cable end gland condition	9/12/06	CD	D	
26.9	Air vessels condition	9/12/06	CD	D	
26.10	Air vessels identification plates	9/12/06	CD	D	
26.11	Air vessels relief valves	9/12/06	CD	D	
26.12	Date of air vessel last pressure tests	9/12/06	CD	D	2004
27.0	**Generator/Electrical**				
27.1	Generator working condition	9/12/06	CD	D	
27.2	Date of last test	9/12/06	CD	D	May-06
27.3	Pressurized electrical panel	9/12/06	CD	D	N/A
27.4	Generator power adequate	9/12/06	CD	D	
27.5	Cables around rig properly elevated above ground	9/12/06	CD	C	Work on going to tidy up cables near mud tanks 100 new hooks have been fabricated and are no-site. They just need to be welded in place. Will be done as driller permits. ok
27.6	Cable to offices correctly buried	9/12/06	CD	D	Covered in traffic areas

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
27.7	Sufficient light to ensure safe working conditions	9/12/06	CD	D	
27.8	All electrical equipment in hazardous zones of correct Class/Zone rating (e.g. class 1 zone 1 etc)	9/12/06	CD	D	
27.9	Pre spud electrical report submitted	9/12/06	CD	D	
27.10	Electrical panel in dog house explosion proof	9/12/06	CD	D	
28.0	**Mechanical/Electrical Workshop**				
28.1	Electric tools condition	9/12/06	CD	D	
28.2	Electric tools protection	9/12/06	CD	D	
28.3	Pneumatic tools condition	9/12/06	CD	D	
28.4	Grinding machine condition with correct adjustment	9/12/06	CD	D	
28.5	Safety goggles and posters	9/12/06	CD	D	
28.6	Ear protection available	9/12/06	CD	D	
28.7	Cutting torch condition	9/12/06	CD	D	
28.8	Pressure reducer condition for above	9/12/06	CD	D	
28.9	Non return valves/hoses for above	9/12/06	CD	D	
28.10	Cables condition of above	9/12/06	CD	D	
28.11	Electric welding protection mask	9/12/06	CD	D	
28.12	Electric welding protection gloves	9/12/06	CD	D	
28.13	Acetylene, oxygen, nitrogen, freon and compressed air reserve bottles correctly stored in safe area and identified with official colour code	9/12/06	CD	D	
28.14	General grounding below 20 ohms	9/12/06	CD	D	
29.0	**Pipe Rack Area**				
29.1	Pipe racks level & in good condition	9/12/06	CD	D	
29.2	V door and ramp in good condition	9/12/06	CD	D	
29.3	Pipe stops provided	9/12/06	CD	D	Single end only
30.0	**Paint & Lubricant Stores**				
30.1	Storage bunding	9/12/06	CD	D	
30.2	Paint storage - cover and ventilation	9/12/06	CD	D	
30.3	Safety cans for paint thinner transportation	9/12/06	CD	D	
31.0	**Fuel Tanks/Fuel Transfer**				
31.1	Tanks content labeled	9/12/06	CD	B	Does not meet Australian Standards - expect be corrected by 15th Dec New signage is being ordered on 13-12-2006 from a local safety shop in Warragul. Signs take 2 days to get therefore this will be closed on the 15-12-2006. Signs are due on Friday 15-12-2006. ok

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
31.2	Tanks vented	9/12/06	CD	D	To be checked on location prior to rig acceptance
31.3	Fuel tanks electrical grounding	9/12/06	CD	D	To be checked on location prior
31.4	Safely located fuel tanks	9/12/06	CD	D	To be checked on location prior to rig acceptance
31.5	Adequate fuel transfer equipment	9/12/06	CD	D	
31.6	Overfill containment (gutters, retaining wall)	9/12/06	CD	D	
31.7	Any tank leaking?	9/12/06	CD	D	
31.8	Flammable liquids stored away from heat, oxygen bottles, oxidising agents	9/12/06	CD	D	
31.9	"No smoking " signs clearly visible	9/12/06	CD	D	
31.10	Transfer procedure posted and clearly visible	13/12/06	CD	D	
32.0	**Safety Drills & Meetings**				
	Date of last:				
32.1	• muster drill	12/12/06	CD	D	
32.2	• Trip drill	12/12/06	CD	D	N/A
32.3	• Well kill / BOP drill	12/12/06	CD	D	To be completed prior to drill out
32.4	• Fire drill	12/12/06	CD	B	To be completed prior to drill out
32.5	• Pit Volume Totalizer test	12/12/06	CD	D	
32.6	• Emergency shutdown test	12/12/06	CD	D	
32.7	• Rig crew safety meeting	12/12/06	CD	D	
32.8	Drills, test, meeting minutes recorded in safety log book?	13/12/06	CD	D	
33.0	**Safety Instructions To Be In Dog House & On Rig Floor**				
33.1	"Decision tree in case of emergency"	12/12/06	CD	D	
33.2	Kick control work sheet already filled in with standing parameters of the present hole phase	12/12/06	CD	D	N/A until after acceptance
33.3	Rig pump volumetric chart	12/12/06	CD	D	
33.4	Tubular make up tables	12/12/06	CD	D	
33.5	Hole/tubular volumetric tables	12/12/06	CD	D	
33.6	Tubular volumetric tables	12/12/06	CD	D	
33.7	General safety posters	12/12/06	CD	D	
33.8	Instruction book from the TP to the Driller	12/12/06	CD	D	Being implemented as operation begins
34.0	**Safety Documents To Be In Tool Pusher's Office**				
34.1	Safety meeting report file up to date	9/12/06	CD	D	
34.2	Accident report file up to date	9/12/06	CD	D	
34.3	Safety log book up to date	9/12/06	CD	D	
34.4	Hot work and other permits	9/12/06	CD	D	
34.5	up to date layout of fire fighting equipment, BA sets and stretchers locations	13/12/06	CD	D	

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
	Lifting register (last test date) of:	9/12/06	CD	D	

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
34.6	• Slings	9/12/06	CD	D	
34.7	• Guylines	9/12/06	CD	D	
34.8	• Harnesses & lanyards	9/12/06	CD	D	
34.9	• Monkey board safety line	9/12/06	CD	D	
34.10	• Fastening of safety cable/chain onto winch (racking Board)	9/12/06	CD	D	
34.11	• DC winch condition	9/12/06	CD	D	N/A
34.12	• Derrick safety belt condition	9/12/06	CD	D	
34.13	• MU & BO tong back-post main	9/12/06	CD	D	
34.14	• MU & BO tong back-post safety line condition	9/12/06	CD	D	
34.15	• MU & BO tong drawworks active line condition	9/12/06	CD	D	
34.16	• NDT inspection records available for elevators, tongs, slips, bails	12/12/06	CD	D	
34.17	• Wire rope loops secured with three clamps or pressed fittings, clamps on dead end	9/12/06	CD	D	
34.18	• Overall condition of all ropes, wire ropes, chains, slings & hooks used for lifting	9/12/06	CD	D	
34.19	• BOP lifting chains/cables & shackles inspection	9/12/06	CD	D	
34.20	Hazardous area drawing	9/12/06	CD	C	To be updated to include electric degasser zone Drawings have been updated by Century Plant department. Just need to be laminated and posted. Will be closed out by 15-12-2006 ok
34.21	Grounding circuit plan up to date	9/12/06	CD	C	To be provided Needs to be completed. Will be closed out before we spud Megascolides No.2. ok
34.22	Safety manual	9/12/06	CD	D	
34.23	Drilling line certificate up to date	9/12/06	CD	D	
34.24	Pressure vessel tests certificates up to date	9/12/06	CD	D	
34.25	Emergency audible codes	12/12/06	CD	D	
34.26	Rig contract	12/12/06	CD	D	
34.27	Up to date "people on site" situation	9/12/06	CD	D	
34.28	Updated well control certificates for key personnel	12/12/06	CD	D	

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
34.29	Training matrix	9/12/06	CD	C	Darren Thompson covering supervisor shortfalls as required Ongoing training and updating to get it correct. I'll be staying on-site until training issues closed out. 14-12-2006 - Elaine is going to start completing practical training with senior staff on JSA'a, man-rider, etc. Ok with Darren & current crew. Century need to ensure incoming crews have members with required competencies (PTW, CSE, manrider,etc). Century to investigate certificaste requirement by 15-12-06 and have necessary files onsite by 22-12-06.
34.30	Standard operating procedures	9/12/06	CD	D	Ongoing updates as per policy
34.31	Material Safety Data Sheets	9/12/06	CD	D	
35.0	**Safety Items To Be In Company Man's Office**				
35.1	Emergency Response Plan	9/12/06	CD	D	
35.2	The Petroleum and Gas (Production and Safety) Act (2004)	9/12/06	CD	D	
35.3	Operator's Health, Safety & Environment Bridging Document to the Upstream Petroleum Integrated Management System	9/12/06	CD	D	
35.4	Safety Management Plan	9/12/06	CD	D	
35.5	Environmental Management Plan	9/12/06	CD	D	
35.6	Drilling Contractor "HS&E Management Plan"	9/12/06	CD	D	
35.7	Upstream Petroleum Quality Assurance Plan	12/12/06	CD	B	Upstream to provide relevant Documents N/A. Certification information to be supplied where required.
35.8	Rig contract	9/12/06	CD	D	
35.10	Handover book / file between supervisors	12/12/06	CD	B	Upstream to provide relevant Documents N/A. Certification information to be supplied where required. TG to provide guidelines. Supervisors to ensure have written handover record.
35.11	Permit to work forms	9/12/06	CD	D	

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
36.0	**Communications**				
36.1	Radio/telephone between rig and town office	9/12/06	CD	D	
36.2	Intercom/telephone between following key posts: TP office, TP bedroom, office, wellsite representative bedroom, rig floor & mud logging unit	9/12/06	CD	D	
36.3	Visibility from TP office to rig floor?	9/12/06	CD	D	
36.4	Visibility from wellsite representative office to rig floor?	9/12/06	CD	D	
37.0	**Mudlogging & Electrical Logging Units**				
37.1	Is the location of Mud logging unit outside hazardous area	9/12/06	CD	D	
37.2	Is the location of Electrical Logging unit outside hazardous area	9/12/06	CD	D	
37.3	Explosion proof electrical system in Mud and Elect. Logging unit	9/12/06	CD	D	
37.4	Grounding of the Mudlogging units	9/12/06	CD	D	
37.5	Hydrocarbon and H_2S detectors (if needed) tested & functioning properly	13/12/06	CD	D	
37.6	Gas detector in the flowline	12/12/06	CD	D	
38.0	**Mud Engineers Laboratory**				
38.1	Is the mud testing area separate from sleeping quarters	14/12/06	CD	D	
38.2	Extractor fan?	14/12/06	CD	D	
38.3	Chemicals clearly marked and stored safely	14/12/06	CD	D	
38.4	Testing equipment condition	9/12/06	CD	D	
38.5	Testing equipment clearly marked for purpose to avoid contaminntion	9/12/06	CD	D	
39.0	**Rig Site**				
39.1	Access	9/12/06	CD	D	
39.2	Lease signs with rules of lease, speed limits and hazards signs displayed	9/12/06	CD	D	
39.3	Rig orientation according to main wind direction	9/12/06	CD	D	
39.4	Proper anchors/guylines (if any) flagged	9/12/06	CD	D	
39.5	No live overhead electrical lines closer than fall distance of derrick	9/12/06	CD	D	
39.6	Leveling	9/12/06	CD	D	
39.7	Drainage – gutters	9/12/06	CD	D	

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
39.8	Fencing/delimitation of safety perimeter	9/12/06	CD	D	
39.9	Car park outside of rig site	9/12/06	CD	D	
39.10	Waste skips/sump with sufficient capacity	13/12/06	CD	D	
39.11	Flare/burning pit 50m + from rig (flare line secured, with pilot light when potential for gas)	9/12/06	CD	B	~35m without pernament pilot light - Accept. Refer 17.9
39.12	Smoking permitted in designated areas only	9/12/06	CD	D	
40.0	**Vehicles**				
40.1	Light transport vehicle condition	9/12/06	CD	D	
40.2	Safety seat belts condition	9/12/06	CD	D	
40.3	Loading ramp for truck	9/12/06	CD	D	N/A
40.4	Cranes condition	9/12/06	CD	D	N/A
40.5	Forklift condition	9/12/06	CD	D	
40.6	Radio communications in light vehicles?	9/12/06	CD	D	N/A
41.0	**Camp Site**				
41.1	Distance from the rig	9/12/06	CD	D	
41.2	Condition of accommodation shacks	9/12/06	CD	C	Requires repairs in most rooms We have contacted 2 different local cabinent makers to come and quote on repairing the camp. No-one has shown up yet. Will continue to follow up. Century to confrim plan by 18-12-06
41.3	Kitchen cleanliness	9/12/06	CD	D	
41.4	Kitchen ventilation	9/12/06	CD	D	
41.5	Kitchen electrical system	9/12/06	CD	D	
41.6	Waste deposit area & garbage disposal	9/12/06	CD	D	
41.7	Potable water storage	13/12/06	CD	C	Water samples collected and tested - Wednesday 13th Dec Have ordered a bigger filter system for the camp that have finer filters than what is currently fitted. These were ordered from a local plumbing shop in Warragul. Should be arriving today for pick-up from Warraugal. It is a straight forward installation for the rig electrician. ok
41.8	Domestic water disposal	9/12/06	CD	D	
41.9	Food storage condition	9/12/06	CD	D	
41.1	Toilet/shower room condition	9/12/06	CD	D	
41.11	Laundry condition	9/12/06	CD	D	
41.12	Electrical distribution panel	9/12/06	CD	D	

No.	Item	Checked		Rate	Comments (black) Century (red) Upstream (blue)
		On	By		
41.13	Generator shelter	9/12/06	CD	D	
41.14	Fuel tank	9/12/06	CD	B	Signage does not meet Australian Standards - Signage issue which we are addressing as per item 31.1. To be completed 14-12-06
41.15	Emergency escape route poster	9/12/06	CD	D	
41.16	Smoke detectors	9/12/06	CD	D	
41.17	Air conditioners	12/12/06	CD	D	
41.18	Heating?	12/12/06	CD	D	
42.0	**Rescue/Sick Bay**				
42.1	Stretchers	12/12/06	CD	D	
42.2	Condition of sick bay	12/12/06	CD	D	Nearby hospital in Warragul
42.3	Stock status and condition of first aid medicine	12/12/06	CD	D	
42.4	Competent medic/first aider on the site	12/12/06	CD	D	
43.0	**General Preparedness**				
43.1	Adequate stocks of PPE available	12/12/06	CD	D	
43.2	Fire extinguishers charged, tagged & visible?	9/12/06	CD	D	
43.3	Date of last extinguishers inspection	12/12/06	CD	D	Aug & Dec 2006
43.4	Are BA sets available	9/12/06	CD	D	
43.5	Muster points identified & signed	9/12/06	CD	D	
43.6	Noise levels controlled adequately	9/12/06	CD	D	
43.7	General house keeping & tidiness of rig & camp	9/12/06	CD	D	
43.8	Presence of oil/wastes around the rig	12/12/06	CD	D	
43.1	Drainage system	12/12/06	CD	D	
43.11	Salvage drums/containers/bins available	13/12/06	CD	D	
43.12	Labels/markings for hazardous materials/wastes/equipment	12/12/06	CD	D	
43.13	Magna-board available & used correctly	9/12/06	CD	D	
43.14	Step Condition	9/12/06	CD	D	
43.15	Anti skid step condition	13/12/06	CD	D	
43.16	Eyewash station locations & condition	12/12/06	CD	C	~90% in place 2 more eye wash stations have been ordered. Will be fitted into place once they arrive. Currently have eye wash stations in the critical areas:- mud tanks, rig floor, mechanic shack. 14-12-2006 - Eye wash stations arrived today. Will have them put in place. Install 2 machines incl refuelling station by 16-12-06

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ATTACHMENT 16 : DAILY DRILLING REPORTS

KAROON Gas Australia

DAILY DRILLING REPORT # 15

Megascolides-1 RE

Date :	28 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	15	**Drilling Supervisor :**	Bruce Pilat	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	Dave Horner

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1980m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1978m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	15.00	Liner MD:		LTI Free Days:	215
Datum:	WGS 84	Days On Well:	63.52	Liner TVD:			

Current Ops @ 0600:	layout drill pipe
Planned Operations:	set plug # 3,nipple down BOP,layout kelly,clean tanks,rig release

Summary of Period 0000 to 2400 Hrs

Run in hole with cement stinger,set plugs,layout pipe,Wait on cement

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:	$ 1,738,717	Cum. Cost:	$ 1,738,717
Projected Cost:							

HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening (4)	28 Dec 2006	0 Days	All on site personnel blow into acholiser
Pre-Tour Meetings (2)	28 Dec 2006	0 Days	Laying out pipe,cementing

Operations For Period 0000 Hrs to 2400 Hrs on 28 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ABN	P	TI	0000	0100	1.00	1980m	Run in hole with cement stinger to casing shoe
ABN	P	CMP	0100	0600	5.00	1980m	Wait on cement & haliburton to arrive on location (clean floor of excess equipment & prepare for Plugs)
ABN	P	CMP	0600	1000	4.00	1980m	Run in hole with cement stinger to 1890 m
ABN	P	CMP	1000	1030	0.50	1980m	Circulate & spot 15 bbl Hi-Vis pill @ 1890 m
ABN	P	CMP	1030	1100	0.50	1980m	P.O.H with cement stinger from 1890 m to 1840 m (lay out)
ABN	P	CMP	1100	1300	2.00	1740m	Set cement plug # 1 from 1840 m to 1740 m (pump 20bbl water ahead,PT lines to 2000 psi"ok" mix & pump 32.8 bbl class"A" cement @ 15.6 ppg,chase with 2 bbl water,underdisplace with rig pumps)
ABN	P	CMP	1300	1330	0.50	1740m	P.O.H with cement stinger from 1840 m to 1640 m (layout)
ABN	P	CMP	1330	1400	0.50	1740m	Reverse circulate 2 times string volume
ABN	P	CMP	1400	1700	3.00	1740m	P.O.H with cement stinger from 1640 m to 600 m (layout)
ABN	P	CMP	1700	1800	1.00	1740m	Circulate & spot 15 bbl Hi-Vis pill @ 600 m
ABN	P	CMP	1800	1900	1.00	418m	Set cement plug # 2 from 450 m to 600 m (pump 20 bbl water ahead,PT lines to 2000 psi"ok" mix & pump 47 bbl class "A" cement @ 15.6 ppg,chase with 2 bbl water,underdisplace with rig pumps
ABN	P	CMP	1900	1930	0.50	418m	P.O.H with cement stinger from 600 m to 350 m & reverse circulate 2 times string volume
ABN	P	CMP	1930	2330	4.00	418m	Wait on Cement (break kelly & soft bolt BOP)
ABN	P	CMP	2330	2400	0.50	418m	Run in hole with cement stinger to tag cement plug # 2 @ 418 m with 20,000 lbs

Operations For Period 0000 Hrs to 0600 Hrs on 29 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ABN	P	CMP	0000	0600	6.00	418m	(IN PROGRESS) Layout drill pipe from 418 m

KAROON Gas Australia

WBM Data

Daily Chemical Costs: $ 724 | Cost To Date: $ 34572 | Engineer : Peter N Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:		Cl:	12.10x1000 mg/l	Low Gravity Solids:	4.0%	Gels 10s	2
Sample From:	Suction Tk	Nitrates:	0mg/l	Hard/Ca:	180mg/l	High Gravity Solids:	0.0%	Gels 10m	2
Time:	15:00	Sulphites:	100mg/l	MBT:	7	Solids (corrected):	4.3%	Fann 003	2
Weight:	9.05ppg	API FL:	6.6cm³/30m	PM:	0.9	H2O:	96.0%	Fann 006	3
ECD TD:		API Cake:	1/32nd"	PF:	0.14	Oil:	0.0%	Fann 100	16
ECD Shoe:		PV	17cp	MF:	1.25	Sand:	0.1 %	Fann 200	26
Viscosity	57sec/qt	YP	16lb/100ft²	pH:	9.8	Barite:	0	Fann 300	33
KCl Equiv:	2.3%	CaCO3 Added:	0.0ppb	PHPA Added:	0.00ppb			Fann 600	50

Comment: Mix HiVis pills as required, no other fluid treatment.

This is the final report for this well.

RMN & AMC thank you for your business!

Shakers, Volumes and Losses Data

				Equip.	Descr.	Mesh Size	Hours
Available	**898.0bbl**	**Losses**	**0.0bbl**	De-Gaser 1	Rig		0
Active	374.0bbl	Downhole	0.0bbl	De-Sander 1	Pioneer	2 Cones	0
Hole	466.0bbl	Shakers & Equip.	0.0bbl	De-Silter 1	Pioneer	10 Cones	0
Slug		Dumped	0.0bbl	Shaker 1	DFE	2x175, 1x140	0
Reserve	58.0bbl	Centrifuges		Shaker 2	DFE	2x175, 1x140	0
		De-Sander De-Silter					
Built	10.0bbl						

Comment: No chemical or fluid additions (other than precipitation) last 24 hours.
Drilling fluid engineer tentatively to be released Fri. morning, Dec 29.

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1743.00	4.00	57.00	1741.48	-14.26	0.15	-14.26	56.11	MSS
1819.00	4.00	62.00	1817.30	-11.58	0.14	-11.58	60.68	MSS
1869.00	4.00	52.00	1867.18	-9.68	0.42	-9.68	63.59	MSS
1980.00	4.00	40.00	1977.91	-4.33	0.23	-4.33	69.13	Assumed TD

Summary

Company	Pax On
Karoon Gas Ltd	2
Century Drilling Ltd	19
RMN Drilling Fluids	1
BHI	2
Eurest	2
Total on Rig	26

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	16.0
AMC Defoamer	25L can	0	0	0	3.0
AMC PAC-R	25kg sack	0	0	0	71.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	0	0	524.0
Caustic Soda	25kg pail	0	0	0	21.0
Citric Acid	25kg sack	0	0	0	38.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	0	0	420.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	0	0	8.0
Sodium Sulfite	25kg sack	0	0	0	20.0
Xanthan Gum	25kg sack	0	2	0	16.0
Xtra-sweep	12lb box	0	0	0	5.0
Diesel fuel	1000L	0	0.9	0	25.4

Pumps

Pump Data - Last 24 Hrs								Slow Pump Data					
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (gpm)	Depth (m)	Ck. Line (psi)		SPM (SPM)	SPP (psi)	Flow (gpm)
1	Gardner Denver PZ7	5.50		97	76	850	160	1897		1.	70	120	126
										2.	90	220	168
2	Gardner Denver	5.50		97	76	850	160	1897		1.	70	120	126
										2.	90	220	168
3	Gardner Denver	5.50		97						1.			
										2.			

KAROON Gas Australia

Megascolides-1 RE

Date :	27 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	14	**Drilling Supervisor :**	Bruce Pilat	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	Dave Horner

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1980m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1978m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	14.00	Liner MD:		LTI Free Days:	214
Datum:	WGS 84	Days On Well:	62.52	Liner TVD:			

Current Ops @ 0600:	Run in hole with cement stinger
Planned Operations:	install cement plugs as per program,nipple down BOP & rig release

Summary of Period 0000 to 2400 Hrs

Log with precision,run in hole with BHA & layout same,wait with cement stinger at casing shoe for cement to be delivered

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( )	26 Dec 2006	1 Day	All on site personnel blow into acholiser
BOP Drill (2)	26 Dec 2006	1 Day	BOP drill conducted in acceptable time
Pre-Tour Meetings (2)	26 Dec 2006	1 Day	tripping,winch ops,logging

Operations For Period 0000 Hrs to 2400 Hrs on 27 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
E1	P	LOG	0000	0800	8.00	1980m	Log with precision,Run # 1, DLL-SLL-MLL-GR-CSS-PDS-CNS-SP-CML
E1	P	LOG	0800	1500	7.00	1980m	Log with precision,Run # 2,MCGMFT
E1	P	LOG	1500	1600	1.00	1980m	Rig Down Precision logging
E1	P	LOG	1600	1630	0.50	1980m	assist OTSA to pack up equipment due to change of plans
ABN	P	HBHA	1630	1730	1.00	1980m	Run in hole with BHA
ABN	P	HBHA	1730	2100	3.50	1980m	Layout BHA
ABN	P	HBHA	2100	2130	0.50	1980m	Pull wear bushing
ABN	P	TI	2130	2400	2.50	1980m	Run in hole cement stinger on 4.5" drill pipe to 282m

Operations For Period 0000 Hrs to 0600 Hrs on 28 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ABN	P	TI	0000	0100	1.00	1980m	Run in hole with cement stinger to casing shoe
ABN	P	CMP	0100	0600	5.00	1980m	Wait on cement & haliburton to arrive on location (clean floor of excess equipment & prepare for Plugs)

KAROON Gas Australia

WBM Data

Daily Chemical Costs: $ 0 | Cost To Date: $ 33848 | Engineer : Peter N Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:		Cl:	11.50x1000 mg/l	Low Gravity Solids:	4.0%	Gels 10s	2
Sample From:	Suction Tk	Nitrates:	0mg/l	Hard/Ca:	180mg/l	High Gravity Solids:	0.0%	Gels 10m	2
Time:	22:00	Sulphites:	120mg/l	MBT:	7	Solids (corrected):	4.0%	Fann 003	2
Weight:	9.05ppg	API FL:	7.0cm³/30m	PM:	0.9	H2O:	96.0%	Fann 006	3
ECD TD:		API Cake:	1/32nd"	PF:	0.15	Oil:	0.0%	Fann 100	15
ECD Shoe:		PV	18cp	MF:	1.3	Sand:	0.1 %	Fann 200	25
Viscosity	58sec/qt	YP	14lb/100ft²	pH:	9.8	Barite:	0	Fann 300	32
KCl Equiv:	2.0%	CaCO3 Added:	0.0ppb	PHPA Added:	0.00ppb			Fann 600	50

Comment: No chemical or fluid additions (other than precipitation) last 24 hours.
Drilling fluid engineer tentatively to be released Fri. morning, Dec 29.

Shakers, Volumes and Losses Data

				Equip.	Descr.	Mesh Size	Hours
Available	**898.0bbl**	**Losses**	**0.0bbl**	De-Gaser 1	Rig		0
Active	374.0bbl	Downhole	0.0bbl	De-Sander 1	Pioneer	2 Cones	0
Hole	466.0bbl	Shakers & Equip.	0.0bbl	De-Silter 1	Pioneer	10 Cones	0
Slug		Dumped	0.0bbl	Shaker 1	DFE	2x175, 1x140	0
Reserve	58.0bbl	Centrifuges		Shaker 2	DFE	2x175, 1x140	0
		De-Sander De-Silter					
Built	10.0bbl						

Comment: No chemical or fluid additions (other than precipitation) last 24 hours.
Drilling fluid engineer tentatively to be released Fri. morning, Dec 29.

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1743.00	4.00	57.00	1741.48	-14.26	0.15	-14.26	56.11	MSS
1819.00	4.00	62.00	1817.30	-11.58	0.14	-11.58	60.68	MSS
1869.00	4.00	52.00	1867.18	-9.68	0.42	-9.68	63.59	MSS
1980.00	4.00	40.00	1977.91	-4.33	0.23	-4.33	69.13	Assumed TD

Summary

Company	Pax On
Karoon Gas Ltd	3
Century Drilling Ltd	20
Precision Energy Services Pty Ltd	3
RMN Drilling Fluids	1
BHI	2
Eurest	2
Corpro Systems Ltd	1
Total on Rig	32

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	16.0
AMC Defoamer	25L can	0	0	0	3.0
AMC PAC-R	25kg sack	0	0	0	71.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	0	0	524.0
Caustic Soda	25kg pail	0	0	0	21.0
Citric Acid	25kg sack	0	0	0	38.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	0	0	420.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	0	0	8.0
Sodium Sulfite	25kg sack	0	0	0	20.0
Xanthan Gum	25kg sack	0	0	0	18.0
Xtra-sweep	12lb box	0	0	0	5.0
Diesel fuel	1000L	11.46	0.76	0	26.3

Pumps

Pump Data - Last 24 Hrs								Slow Pump Data					
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (gpm)	Depth (m)	Ck. Line (psi)		SPM (SPM)	SPP (psi)	Flow (gpm)
1	Gardner Denver PZ7	5.50		97	76	850	160	1897		1.	70	120	126
										2.	90	220	168
2	Gardner Denver	5.50		97	76	850	160	1897		1.	70	120	126
										2.	90	220	168
3	Gardner Denver	5.50		97						1.			
										2.			

KAROON Gas Australia

Megascolides-1 RE

Date :	26 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	13	**Drilling Supervisor :**	Bruce Pilat	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	Dave Horner

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1980m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1978m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	72m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	13.00	Liner MD:		LTI Free Days:	213
Datum:	WGS 84	Days On Well:	61.52	Liner TVD:			

Current Ops @ 0600:	Log with precision
Planned Operations:	Log with precision,wiper trip

Summary of Period 0000 to 2400 Hrs

Drill 8.5" hole to 1980 m TD, wiper trip,circulate hole clean,pull out of hole to log

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( )	26 Dec 2006	0 Days	All on site personnel blow into acholiser
BOP Drill (2)	26 Dec 2006	0 Days	BOP drill conducted in acceptable time
Pre-Tour Meetings (2)	26 Dec 2006	0 Days	tripping,winch ops,logging

Operations For Period 0000 Hrs to 2400 Hrs on 26 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	DA	0000	0600	6.00	1958m	Drill 8.5" hole from 1908 m to 1958 m TD
ST	P	DA	0600	1100	5.00	1980m	Drill 8.5" hole from 1958 m to 1980 m TD
ST	P	CS	1100	1200	1.00	1980m	Pump 25 bbl Hi-Vis seep & circulate hole clean
ST	P	SVY	1200	1300	1.00	1980m	Run W.L.S @ 1968 m (miss run)
ST	P	WT	1300	1500	2.00	1980m	Wiper trip from 1980 m to 1635 m (KOP)
ST	P	CMD	1500	1630	1.50	1980m	Pump 25 bbl Hi-vis pill & circulate out
ST	P	WT	1630	1700	0.50	1980m	Run W.L.S @ 1968 m (miss run)
ST	P	TO	1700	2330	6.50	1980m	Pull out of hole to log
E1	P	LOG	2330	2400	0.50	1980m	House keep drill floor,hold pre job safety meeting

Operations For Period 0000 Hrs to 0600 Hrs on 27 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
E1	P	LOG	0000	0600	6.00	1980m	(IN PROGRESS) Log with precision,Run # 1, DLL-SLL-MLL-GR-CSS-PDS-CNS-SP-CML

KAROON Gas Australia

WBM Data

Daily Chemical Costs: $ 3898 | Cost To Date: $ 33848 | Engineer : Peter N Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:	49C°	Cl:	12900.00x1000 mg/l	Low Gravity Solids:	4.0%	Gels 10s	2
Sample From:	Below Shaker	Nitrates:	0mg/l	Hard/Ca:	160mg/l	High Gravity Solids:	0.0%	Gels 10m	2
Time:	16:45	Sulphites:	200mg/l	MBT:	7.5	Solids (corrected):	4.0%	Fann 003	2
Weight:	9.05ppg	API FL:	6.0cm³/30m	PM:	0.92	H2O:	96.0%	Fann 006	3
ECD TD:	9.31ppg	API Cake:	1/32nd"	PF:	0.15	Oil:	0.0%	Fann 100	19
ECD Shoe:	9.31ppg	PV	20cp	MF:	1.35	Sand:	0.15 %	Fann 200	29
Viscosity	53sec/qt	YP	17lb/100ft²	pH:	9.8	Barite:	0	Fann 300	37
KCl Equiv:	2.0%	CaCO3 Added:	0.0ppb	PHPA Added:	0.00ppb			Fann 600	57

Comment: Continue established fluid treatment to maintain fluid parameters and improve rheology.

Shakers, Volumes and Losses Data

				Equip.	Descr.	Mesh Size	Hours
Available	**888.0bbl**	**Losses**	**68.0bbl**	De-Gaser 1	Rig		0
Active	342.0bbl	Downhole	4.0bbl	De-Sander 1	Pioneer	2 Cones	12
Hole	468.0bbl	Shakers & Equip.	21.0bbl	De-Silter 1	Pioneer	10 Cones	12
Slug		Dumped	30.0bbl	Shaker 1	DFE	2x175, 1x140	17
Reserve	78.0bbl	Centrifuges		Shaker 2	DFE	2x175, 1x140	17
		De-Sander De-Silter	13.0bbl				
Built	20.0bbl						

Bit Data

Bit # 2RR1

Wear	I	O1	D	L	B	G	O2	R
	0	0	NO	FC	X	I	NO	TD

Size (''):	8.50	IADC#		**Nozzles**	**Drilled over last 24 hrs**		**Calculated over Bit Run**		
Mfr:	Security DBS	WOB(avg)	15.00klb	5 x 11(/32nd")	Progress	72m	Cum. Progress	85.0m	
Type:	PDC	RPM(avg)	130		On Bottom Hrs	10.00	Cum. On Btm Hrs	12.00	
Serial No.:	10881881	RPM (DH)(avg)	130		IADC Drill Hrs	11.00	Cum IADC Drill Hrs	14.00	
Bit Model	FM3553	F.Rate	320gpm		Total Revs	61423	Cum Total Revs	75433	
Depth In	1895m	SPP	850psi		OB-ROP(avg)	7.20m/hr	Cum. OB-ROP(avg)	7.08m/hr	
Depth Out	1980m	TFA		HSI					

BHA Data

BHA # 8

Weight(Wet)	48000.00klb	Length	180m	Torque(max)	12000ft-lbs	D.C. (1) Ann Velocity	236fpm
Wt Below Jar(Wet)	36000.00klb	String	160000.00klb	Torque(Off.Btm)	5000ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	170000.00klb	Torque(On.Btm)	10000ft-lbs	H.W.D.P. Ann Velocity	151fpm
		Slack-Off	145000.00klb	Jar Hours	68	D.P. Ann Velocity	151fpm
BHA Run Description		Packed drilling assembly					

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.28m	8.50in		10881881		
Near Bit Stab	1 x 1.87m	6.25in	2.45in			
NMDC	1 x 9.33m	6.75in	2.45in	hofco-65		
String Stabiliser	1 x 1.48m	6.25in	2.45in			
Drill Collar	1 x 9.06m	6.25in	2.45in			
Drill Collar	1 x 9.33m	6.25in	2.45in			
String Stabiliser	1 x 1.44m	6.25in	2.45in			
Drill Collar	1 x 54.09m	6.25in	2.45in			
Drilling Jars	1 x 9.58m	6.25in	2.59in			
Drill Collar	1 x 27.38m	6.25in	2.78in			
HWDP	1 x 56.10m	4.50in	2.90in			
Total Length:	179.94m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1743.00	4.00	57.00	1741.48	-14.26	0.15	-14.26	56.11	MSS
1819.00	4.00	62.00	1817.30	-11.58	0.14	-11.58	60.68	MSS
1869.00	4.00	52.00	1867.18	-9.68	0.42	-9.68	63.59	MSS
1980.00	4.00	40.00	1977.91	-4.33	0.23	-4.33	69.13	Assumed TD

Summary

Company	Pax On
Karoon Gas Ltd	3
Century Drilling Ltd	20
Precision Energy Services Pty Ltd	3
RMN Drilling Fluids	1
BHI	2
Eurest	2
Corpro Systems Ltd	1
Total on Rig	32

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	1	0	16.0
AMC Defoamer	25L can	0	1	0	3.0
AMC PAC-R	25kg sack	0	11	0	71.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	35	0	524.0
Caustic Soda	25kg pail	0	0	0	21.0
Citric Acid	25kg sack	0	0	0	38.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	3	0	420.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	1	0	8.0
Sodium Sulfite	25kg sack	0	1	0	20.0
Xanthan Gum	25kg sack	0	3	0	18.0
Xtra-sweep	12lb box	0	2	0	5.0
Diesel fuel	1000L	0	2.6	0	15.6

Pumps													
Pump Data - Last 24 Hrs								**Slow Pump Data**					
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (gpm)	Depth (m)	Ck. Line (psi)		SPM (SPM)	SPP (psi)	Flow (gpm)
1	Gardner Denver PZ7	5.50		97	76	850	160	1897		1.	70	120	126
										2.	90	220	168
2	Gardner Denver	5.50		97	76	850	160	1897		1.	70	120	126
										2.	90	220	168
3	Gardner Denver	5.50		97						1.			
										2.			

KAROON Gas Australia

Megascolides-1 RE

Date :	25 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	12	**Drilling Supervisor :**	Bruce Pilat	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	Dave Horner

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1908m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1906m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	19m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	12.00	Liner MD:		LTI Free Days:	212
Datum:	WGS 84	Days On Well:	60.52	Liner TVD:			

Current Ops @ 0600:	Drill 8.5" hole to 1958 m
Planned Operations:	Drill 8.5" hole to TD,wiper trip & clean hole,pull out of hole to log

Summary of Period 0000 to 2400 Hrs

Cut core number 2,pull out of hole with core barrel,retrieve core,run in hole with PDC bit & packed assembly

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( )	25 Dec 2006	0 Days	All on site personnel blow into acholiser
BOP Drill (2)	25 Dec 2006	0 Days	BOP drill conducted in acceptable time
Pre-Tour Meetings (2)	25 Dec 2006	0 Days	tripping,handle tools,laying out core tubes

Operations For Period 0000 Hrs to 2400 Hrs on 25 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	COR	0000	0600	6.00	1895m	Cut core # 2 from 1889 m to 1895 m
ST	P	TO	0600	1200	6.00	1895m	Pull out of hole with core # 2
ST	P	HT	1200	1330	1.50	1895m	Retrieve core # 2 from barrel (recovered 5.0 m, 83.5%), layout core barrel and assorted coring equipment
ST	P	RS	1330	1400	0.50	1895m	Rig service
ST	P	TI	1400	1630	2.50	1895m	Pick up & make 8.5" pdc bit and packed drilling assembly,Run in hole to casing shoe,fill up pipe
ST	P	TI	1630	2130	5.00	1895m	Continue to run in hole to 1877m (fill up pipe @ 1180 m)
ST	P	DA	2130	2400	2.50	1908m	Drill 8.5" hole from 1895 m to 1908 m

Operations For Period 0000 Hrs to 0600 Hrs on 26 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	DA	0000	0600	6.00	1958m	Drill 8.5" hole from 1908 m to 1958 m TD

KAROON Gas Australia

WBM Data

Daily Chemical Costs: $ 2805 | Cost To Date: $ 29950 | Engineer : Peter N Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:	39C°	Cl:	10800.00x1000 mg/l	Low Gravity Solids:	4.0%	Gels 10s	0
Sample From:	Below Shaker	Nitrates:	0mg/l	Hard/Ca:	120mg/l	High Gravity Solids:	0.0%	Gels 10m	1
Time:	22:15	Sulphites:	150mg/l	MBT:	9	Solids (corrected):	4.0%	Fann 003	0
Weight:	9.00ppg	API FL:	6.2cm³/30m	PM:	1.25	H2O:	96.0%	Fann 006	1
ECD TD:	9.14ppg	API Cake:	1/32nd"	PF:	0.18	Oil:	0.0%	Fann 100	10
ECD Shoe:	9.14ppg	PV	13cp	MF:	1.28	Sand:	0.15 %	Fann 200	17
Viscosity	48sec/qt	YP	9lb/100ft²	pH:	10	Barite:	0	Fann 300	22
KCl Equiv:	2.0%	CaCO3 Added:	0.0ppb	PHPA Added:	0.00ppb			Fann 600	35

Comment: Maintain fluid properties, with a view to increase low-end rheology.
Water additions augmented by intermittent, exceptionally heavy rain.

Shakers, Volumes and Losses Data

				Equip.	Descr.	Mesh Size	Hours
Available	**936.0bbl**	**Losses**	**30.0bbl**	De-Gaser 1	Rig		0
Active	426.0bbl	Downhole	0.0bbl	De-Sander 1	Pioneer	2 Cones	10
Hole	406.0bbl	Shakers & Equip.	11.0bbl	De-Silter 1	Pioneer	10 Cones	10
Slug		Dumped	0.0bbl	Shaker 1	DFE	2x175, 1x140	18
Reserve	104.0bbl	Centrifuges		Shaker 2	DFE	2x175, 1x140	18
		De-Sander De-Silter	19.0bbl				
Built	90.0bbl						

Comment: Maintain fluid properties, with a view to increase low-end rheology.
Water additions augmented by intermittent, exceptionally heavy rain.

Bit Data

Bit # 3RR1

Wear	I	O1	D	L	B	G	O2	R
	1	1	WT	A	X	I	NO	CP

				Nozzles	Drilled over last 24 hrs		Calculated over Bit Run	
Size (''):	8.50	IADC#			Progress	6m	Cum. Progress	6.0m
Mfr:	Corpro Systems Ltd	WOB(avg)	11.00klb		On Bottom Hrs	6.00	Cum. On Btm Hrs	7.00
Type:		RPM(avg)	90		IADC Drill Hrs	6.00	Cum IADC Drill Hrs	7.00
Serial No.:	8492c	RPM (DH)(avg)	90		Total Revs	42000	Cum Total Revs	49000
Bit Model	MCP662	F.Rate	200gpm		OB-ROP(avg)	1.00m/hr	Cum. OB-ROP(avg)	0.86m/hr
Depth In	1889m	SPP	850psi					
Depth Out	1895m	TFA		HSI				
Bit Run Comment		Core 2						

Bit Data

Bit # 2RR1

				Nozzles	Drilled over last 24 hrs		Calculated over Bit Run	
Size (''):	8.50	IADC#			Progress	13m	Cum. Progress	13.0m
Mfr:	Security DBS	WOB(avg)	15.00klb	5 x 11(/32nd")	On Bottom Hrs	2.00	Cum. On Btm Hrs	2.00
Type:	PDC	RPM(avg)	130		IADC Drill Hrs	3.00	Cum IADC Drill Hrs	3.00
Serial No.:	10881881	RPM (DH)(avg)	130		Total Revs	14010	Cum Total Revs	14010
Bit Model	FM3553	F.Rate	320gpm		OB-ROP(avg)	6.50m/hr	Cum. OB-ROP(avg)	6.50m/hr
Depth In	1895m	SPP	850psi					
Depth Out		TFA		HSI				

KAROON Gas Australia

BHA Data

BHA # 7

Weight(Wet)	48000.00klb	Length	173m	Torque(max)		D.C. (1) Ann Velocity	148fpm
Wt Below Jar(Wet)	35000.00klb	String	151000.00klb	Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up	155000.00klb	Torque(On.Btm)		H.W.D.P. Ann Velocity	94fpm
		Slack-Off	125000.00klb	Jar Hours	54.5	D.P. Ann Velocity	94fpm

BHA Run Description: coring

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.37m	8.50in		8492		
Stab	1 x 0.76m	7.50in	5.88in	W0137183		
Core Barrel	1 x 5.33m	7.12in	5.88in	W0135209		
Stab	1 x 0.76m	7.50in	5.88in	W0137219		
Core Barrel	1 x 0.61m	7.12in	5.88in			
Drill Collar	1 x 72.48m	6.25in	2.94in			
Drilling Jars	1 x 9.58m	6.25in	2.62in			
Drill Collar	1 x 27.38m	6.25in	2.94in			
HWDP	1 x 56.10m	4.50in	2.94in			
Total Length:	173.37m					

BHA Data

BHA # 8

Weight(Wet)	48000.00klb	Length	180m	Torque(max)	12000ft-lbs	D.C. (1) Ann Velocity	236fpm
Wt Below Jar(Wet)	36000.00klb	String	160000.00klb	Torque(Off.Btm)	5000ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	170000.00klb	Torque(On.Btm)	10000ft-lbs	H.W.D.P. Ann Velocity	151fpm
		Slack-Off	145000.00klb	Jar Hours	57	D.P. Ann Velocity	151fpm

BHA Run Description: Packed drilling assembly

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.28m	8.50in		10881881		
Near Bit Stab	1 x 1.87m	6.25in	2.45in			
NMDC	1 x 9.33m	6.75in	2.45in	hofco-65		
String Stabiliser	1 x 1.48m	6.25in	2.45in			
Drill Collar	1 x 9.06m	6.25in	2.45in			
Drill Collar	1 x 9.33m	6.25in	2.45in			
String Stabiliser	1 x 1.44m	6.25in	2.45in			
Drill Collar	1 x 54.09m	6.25in	2.45in			
Drilling Jars	1 x 9.58m	6.25in	2.59in			
Drill Collar	1 x 27.38m	6.25in	2.78in			
HWDP	1 x 56.10m	4.50in	2.90in			
Total Length:	179.94m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1693.64	4.25	57.00	1692.25	-16.20	0.94	-16.20	53.13	MSS
1743.00	4.00	57.00	1741.48	-14.26	0.15	-14.26	56.11	MSS
1819.00	4.00	62.00	1817.30	-11.58	0.14	-11.58	60.68	MSS
1869.00	4.00	52.00	1867.18	-9.68	0.42	-9.68	63.59	MSS

Summary

Company	Pax On
Karoon Gas Ltd	3
Century Drilling Ltd	20
RMN Drilling Fluids	1
BHI	2
ACS Laboratories	1
Eurest	3
Corpro Systems Ltd	1
Total on Rig	31

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	17.0
AMC Defoamer	25L can	0	2	0	4.0
AMC PAC-R	25kg sack	0	3	0	82.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	0	0	559.0
Caustic Soda	25kg pail	0	0	0	21.0
Citric Acid	25kg sack	0	0	0	38.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	25	0	423.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	4	0	9.0
Sodium Sulfite	25kg sack	0	0	0	21.0
Xanthan Gum	25kg sack	0	4	0	21.0
Xtra-sweep	12lb box	0	0	0	7.0
Diesel fuel	1000L	0	1.9	0	18.2

Pumps

Pump Data - Last 24 Hrs								Slow Pump Data					
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (gpm)	Depth (m)	Ck. Line (psi)		SPM (SPM)	SPP (psi)	Flow (gpm)
1	Gardner Denver PZ7	5.50		97	76	730	160	1897		1.	70	120	126
										2.	90	220	168
2	Gardner Denver	5.50		97	76	730	160	1897		1.	70	120	126
										2.	90	220	168
3	Gardner Denver	5.50		97						1.			
										2.			

KAROON Gas Australia

Megascolides-1 RE

Date :	24 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	11	**Drilling Supervisor :**	Bruce Pilat	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	Dave Horner

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1881m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1879m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	8m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	11.00	Liner MD:		LTI Free Days:	211
Datum:	WGS 84	Days On Well:	59.52	Liner TVD:			

Current Ops @ 0600:	Cut core # 2
Planned Operations:	Pull out of hole with core # 2,drill ahead with 8.5 bit

Summary of Period 0000 to 2400 Hrs

Cut core#1, Pull out of hole,recover core,make up core barrel # 2

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( )	24 Dec 2006	0 Days	All on site personnel blow into acholiser
BOP Drill (2)	24 Dec 2006	0 Days	BOP drill conducted in acceptable time
Pre-Tour Meetings (2)	24 Dec 2006	0 Days	tripping,handle tools,laying out core tubes
Weekly Safety Meeting (2)	24 Dec 2006	0 Days	

Operations For Period 0000 Hrs to 2400 Hrs on 24 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	COR	0000	0430	4.50	1889m	Drop ball,Cut core # 1 from 1881 m to 1889 m (barrel jammed)
ST	P	TO	0430	1200	7.50	1889m	Pull out of hole with core # 1 (tight hole, pump out from 1889m to 1868 m)
ST	P	COR	1200	1400	2.00	1889m	Recover core # 1 from barrel (recovery 1881m to 1887.6 m 82.5%)
ST	P	RS	1400	1430	0.50	1889m	Rig service
ST	P	SC	1430	1500	0.50	1889m	Slip 40 ft drill line
ST	P	TI	1500	2000	5.00	1889m	Make up modified 7.8m core barrel # 2 and run in hole to 1805 m
ST	P	RW	2000	2230	2.50	1889m	Wash from 1805 m to 1889 m
ST	P	RW	2230	2300	0.50	1889m	Space out,circulate bottoms up
ST	P	COR	2300	2400	1.00	1889m	Cut core # 2 from 1889 m to 1889.1 m

Operations For Period 0000 Hrs to 0600 Hrs on 25 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	COR	0000	0600	6.00	1895m	Cut core # 2 from 1889 m to 1895 m

KAROON Gas Australia

WBM Data

Daily Chemical Costs: $ 2054 | Cost To Date: $ 27145 | Engineer : Peter N Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:	41C°	Cl:	12.30x1000 mg/l	Low Gravity Solids:	4.0%	Gels 10s	0
Sample From:	Below Shaker	Nitrates:	0mg/l	Hard/Ca:	240mg/l	High Gravity Solids:	0.0%	Gels 10m	1
Time:	22:30	Sulphites:	150mg/l	MBT:	12	Solids (corrected):	4.0%	Fann 003	0
Weight:	9.00ppg	API FL:	7.0cm³/30m	PM:	1.15	H2O:	96.0%	Fann 006	1
ECD TD:	9.10ppg	API Cake:	1/32nd"	PF:	0.1	Oil:	0.0%	Fann 100	10
ECD Shoe:	9.10ppg	PV	13cp	MF:	1.15	Sand:	0.15 %	Fann 200	17
Viscosity	47sec/qt	YP	9lb/100ft²	pH:	9.2	Barite:	0	Fann 300	22
KCl Equiv:	2.4%	CaCO3 Added:	0.0ppb	PHPA Added:	0.00ppb			Fann 600	35

Comment: Maintain fluid properties, with a view to prevent increase of density.
Adding ~5bbls/hr water @ shakers, running all solids-control equipment.

Shakers, Volumes and Losses Data

				Equip.	Descr.	Mesh Size	Hours
Available	**875.0bbl**	**Losses**	**52.0bbl**	De-Gaser 1	Rig		0
Active	392.0bbl	Downhole	3.0bbl	De-Sander 1	Pioneer	2 Cones	8
Hole	401.0bbl	Shakers & Equip.	3.0bbl	De-Silter 1	Pioneer	10 Cones	8
Slug		Dumped	35.0bbl	Shaker 1	DFE	2x175, 1x140	18
Reserve	82.0bbl	Centrifuges		Shaker 2	DFE	2x175, 1x140	18
		De-sander De-Silter	11.0bbl				
Built	45.0bbl						

Comment: Adding ~5bbls/hr water @ shakers, running all solids-control equipment.

Bit Data

Bit # 3

Wear	I	O1	D	L	B	G	O2	R
	1	1	WT	A	X	I	NO	CP

Size (''):	8.50	IADC#		**Nozzles**	**Drilled over last 24 hrs**		**Calculated over Bit Run**	
Mfr:	Corpro Systems Ltd	WOB(avg)	11.00klb		Progress	8m	Cum. Progress	8.0m
Type:		RPM(avg)	90		On Bottom Hrs	4.00	Cum. On Btm Hrs	4.00
Serial No.:	8492c	RPM (DH)(avg)	90		IADC Drill Hrs	5.00	Cum IADC Drill Hrs	5.00
Bit Model	MCP662	F.Rate	233gpm		Total Revs	36155	Cum Total Revs	36155
Depth In	1881m	SPP	450psi		OB-ROP(avg)	2.00m/hr	Cum. OB-ROP(avg)	2.00m/hr
Depth Out	1889m	TFA		HSI				
Bit Run Comment		Core 1						

Bit Data

Bit # 3RR1

Size (''):	8.50	IADC#		**Nozzles**	**Drilled over last 24 hrs**		**Calculated over Bit Run**	
Mfr:	Corpro Systems Ltd	WOB(avg)	11.00klb		Progress	0m	Cum. Progress	0.0m
Type:		RPM(avg)	90		On Bottom Hrs	1.00	Cum. On Btm Hrs	1.00
Serial No.:	8492c	RPM (DH)(avg)	90		IADC Drill Hrs	1.00	Cum IADC Drill Hrs	1.00
Bit Model	MCP662	F.Rate	200gpm		Total Revs	7000	Cum Total Revs	7000
Depth In	1889m	SPP	850psi		OB-ROP(avg)		Cum. OB-ROP(avg)	0.00m/hr
Depth Out		TFA		HSI				
Bit Run Comment		Core 2						

KAROON Gas Australia

BHA Data

BHA # 6

Weight(Wet)	48000.00klb	Length	186m	Torque(max)		D.C. (1) Ann Velocity	172fpm
Wt Below Jar(Wet)	35000.00klb	String	151000.00klb	Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up	155000.00klb	Torque(On.Btm)		H.W.D.P. Ann Velocity	110fpm
		Slack-Off	125000.00klb	Jar Hours	47.5	D.P. Ann Velocity	110fpm

BHA Run Description: coring

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.37m	8.50in		8492		
Stab	1 x 0.76m	7.50in	5.88in	W0137183		
Core Barrel	1 x 5.33m	7.12in	5.88in	W0135209		
Stab	1 x 0.76m	7.50in	5.88in	W0137219		
Core Barrel	1 x 5.33m	7.12in	5.88in	W0135137		
Stab	1 x 0.76m	7.50in	5.88in	W0137204		
Core Barrel	1 x 5.33m	7.12in	5.88in	728015		
Stab	1 x 0.76m	7.50in	5.88in	W0137028		
Core Barrel	1 x 0.61m	7.12in	5.85in			
Drill Collar	1 x 72.48m	6.25in	6.94in			
Drilling Jars	1 x 9.58m	6.25in	2.62in			
Drill Collar	1 x 27.38m	6.25in	6.94in			
HWDP	1 x 56.10m	4.50in	2.94in			
Total Length:	185.55m					

BHA Data

BHA # 7

Weight(Wet)	48000.00klb	Length	173m	Torque(max)		D.C. (1) Ann Velocity	148fpm
Wt Below Jar(Wet)	35000.00klb	String	151000.00klb	Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up	155000.00klb	Torque(On.Btm)		H.W.D.P. Ann Velocity	94fpm
		Slack-Off	125000.00klb	Jar Hours	48.5	D.P. Ann Velocity	94fpm

BHA Run Description: coring

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.37m	8.50in		8492		
Stab	1 x 0.76m	7.50in	5.88in	W0137183		
Core Barrel	1 x 5.33m	7.12in	5.88in	W0135209		
Stab	1 x 0.76m	7.50in	5.88in	W0137219		
Core Barrel	1 x 0.61m	7.12in	5.88in			
Drill Collar	1 x 72.48m	6.25in	2.94in			
Drilling Jars	1 x 9.58m	6.25in	2.62in			
Drill Collar	1 x 27.38m	6.25in	2.94in			
HWDP	1 x 56.10m	4.50in	2.94in			
Total Length:	173.37m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1693.64	4.25	57.00	1692.25	-16.20	0.94	-16.20	53.13	MSS
1743.00	4.00	57.00	1741.48	-14.26	0.15	-14.26	56.11	MSS
1819.00	4.00	62.00	1817.30	-11.58	0.14	-11.58	60.68	MSS
1869.00	4.00	52.00	1867.18	-9.68	0.42	-9.68	63.59	MSS

Summary

Company	Pax On
Karoon Gas Ltd	3
Century Drilling Ltd	20
RMN Drilling Fluids	1
BHI	2
Eurest	3
Corpro Systems Ltd	1
Total on Rig	30

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	1	0	17.0
AMC Defoamer	25L can	0	2	0	6.0
AMC PAC-R	25kg sack	0	4	0	85.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	0	0	559.0
Caustic Soda	25kg pail	0	0	0	21.0
Citric Acid	25kg sack	0	0	0	38.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	1	0	11.0
KCl	25kg sack	0	2	0	448.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	4	0	13.0
Sodium Sulfite	25kg sack	0	2	0	21.0
Xanthan Gum	25kg sack	0	2	0	25.0
Xtra-sweep	12lb box	0	0	0	7.0
Diesel fuel	1000L	0	1.4	0	20.1

Pumps

Pump Data - Last 24 Hrs								Slow Pump Data					
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (gpm)	Depth (m)	Ck. Line (psi)		SPM (SPM)	SPP (psi)	Flow (gpm)
1	Gardner Denver PZ7	5.50		97	76	1000	160	1758		1.	60	140	126
										2.	80	220	168
2	Gardner Denver	5.50		97	76	1000	160	1758		1.	60	140	126
										2.	80	220	168
3	Gardner Denver	5.50		97						1.			
										2.			

KAROON Gas Australia

DAILY DRILLING REPORT # 10

Megascolides-1 RE

Date :	23 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	10	**Drilling Supervisor :**	Bruce Pilat	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	Dave Horner

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1881m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1879m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	10.00	Liner MD:		LTI Free Days:	210
Datum:	WGS 84	Days On Well:	58.52	Liner TVD:			

Current Ops @ 0600:	P.O.H with core barrel
Planned Operations:	Pull out of hole with core barrel,recover core,drill ahead with 8.5" hole

Summary of Period 0000 to 2400 Hrs

P.O.H with 8.5" bit,pressure test casing to 2500 psi,make up & run in hole with core barrel,cut core

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( )	22 Dec 2006	1 Day	All on site personnel blow into acholiser
BOP Drill (1)	22 Dec 2006	1 Day	BOP drill conducted in acceptable time
Pre-Tour Meetings (2)	22 Dec 2006	1 Day	drilling ahead,forklift ops,communications

Operations For Period 0000 Hrs to 2400 Hrs on 23 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	RW	0000	0100	1.00	1881m	Wash from 1872 m to 1881 m (no fill),pump 25 bbl Hi-Vis sweep & circulate out
ST	P	SVY	0100	0130	0.50	1881m	Run W.L.S @ 1869 m (4dg-N52E)
ST	P	TO	0130	0730	6.00	1881m	P.O.H with 8.5" bit to pick up core barrel
ST	P	HBHA	0730	0800	0.50	1881m	Lay down NMDC,NBS,2 x String Stabs
ST	P	HT	0800	0830	0.50	1881m	Pick up & make up RTTS packer assembly
ST	P	TI	0830	1030	2.00	1881m	R.I.H with RTTS packer to 467 m
ST	P	PT	1030	1130	1.00	1881m	Set packer on Depth @ 467 m, pressure test casing to 2500 psi for 15 min "ok"
ST	P	TO	1130	1300	1.50	1881m	Unset packer,P.O.H with RTTS assembly,break & layout
ST	P	COR	1300	1330	0.50	1881m	House keep drill floor,hold pre job safety meeting prior to picking up core barrel
ST	P	COR	1330	1500	1.50	1881m	Pick up & make up core barrel
ST	P	TI	1500	2200	7.00	1881m	Run in hole with core barrel to 1858 m
ST	P	TI	2200	2330	1.50	1881m	Wash from 1858 m to 1881 m
ST	P	TI	2330	2400	0.50	1881m	Space out,circulate bottoms up

Operations For Period 0000 Hrs to 0600 Hrs on 24 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	COR	0000	0430	4.50	1889m	Drop ball,Cut core # 1 from 1881 m to 1889 m (barrel jammed)
ST	P	TO	0430	0600	1.50	1889m	(IN PROGRESS) Pull out of hole with core # 1 (tight hole, pump out from 1889m to 1868 m)

KAROON Gas Australia

WBM Data

Daily Chemical Costs: $ 0 | Cost To Date: $ 25091 | Engineer : Peter N Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:	38C°	Cl:	12.10x1000 mg/l	Low Gravity Solids:	3.3%	Gels 10s	0
Sample From:	Suction Tank	Nitrates:	0mg/l	Hard/Ca:	480mg/l	High Gravity Solids:	0.0%	Gels 10m	1
Time:	23:50	Sulphites:	50mg/l	MBT:	12	Solids (corrected):	3.3%	Fann 003	0
Weight:	8.95ppg	API FL:	6.6cm³/30m	PM:	1.34	H2O:	96.7%	Fann 006	1
ECD TD:	9.03ppg	API Cake:	1/32nd"	PF:	0.08	Oil:	0.0%	Fann 100	9
ECD Shoe:	9.03ppg	PV	12cp	MF:	1.25	Sand:	0.1 %	Fann 200	14
Viscosity	44sec/qt	YP	8lb/100ft²	pH:	9.5	Barite:	0	Fann 300	20
KCl Equiv:	2.8%	CaCO3 Added:	0.0ppb	PHPA Added:	0.00ppb			Fann 600	32

Comment: Change shaker screens to 2x175, 1x140; overhaul mixing pump.
No volume additions made or chemicals used last 24 hours.

Shakers, Volumes and Losses Data

				Equip.	Descr.	Mesh Size	Hours
Available	**844.0bbl**	**Losses**	**42.0bbl**	De-Gaser 1	Rig		0
Active	404.0bbl	Downhole	3.0bbl	De-Sander 1	Pioneer	2 Cones	2
Hole	400.0bbl	Shakers & Equip.	2.0bbl	De-Silter 1	Pioneer	10 Cones	2
Slug		Dumped	35.0bbl	Shaker 1	DFE	2x175, 1x140	12
Reserve	40.0bbl	Centrifuges		Shaker 2	DFE	2x175, 1x140	12
		De-sander De-Silter	2.0bbl				
Built	0.0bbl						

Comment: No volume additions made or chemicals used last 24 hours.

Bit Data

Bit # 2

Wear	I	O1	D	L	B	G	O2	R
	0	0	NO	FC	X	I	NO	CP

Size (''):	8.50	IADC#		**Nozzles**	**Drilled over last 24 hrs**	**Calculated over Bit Run**	
Mfr:	Security DBS	WOB(avg)	15.00klb	5 x 11(/32nd")	Progress	0m	Cum. Progress	222.0m
Type:	PDC	RPM(avg)	130		On Bottom Hrs	0.00	Cum. On Btm Hrs	20.00
Serial No.:	10881881	RPM (DH)(avg)	130		IADC Drill Hrs	0.00	Cum IADC Drill Hrs	24.00
Bit Model	FM3553	F.Rate	320gpm		Total Revs	0	Cum Total Revs	129312
Depth In	1659m	SPP	850psi		OB-ROP(avg)		Cum. OB-ROP(avg)	11.10m/hr
Depth Out	1881m	TFA		HSI				

Bit Data

Bit # 3

Size (''):	8.50	IADC#		**Nozzles**	**Drilled over last 24 hrs**	**Calculated over Bit Run**	
Mfr:	Corpro Systems Ltd	WOB(avg)	klb		Progress	m	Cum. Progress	0.0m
Type:		RPM(avg)			On Bottom Hrs	NaN	Cum. On Btm Hrs	0.00
Serial No.:	8492c	RPM (DH)(avg)			IADC Drill Hrs	NaN	Cum IADC Drill Hrs	0.00
Bit Model	MCP662	F.Rate	gpm		Total Revs		Cum Total Revs	0
Depth In	1881m	SPP	psi		OB-ROP(avg)		Cum. OB-ROP(avg)	0.00m/hr
Depth Out		TFA		HSI				
Bit Run Comment		Core 1						

BHA Data

BHA # 5

Weight(Wet)	48000.00klb	Length	180m	Torque(max)		D.C. (1) Ann Velocity	236fpm
Wt Below Jar(Wet)	36000.00klb	String	148000.00klb	Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up	156000.00klb	Torque(On.Btm)		H.W.D.P. Ann Velocity	151fpm
		Slack-Off	142000.00klb	Jar Hours	43	D.P. Ann Velocity	151fpm

BHA Run Description: Packed drilling assembly

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.28m	8.50in		10881881		
Near Bit Stab	1 x 1.87m	6.25in	2.45in			
NMDC	1 x 9.33m	6.75in	2.45in	hofco-65		
String Stabiliser	1 x 1.48m	6.25in	2.45in			
Drill Collar	1 x 9.06m	6.25in	2.45in			
Drill Collar	1 x 9.33m	6.25in	2.45in			
String Stabiliser	1 x 1.44m	6.25in	2.45in			
Drill Collar	1 x 54.09m	6.25in	2.45in			
Drilling Jars	1 x 9.58m	6.25in	2.59in			
Drill Collar	1 x 27.38m	6.25in	2.78in			
HWDP	1 x 56.10m	4.50in	2.90in			
Total Length:	179.94m					

BHA Data

BHA # 6

Weight(Wet)	48000.00klb	Length	186m	Torque(max)		D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	35000.00klb	String	151000.00klb	Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up	155000.00klb	Torque(On.Btm)		H.W.D.P. Ann Velocity	0fpm
		Slack-Off	125000.00klb	Jar Hours	43	D.P. Ann Velocity	0fpm

BHA Run Description: coring

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.37m	8.50in		8492		
Stab	1 x 0.76m	7.50in	5.88in	W0137183		
Core Barrel	1 x 5.33m	7.12in	5.88in	W0135209		
Stab	1 x 0.76m	7.50in	5.88in	W0137219		
Core Barrel	1 x 5.33m	7.12in	5.88in	W0135137		
Stab	1 x 0.76m	7.50in	5.88in	W0137204		
Core Barrel	1 x 5.33m	7.12in	5.88in	728015		
Stab	1 x 0.76m	7.50in	5.88in	W0137028		
Core Barrel	1 x 0.61m	7.12in	5.85in			
Drill Collar	1 x 72.48m	6.25in	6.94in			
Drilling Jars	1 x 9.58m	6.25in	2.62in			
Drill Collar	1 x 27.38m	6.25in	6.94in			
HWDP	1 x 56.10m	4.50in	2.94in			
Total Length:	185.55m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1693.64	4.25	57.00	1692.25	-16.20	0.94	-16.20	53.13	MSS
1743.00	4.00	57.00	1741.48	-14.26	0.15	-14.26	56.11	MSS
1819.00	4.00	62.00	1817.30	-11.58	0.14	-11.58	60.68	MSS
1869.00	4.00	52.00	1867.18	-9.68	0.42	-9.68	63.59	MSS

KAROON Gas Australia

Summary

Company	Pax On
Karoon Gas Ltd	3
Century Drilling Ltd	20
RMN Drilling Fluids	1
BHI	2
Eurest	3
Corpro Systems Ltd	1
Total on Rig	30

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	18.0
AMC Defoamer	25L can	0	0	0	8.0
AMC PAC-R	25kg sack	0	0	0	89.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	0	0	559.0
Caustic Soda	25kg pail	0	0	0	21.0
Citric Acid	25kg sack	0	0	0	38.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	12.0
KCl	25kg sack	0	0	0	450.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	0	0	17.0
Sodium Sulfite	25kg sack	0	0	0	23.0
Xanthan Gum	25kg sack	0	0	0	27.0
Xtra-sweep	12lb box	0	0	0	7.0
Diesel fuel	1000L	0	2.5	0	21.5

Pumps

Pump Data - Last 24 Hrs								Slow Pump Data					
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (gpm)	Depth (m)	Ck. Line (psi)		SPM (SPM)	SPP (psi)	Flow (gpm)
1	Gardner Denver PZ7	5.50		97	76	1000	160	1758		1.	60	140	126
										2.	80	220	168
2	Gardner Denver	5.50		97	76	1000	160	1758		1.	60	140	126
										2.	80	220	168
3	Gardner Denver	5.50		97						1.			
										2.			

KAROON Gas Australia

DAILY DRILLING REPORT # 9

Megascolides-1 RE

Date :	22 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	9	**Drilling Supervisor :**	Bruce Pilat	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	Dave Horner

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1881m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1879m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	126m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	9.00	Liner MD:		LTI Free Days:	209
Datum:	WGS 84	Days On Well:	57.52	Liner TVD:			

Current Ops @ 0600:	P.O.H with 8.5" bit to run core barrel
Planned Operations:	P.O.H with 8.5" bit,R.I.H with RTTS & pressure test casing,R.I.H with core barrel

Summary of Period 0000 to 2400 Hrs

Drill 8.5" hole with surveys to core piont,reduce mud weight to 9 ppg,wiper trip,P.O.H

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( )	22 Dec 2006	0 Days	All on site personnel blow into acholiser
BOP Drill (1)	22 Dec 2006	0 Days	BOP drill conducted in acceptable time
Pre-Tour Meetings (2)	22 Dec 2006	0 Days	drilling ahead,forklift ops,communications

Operations For Period 0000 Hrs to 2400 Hrs on 22 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	SVY	0000	0030	0.50	1755m	Circulate & run W.L.S @ 1746 m (4dg-N45E)
ST	P	DA	0030	0500	4.50	1805m	Drill 8.5" hole from 1755 m to 1805 m
ST	P	SVY	0500	0530	0.50	1805m	Circulate & run W.L.S @ 1791 m (miss run)
ST	P	DA	0530	0630	1.00	1808m	Drill 8.5" hole from 1805 m to 1808 M
ST	P	DA	0600	0630	0.50	1814m	Drill 8.5" hole from 1808 m to 1814 M
ST	P	SVY	0630	0700	0.50	1814m	Circulate & run W.L.S @ 1802 m (miss run)
ST	P	DA	0700	0830	1.50	1833m	Drill 8.5" hole from 1814 m to 1833 m
ST	P	DA	0830	0900	0.50	1833m	Circulate & run W.L.S @ 1819 m (4dg-62 az)
ST	P	DA	0900	1230	3.50	1850m	Drill ahead with 8.5" bit from 1833 m to 1850 m
ST	P	WTH	1230	1330	1.00	1850m	Work tight hole on connection,drill string stuck, jar free & work pipe,pump 30 bbl Hi-Vis sweep,Continue to clean hole
ST	P	DA	1330	1630	3.00	1881m	Drill ahead with 8.5" hole from 1850 m to 1881 m (core piont)
ST	P	CMD	1630	2100	4.50	1881m	circulate & condition mud (reduce mud weight to 9 ppg as per directions)
ST	P	WT	2100	2400	3.00	1881m	P.O.H wiper trip from 1881 m to 1635 m (KOPP

Operations For Period 0000 Hrs to 0600 Hrs on 23 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	RW	0000	0100	1.00	1881m	Wash from 1872 m to 1881 m (no fill),pump 25 bbl Hi-Vis sweep & circulate out
ST	P	SVY	0100	0130	0.50	1881m	Run W.L.S @ 1869 m (4dg-N52E)
ST	P	TO	0130	0600	4.50	1881m	(IN PROGRESS) P.O.H with 8.5" bit to pick up core barrel

KAROON Gas Australia

WBM Data

Daily Chemical Costs: $ 4241 | Cost To Date: $ 25091 | Engineer : Peter N Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:	46C°	Cl:	11.00x1000 mg/l	Low Gravity Solids:	3.7%	Gels 10s	0
Sample From:	Suction Tank	Nitrates:	0mg/l	Hard/Ca:	280mg/l	High Gravity Solids:	0.0%	Gels 10m	1
Time:	23:55	Sulphites:	25mg/l	MBT:	7	Solids (corrected):	3.7%	Fann 003	0
Weight:	8.95ppg	API FL:	7.0cm³/30m	PM:	1.6	H2O:	96.3%	Fann 006	1
ECD TD:	9.08ppg	API Cake:	1/32nd"	PF:	0.17	Oil:	0.0%	Fann 100	11
ECD Shoe:	9.08ppg	PV	14cp	MF:	1.32	Sand:	TRC %	Fann 200	18
Viscosity	46sec/qt	YP	9lb/100ft²	pH:	10	Barite:	0	Fann 300	23
KCl Equiv:	2.1%	CaCO3 Added:	0.0ppb	PHPA Added:	0.00ppb			Fann 600	37

Comment: Receive orders to reduce fluid density to 9.0ppg. Dump 25% of existing system, make up 290bbls new volume, using 2ppb PAC-R; add to remaining fluid, reduce WT to just below 9.0ppg. Prepare 2nd XTRA SWEEP.

Shakers, Volumes and Losses Data

				Equip.	Descr.	Mesh Size	Hours
Available	**885.0bbl**	**Losses**	**309.0bbl**	De-Gaser 1	Rig		0
Active	409.0bbl	Downhole	0.0bbl	De-Sander 1	Pioneer	2 Cones	21
Hole	400.0bbl	Shakers & Equip.	65.0bbl	De-Silter 1	Pioneer	10 Cones	18
Slug		Dumped	230.0bbl	Shaker 1	DFE	2x140, 1x84	24
Reserve	76.0bbl	Centrifuges		Shaker 2	DFE	2x140, 1x84	24
		De-sander De-Silter	14.0bbl				
Built	370.0bbl						

Bit Data

Bit # 2

				Nozzles	Drilled over last 24 hrs		Calculated over Bit Run	
Size (''):	8.50	IADC#		5 x 11(/32nd")	Progress	126m	Cum. Progress	222.0m
Mfr:	Security DBS	WOB(avg)	15.00klb		On Bottom Hrs	12.00	Cum. On Btm Hrs	20.00
Type:	PDC	RPM(avg)	130		IADC Drill Hrs	14.00	Cum IADC Drill Hrs	24.00
Serial No.:	10881881	RPM (DH)(avg)	130		Total Revs	67030	Cum Total Revs	129312
Bit Model	FM3553	F.Rate	320gpm		OB-ROP(avg)	10.50m/hr	Cum. OB-ROP(avg)	11.10m/hr
Depth In	1659m	SPP	850psi					
Depth Out		TFA		HSI				

BHA Data

BHA # 5

Weight(Wet)	48000.00klb	Length	180m	Torque(max)		D.C. (1) Ann Velocity	236fpm
Wt Below Jar(Wet)	36000.00klb	String	148000.00klb	Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up	156000.00klb	Torque(On.Btm)		H.W.D.P. Ann Velocity	151fpm
		Slack-Off	142000.00klb	Jar Hours	43	D.P. Ann Velocity	151fpm
BHA Run Description		Packed drilling assembly					

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.28m	8.50in		10881881		
Near Bit Stab	1 x 1.87m	6.25in	2.45in			
NMDC	1 x 9.33m	6.75in	2.45in	hofco-65		
String Stabiliser	1 x 1.48m	6.25in	2.45in			
Drill Collar	1 x 9.06m	6.25in	2.45in			
Drill Collar	1 x 9.33m	6.25in	2.45in			
String Stabiliser	1 x 1.44m	6.25in	2.45in			
Drill Collar	1 x 54.09m	6.25in	2.45in			
Drilling Jars	1 x 9.58m	6.25in	2.59in			
Drill Collar	1 x 27.38m	6.25in	2.78in			
HWDP	1 x 56.10m	4.50in	2.90in			
Total Length:	179.94m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1693.64	4.25	57.00	1692.25	-16.20	0.94	-16.20	53.13	MSS
1743.00	4.00	57.00	1741.48	-14.26	0.15	-14.26	56.11	MSS
1819.00	4.00	62.00	1817.30	-11.58	0.14	-11.58	60.68	MSS
1869.00	4.00	52.00	1867.18	-9.68	0.42	-9.68	63.59	MSS

Summary

Company	Pax On
Karoon Gas Ltd	2
Sperry Sun	1
Century Drilling Ltd	26
RMN Drilling Fluids	1
BHI	2
Eurest	3
Corpro Systems Ltd	1
Total on Rig	36

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	3	0	18.0
AMC Defoamer	25L can	0	5	0	8.0
AMC PAC-R	25kg sack	64	12	0	89.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	0	0	559.0
Caustic Soda	25kg pail	0	0	0	21.0
Citric Acid	25kg sack	0	2	0	38.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	12.0
KCl	25kg sack	168	0	0	450.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	4	0	17.0
Sodium Sulfite	25kg sack	0	2	0	23.0
Xanthan Gum	25kg sack	0	1	0	27.0
Xtra-sweep	12lb box	0	3	0	7.0
Diesel fuel	1000L	10.05	2.05	0	24.0

Pumps													
Pump Data - Last 24 Hrs								**Slow Pump Data**					
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (gpm)	Depth (m)	Ck. Line (psi)		SPM (SPM)	SPP (psi)	Flow (gpm)
1	Gardner Denver PZ7	5.50		97	76	1000	160	1758		1.	60	140	126
										2.	80	220	168
2	Gardner Denver	5.50		97	76	1000	160	1758		1.	60	140	126
										2.	80	220	168
3	Gardner Denver	5.50		97						1.			
										2.			

KAROON Gas Australia

Megascolides-1 RE

Date :	21 Dec 2006	**Well Site Manager :**	Cesar Miaco / Wayne Crosswaite	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	8	**Drilling Supervisor :**	Bruce Pilat	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	Dave Horner

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1755m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1754m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	96m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	8.00	Liner MD:		LTI Free Days:	208
Datum:	WGS 84	Days On Well:	56.50	Liner TVD:			

Current Ops @ 0600:	Drill ahead with 8.5" to 1808 m
Planned Operations:	Drill ahead with 8.5" bit

Summary of Period 0000 to 2400 Hrs

run in hole with Pdc bit to 1659 m,drill ahead with surveys

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( )	21 Dec 2006	0 Days	All on site personnel blow into acholiser
Pre-Tour Meetings (2)	21 Dec 2006	0 Days	Laying out drill pipe,using elevators

Operations For Period 0000 Hrs to 2400 Hrs on 21 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	TO	0000	0200	2.00	1659m	Pull out of hole with kick off assembly
ST	P	HT	0200	0300	1.00	1659m	Service HOFCO motor as per instructions, break out bit
ST	P	TI	0300	0700	4.00	1659m	Pick up & make up bit # 2 and BHA # 2, run in hole to 497 m (fill up pipe)
ST	P	SC	0700	0900	2.00	1659m	slip & cut drilling line,reset instrument recorders,rig service
ST	P	TI	0900	1300	4.00	1659m	Continue to run in hole with bit # 2 to 1645 m (fill up pipe @ 1000m)
ST	P	RW	1300	1330	0.50	1659m	Break circulation & wash from 1645 m to 1659 m (no fill)
ST	P	DA	1330	1930	6.00	1711m	Drill ahead with 8.5" bit from 1659 m to 1711 m
ST	P	SVY	1930	2000	0.50	1711m	Circulate & run survey @ 1693 m
ST	P	DA	2000	2400	4.00	1755m	Continue to drill ahead with 8.5" hole from 1711 m to 1755 m

Operations For Period 0000 Hrs to 0600 Hrs on 22 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	SVY	0000	0030	0.50	1755m	Circulate & run W.L.S @ 1746 m (4dg-N45E)
ST	P	DA	0030	0500	4.50	1805m	Drill 8.5" hole from 1755 m to 1805 m
ST	P	SVY	0500	0530	0.50	1805m	Circulate & run W.L.S @ 1791 m (miss run)
ST	P	DA	0530	0600	0.50	1808m	(IN PROGRESS) Drill 8.5" hole from 1805 m to 1808 M

KAROON Gas Australia

WBM Data

Daily Chemical Costs: $ 921 | Cost To Date: $ 20850 | Engineer : Peter N Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:	46C°	Cl:	21.50x1000 mg/l	Low Gravity Solids:	6.0%	Gels 10s	1
Sample From:	below shaker	Nitrates:	0mg/l	Hard/Ca:	280mg/l	High Gravity Solids:	0.0%	Gels 10m	2
Time:	23:00	Sulphites:	250mg/l	MBT:	11	Solids (corrected):	6.0%	Fann 003	1
Weight:	9.35ppg	API FL:	8.0cm³/30m	PM:	2.68	H2O:	94.0%	Fann 006	2
ECD TD:	9.53ppg	API Cake:	1/32nd"	PF:	0.55	Oil:	0.0%	Fann 100	14
ECD Shoe:	9.53ppg	PV	20cp	MF:	2.6	Sand:	.75 %	Fann 200	23
Viscosity	52sec/qt	YP	11lb/100ft²	pH:	12.5	Barite:	0	Fann 300	31
KCl Equiv:	4.0%	CaCO3 Added:	0.0ppb	PHPA Added:	0.00ppb			Fann 600	51

Comment: Maintain fluid properties with additions of PAC-R, Sodium Sulphite + Biocide. Adding Soda Ash to reduce Ca+Mg level.
No fluid addition last 24 hours.
Start phasing in XANTHAN GUM to improve Low-End rheology.

Shakers, Volumes and Losses Data

				Equip.	Descr.	Mesh Size	Hours
Available	**824.0bbl**	**Losses**	**16.0bbl**	De-Gaser 1	Rig		
Active	442.0bbl	Downhole	2.0bbl	De-Sander 1	Pioneer	2 Cones	8
Hole	374.0bbl	Shakers & Equip.	0.0bbl	De-Silter 1	Pioneer	10 Cones	0
Slug		Dumped	10.0bbl	Shaker 1	DFE	2x140, 1x84	24
Reserve	8.0bbl	Centrifuges		Shaker 2	DFE	2x140, 1x84	24
		De-sander De-Silter	4.0bbl				
Built							

Bit Data

Bit # 1RR3

Wear	I	O1	D	L	B	G	O2	R
	1	1	NO	A	3	I	NO	BHA

Size (''):	8.50	IADC#	117	**Nozzles**	**Drilled over last 24 hrs**	**Calculated over Bit Run**	
Mfr:	Security DBS	WOB(avg)	1.00klb	3 x 20(/32nd'')	Progress 0m	Cum. Progress	24.0m
Type:	Rock	RPM(avg)	0		On Bottom Hrs 0.00	Cum. On Btm Hrs	35.00
Serial No.:	10858843	RPM (DH)(avg)	125		IADC Drill Hrs 0.00	Cum IADC Drill Hrs	35.00
Bit Model	EBXSC15	F.Rate	250gpm		Total Revs 0	Cum Total Revs	360000
Depth In	1635m	SPP	700psi		OB-ROP(avg)	Cum. OB-ROP(avg)	0.69m/hr
Depth Out	1659m	TFA	0.92	HSI			

Bit Run Comment: This is to be run with steering assembly (BHA #4).

Bit Data

Bit # 2

Size (''):	8.50	IADC#		**Nozzles**	**Drilled over last 24 hrs**	**Calculated over Bit Run**	
Mfr:	Security DBS	WOB(avg)	15.00klb	5 x 11(/32nd'')	Progress 96m	Cum. Progress	96.0m
Type:	PDC	RPM(avg)	130		On Bottom Hrs 8.00	Cum. On Btm Hrs	8.00
Serial No.:	10881881	RPM (DH)(avg)	130		IADC Drill Hrs 10.00	Cum IADC Drill Hrs	10.00
Bit Model	FM3553	F.Rate	320gpm		Total Revs 62282	Cum Total Revs	62282
Depth In	1659m	SPP	850psi		OB-ROP(avg) 12.00m/hr	Cum. OB-ROP(avg)	12.00m/hr
Depth Out		TFA		HSI			

BHA Data

BHA # 4

Weight(Wet)	41.00klb	Length	185m	Torque(max)		D.C. (1) Ann Velocity	185fpm
Wt Below Jar(Wet)	23.00klb	String	133.00klb	Torque(Off.Btm)		D.C. (2) Ann Velocity	185fpm
		Pick-Up	133.00klb	Torque(On.Btm)		H.W.D.P. Ann Velocity	118fpm
		Slack-Off	131.00klb	Jar Hours	19.5	D.P. Ann Velocity	118fpm

BHA Run Description	Steering assembly
BHA Run Comment	Sliding

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.27m	8.50in	2.75in	10858843	24	
Mud Motor	1 x 6.50m	6.75in	4.50in	67552042	24	
X/Over	1 x 0.32m	6.38in	2.75in			
Bit Sub	1 x 0.99m	6.50in	2.12in			
X/Over	1 x 0.26m	6.50in	2.25in			
OBHO	1 x 0.78m	6.25in	2.25in	675-2		
X/Over	1 x 0.41m	6.25in	2.81in			
NMDC	1 x 9.33m	6.75in	2.81in	HOFCO-65		
Drill Collar	8 x 9.05m	6.25in	2.80in			
Drilling Jars	1 x 9.58m	6.25in	2.68in	A248792		
Drill Collar	3 x 9.21m	6.25in	2.81in			
HWDP	6 x 9.35m	4.50in	2.75in			
Total Length:	184.57m					

BHA Data

BHA # 5

Weight(Wet)	48000.00klb	Length	180m	Torque(max)	16000ft-lbs	D.C. (1) Ann Velocity	236fpm
Wt Below Jar(Wet)	36000.00klb	String	138000.00klb	Torque(Off.Btm)	2000ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	140000.00klb	Torque(On.Btm)	14000ft-lbs	H.W.D.P. Ann Velocity	151fpm
		Slack-Off	135000.00klb	Jar Hours	29.5	D.P. Ann Velocity	151fpm

BHA Run Description	Packed drilling assembly

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.28m	8.50in		10881881		
Near Bit Stab	1 x 1.87m	6.25in	2.45in			
NMDC	1 x 9.33m	6.75in	2.45in	hofco-65		
String Stabiliser	1 x 1.48m	6.25in	2.45in			
Drill Collar	1 x 9.06m	6.25in	2.45in			
Drill Collar	1 x 9.33m	6.25in	2.45in			
String Stabiliser	1 x 1.44m	6.25in	2.45in			
Drill Collar	1 x 54.09m	6.25in	2.45in			
Drilling Jars	1 x 9.58m	6.25in	2.59in			
Drill Collar	1 x 27.38m	6.25in	2.78in			
HWDP	1 x 56.10m	4.50in	2.90in			
Total Length:	179.94m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1636.23	2.70	94.00	1634.95	-17.65	0.08	-17.65	49.98	Multishot Tie-in
1644.00	3.00	72.00	1642.71	-17.60	4.35	-17.60	50.36	MSS
1693.64	4.25	57.00	1692.25	-16.20	0.94	-16.20	53.13	MSS
1743.00	4.00	57.00	1741.48	-14.26	0.15	-14.26	56.11	MSS

KAROON Gas Australia

Summary

Company	Pax On
Karoon Gas Ltd	2
Sperry Sun	1
Century Drilling Ltd	26
RMN Drilling Fluids	1
BHI	2
Eurest	3
Corpro Systems Ltd	1
Total on Rig	36

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	1	0	21.0
AMC Defoamer	25L can	0	1	0	13.0
AMC PAC-R	25kg sack	0	0	0	37.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	0	0	559.0
Caustic Soda	25kg pail	0	0	0	21.0
Citric Acid	25kg sack	0	0	0	40.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	12.0
KCl	25kg sack	0	0	0	282.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	4	0	21.0
Sodium Sulfite	25kg sack	0	4	0	25.0
Xanthan Gum	25kg sack	0	1	0	28.0
Xtra-sweep	12lb box	0	0	0	10.0
Diesel fuel	1000L	0	1.4	0	16.0

Pumps

Pump Data - Last 24 Hrs								Slow Pump Data					
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (gpm)	Depth (m)	Ck. Line (psi)		SPM (SPM)	SPP (psi)	Flow (gpm)
1	Gardner Denver PZ7	5.50		97	76	1000	160	1758		1.	60	140	126
										2.	80	220	168
2	Gardner Denver	5.50		97	76	1000	160	1758		1.	60	140	126
										2.	80	220	168
3	Gardner Denver	5.50		97						1.			
										2.			

KAROON Gas Australia

DAILY DRILLING REPORT # 7

Megascolides-1 RE

Date :	20 Dec 2006	**Well Site Manager :**	Cesar Miaco / Wayne Crosswaite	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	7	**Drilling Supervisor :**	Bruce Pilat	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	Dave Horner

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1659m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1658m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	18m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	7.00	Liner MD:		LTI Free Days:	207
Datum:	WGS 84	Days On Well:	55.50	Liner TVD:			

Current Ops @ 0600: Run in hole with packed drilling assembly

Planned Operations: run in hole with packed drilling assembly,drill ahead with 8.5" bit

Summary of Period 0000 to 2400 Hrs

continue to slide drill 8.5" hole,Pull out of hole

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( )	20 Dec 2006	0 Days	All on site personnel blow into breathalyzer
Pre-Tour Meetings (2)	20 Dec 2006	0 Days	Tripping pipe,handling BHA

Operations For Period 0000 Hrs to 2400 Hrs on 20 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	DM	0000	1800	18.00	1643m	Sliding while time drilling from 1641m to 1643m
ST	P	DM	0600	1800	12.00	1659m	Sliding while time drilling from 1643m to 1659m
ST	P	SVY	1800	1900	1.00	1659m	Run W.L.S @ 1638 m (3dg-70 az)
ST	P	TO	1900	1930	0.50	1659m	circulate bottoms up, flow check,slug pipe
ST	P	TO	1930	2400	4.50	1659m	Pull out of hole with kick off assembly

Operations For Period 0000 Hrs to 0600 Hrs on 21 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	TO	0000	0200	2.00	1659m	Pull out of hole with kick off assembly
ST	P	HT	0200	0300	1.00	1659m	Service HOFCO motor as per instructions, break out bit
ST	P	TI	0300	0600	3.00	1659m	(IN PROGRESS) Pick up & make up bit # 2 and BHA # 2, run in hole to 497 m (fill up pipe)

WBM Data

Daily Chemical Costs: $ 2974 | Cost To Date: $ 19929 | Engineer : Peter Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:	43C°	Cl:	19500.00x1000 mg/l	Low Gravity Solids:	4.0%
Sample From:	below shaker	Nitrates:		Hard/Ca:	1200mg/l	High Gravity Solids:	0.0%
Time:	20:00	Sulphites:	150mg/l	MBT:	9	Solids (corrected):	6.0%
Weight:	9.20ppg	API FL:	7.5cm³/30m	PM:	2.35	H2O:	94.0%
ECD TD:	9.47ppg	API Cake:	1/32nd"	PF:	0.38	Oil:	0.0%
ECD Shoe:	9.47ppg	PV	22cp	MF:	3.9	Sand:	.25 %
Viscosity	52sec/qt	YP	12lb/100ft²	pH:	12.5	Barite:	
KCl Equiv:	3.0%	CaCO3 Added:		PHPA Added:			

Gels 10s	1
Gels 10m	2
Fann 003	1
Fann 006	2
Fann 100	16
Fann 200	26
Fann 300	34
Fann 600	56

Comment: Maintain fluid prperties while circulating

Printed on 12 Jun 2008

KAROON Gas Australia

Shakers, Volumes and Losses Data

				Equip.	Descr.	Mesh Size	Hours
Available	**767.0bbl**	**Losses**	**79.0bbl**	De-Gaser 1	Rig		
Active	342.0bbl	Downhole	15.0bbl	De-Sander 1	Pioneer	2 Cones	18
Hole	419.0bbl	Shakers & Equip.	44.0bbl	De-Silter 1	Pineer	10 Cones	10
Slug		Dumped	20.0bbl	Shaker 1	DFE	3 X 84	18
Reserve	6.0bbl	Centrifuges	0.0bbl	Shaker 2	DFE	3 X 84	18
Built							

Bit Data

Bit # 1RR3

Size (''):	8.50	IADC#	117	**Nozzles**	**Drilled over last 24 hrs**		**Calculated over Bit Run**	
Mfr:	Security DBS	WOB(avg)	1.00klb	3 x 20(/32nd'')	Progress	18m	Cum. Progress	24.0m
Type:	Rock	RPM(avg)	0		On Bottom Hrs	18.00	Cum. On Btm Hrs	35.00
Serial No.:	10858843	RPM (DH)(avg)	125		IADC Drill Hrs	18.00	Cum IADC Drill Hrs	35.00
Bit Model	EBXSC15	F.Rate	250gpm		Total Revs	180000	Cum Total Revs	360000
Depth In	1635m	SPP	700psi		OB-ROP(avg)	1.00m/hr	Cum. OB-ROP(avg)	0.69m/hr
Depth Out		TFA	0.92	HSI				
Bit Daily Comment		TIME DRILL						
Bit Run Comment		This is to be run with steering assembly (BHA #4).						

BHA Data

BHA # 4

Weight(Wet)	41.00klb	Length	185m	Torque(max)		D.C. (1) Ann Velocity	185fpm
Wt Below Jar(Wet)	23.00klb	String	133.00klb	Torque(Off.Btm)		D.C. (2) Ann Velocity	185fpm
		Pick-Up	133.00klb	Torque(On.Btm)		H.W.D.P. Ann Velocity	118fpm
		Slack-Off	131.00klb	Jar Hours	19.5	D.P. Ann Velocity	118fpm
BHA Run Description		Steering assembly					
BHA Run Comment		Sliding					

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.27m	8.50in	2.75in	10858843	24	
Mud Motor	1 x 6.50m	6.75in	4.50in	67552042	24	
X/Over	1 x 0.32m	6.38in	2.75in			
Bit Sub	1 x 0.99m	6.50in	2.12in			
X/Over	1 x 0.26m	6.50in	2.25in			
OBHO	1 x 0.78m	6.25in	2.25in	675-2		
X/Over	1 x 0.41m	6.25in	2.81in			
NMDC	1 x 9.33m	6.75in	2.81in	HOFCO-65		
Drill Collar	8 x 9.05m	6.25in	2.80in			
Drilling Jars	1 x 9.58m	6.25in	2.68in	A248792		
Drill Collar	3 x 9.21m	6.25in	2.81in			
HWDP	6 x 9.35m	4.50in	2.75in			
Total Length:	184.57m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1448.63	3.10	112.00	1447.62	-15.60	0.30	-15.60	40.13	Multishot
1561.19	3.00	99.00	1599.99	-17.25	0.37	-17.25	46.37	Multishot
1636.23	2.70	94.00	1634.95	-17.65	0.08	-17.65	49.98	Multishot Tie-in
1644.00	3.00	72.00	1642.71	-17.60	4.35	-17.60	50.36	MSS

Summary	
Company	**Pax On**
Karoon Gas Ltd	2
Halliburton	2
Sperry Sun	1
Century Drilling Ltd	23
Hofco Oilfield Services Pty Ltd	1
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	35

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	1	0	22.0
AMC Defoamer	25L can	0	0	0	14.0
AMC PAC-R	25kg sack	32	11	0	37.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	0	0	559.0
Caustic Soda	25kg pail	0	0	0	21.0
Citric Acid	25kg sack	40	0	0	40.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	12.0
KCl	25kg sack	252	33	0	282.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	8	0	25.0
Sodium Sulfite	25kg sack	0	5	0	29.0
Xanthan Gum	25kg sack	0	0	0	29.0
Xtra-sweep	12lb box	0	0	0	10.0
Diesel fuel	1000L	0	1.7	0	17.4

KAROON Gas Australia

DAILY DRILLING REPORT # 6

Megascolides-1 RE

Date :	19 Dec 2006	**Well Site Manager :**	Cesar Miaco/Wayne Crosswaite	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	6	**Drilling Supervisor :**	Brian Holland	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	Dave Horner

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1641m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1640m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	6m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	6.00	Liner MD:		LTI Free Days:	206
Datum:	WGS 84	Days On Well:	54.00	Liner TVD:			

Current Ops @ 0600:	Sliding at 1643 m
Planned Operations:	Continue to RIH, orient bent sub and 'Time Drill' to Kick off to drill new hole, Side track #1.

Summary of Period 0000 to 2400 Hrs

Continue to WOC. RIH with rotary string to polish up top of plug. Tag cement at 1,622m drill to 1635m. Set down 30K. POOH, Pick up motor and UBHO, RIH. Time drill 1635 - 1641m

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening (1)	19 Dec 2006	0 Days	Daily Alcohol screening undertaken
BOPE Test (1)	12 Dec 2006	7 Days	Initial acceptance
Muster Drill (2)	12 Dec 2006	7 Days	Routine drill
Safety Meeting (2)	19 Dec 2006	0 Days	PJTM for each oncoming crew and trades

Operations For Period 0000 Hrs to 2400 Hrs on 19 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	HBHA	0000	0100	1.00	1635m	M/U Mud motor and function test, calibrate newly install BHI block height encoder.
PH1	P	TI	0100	0200	1.00	1635m	RIH with BHA to jars
PH1	P	SVY	0200	0330	1.50	1635m	Pick up survey barrel and run in hole to rabbit the string and check depth to UBHO. OK
PH1	P	TI	0330	0630	3.00	1635m	Continue to RIH to 1628 m
ST	P	SVY	0630	0730	1.00	1635m	Run Survey on WL. Retrieve tool and process.
ST	P	DM	0730	2400	16.50	1641m	Orient tool face and slide. Time drilling to KO. Slide 1635 - 1641m

Operations For Period 0000 Hrs to 0600 Hrs on 20 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ST	P	DM	0000	0600	6.00	1643m	(IN PROGRESS) Sliding while time drilling from 1641m to 1643m

WBM Data

Daily Chemical Costs: $ 1262 | Cost To Date: $ 16955 | Engineer : Peter Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:	43C°	Cl:	19.50x1000 mg/l	Low Gravity Solids:	4.0%	Gels 10s	1
Sample From:	below shaker	Nitrates:				High Gravity Solids:	0.0%	Gels 10m	2
Time:	22:00	Sulphites:	150mg/l	Hard/Ca:	1200mg/l	Solids (corrected):	6.0%	Fann 003	1
Weight:	9.20ppg	API FL:	12.0cm³/30m	MBT:	9	H2O:	94.0%	Fann 006	1
ECD TD:	9.47ppg	API Cake:	2/32nd"	PM:	2.35	Oil:	0.0%	Fann 100	8
ECD Shoe:	9.47ppg	PV	9cp	PF:	0.38	Sand:	.25 %	Fann 200	13
Viscosity	40sec/qt	YP	18lb/100ft²	MF:	3.9	Barite:		Fann 300	18
KCl Equiv:	3.0%	CaCO3 Added:		pH:	12.5			Fann 600	32
				PHPA Added:					

Comment: Maintain fluid prperties while circulating

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KAROON Gas Australia

Shakers, Volumes and Losses Data

				Equip.	Descr.	Mesh Size	Hours
Available	**767.0bbl**	**Losses**	**79.0bbl**	De-Gaser 1	Rig		
Active	342.0bbl	Downhole	15.0bbl	De-Sander 1	Pioneer	2 Cones	18
Hole	419.0bbl	Shakers & Equip.	44.0bbl	De-Silter 1	Pioneer	10 Cones	10
Slug		Dumped	20.0bbl	Shaker 1	DFE	3 X 84	18
Reserve	6.0bbl	Centrifuges	0.0bbl	Shaker 2	DFE	3 X 84	18
Built							

Bit Data

Bit # 1RR3

Size (''):	8.50	IADC#	117	**Nozzles**	**Drilled over last 24 hrs**		**Calculated over Bit Run**	
Mfr:	Security DBS	WOB(avg)	1.00klb	3 x 20(/32nd'')	Progress	6m	Cum. Progress	6.0m
Type:	Rock	RPM(avg)	0		On Bottom Hrs	17.00	Cum. On Btm Hrs	17.00
Serial No.:	10858843	RPM (DH)(avg)	125		IADC Drill Hrs	17.00	Cum IADC Drill Hrs	17.00
Bit Model	EBXSC15	F.Rate	250gpm		Total Revs	180000	Cum Total Revs	180000
Depth In	1635m	SPP	700psi		OB-ROP(avg)	0.35m/hr	Cum. OB-ROP(avg)	0.35m/hr
Depth Out		TFA	0.92	HSI				

Bit Daily Comment	TIME DRILL
Bit Run Comment	This is to be run with steering assembly (BHA #4).

BHA Data

BHA # 4

Weight(Wet)	41.00klb	Length	185m	Torque(max)	0ft-lbs	D.C. (1) Ann Velocity	185fpm
Wt Below Jar(Wet)	23.00klb	String	130.00klb	Torque(Off.Btm)	0ft-lbs	D.C. (2) Ann Velocity	185fpm
		Pick-Up	133.00klb	Torque(On.Btm)	0ft-lbs	H.W.D.P. Ann Velocity	118fpm
		Slack-Off	128.00klb	Jar Hours	19.5	D.P. Ann Velocity	118fpm

BHA Run Description	Steering assembly
BHA Run Comment	Sliding

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.27m	8.50in	2.75in	10858843	24	
Mud Motor	1 x 6.50m	6.75in	4.50in	67552042	24	
X/Over	1 x 0.32m	6.38in	2.75in			
Bit Sub	1 x 0.99m	6.50in	2.12in			
X/Over	1 x 0.26m	6.50in	2.25in			
OBHO	1 x 0.78m	6.25in	2.25in	675-2		
X/Over	1 x 0.41m	6.25in	2.81in			
NMDC	1 x 9.33m	6.75in	2.81in	HOFCO-65		
Drill Collar	8 x 9.05m	6.25in	2.80in			
Drilling Jars	1 x 9.58m	6.25in	2.68in	A248792		
Drill Collar	3 x 9.21m	6.25in	2.81in			
HWDP	6 x 9.35m	4.50in	2.75in			
Total Length:	184.57m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1279.79	2.90	125.00	1279.00	-11.13	0.36	-11.13	32.74	Multishot
1448.63	3.10	112.00	1447.62	-15.60	0.30	-15.60	40.13	Multishot
1561.19	3.00	99.00	1599.99	-17.25	0.37	-17.25	46.37	Multishot
1636.23	2.70	94.00	1634.95	-17.65	0.08	-17.65	49.98	Multishot Tie-in

Summary	
Company	**Pax On**
Karoon Gas Ltd	2
Halliburton	2
Sperry Sun	1
Century Drilling Ltd	23
Hofco Oilfield Services Pty Ltd	1
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	35

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	2	0	23.0
AMC Defoamer	25L can	0	0	0	14.0
AMC PAC-R	25kg sack	0	5	0	16.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	0	0	559.0
Caustic Soda	25kg pail	0	0	0	21.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	12.0
KCl	25kg sack	0	0	0	63.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	4	0	33.0
Sodium Sulfite	25kg sack	0	0	0	34.0
Xanthan Gum	25kg sack	0	0	0	29.0
Xtra-sweep	12lb box	0	0	0	10.0
Diesel fuel	1000L	0	2	0	19.1

KAROON Gas Australia

Megascolides-1 RE

Date :	18 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	5	**Drilling Supervisor :**	Brian Holland	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1635m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1634m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	13m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	5.00	Liner MD:		LTI Free Days:	205
Datum:	WGS 84	Days On Well:	53.00	Liner TVD:			

Current Ops @ 0600:	RIH with Steering Assembly
Planned Operations:	Time drill and Kick off Side track 1

Summary of Period 0000 to 2400 Hrs

WOC, Polish Top of kick off plug, POOH rig up steering assembly

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
BOP Drill (2)	18 Dec 2006	0 Days	Simulate circulation through Poor Boy
BOP Drill (1)	18 Dec 2006	0 Days	Simulate flow
BOP Drill (2)	18 Dec 2006	0 Days	Emergency response to flow while RIH
BOPE Test (1)	12 Dec 2006	6 Days	Initial acceptance
Muster Drill (2)	12 Dec 2006	6 Days	Routine drill
Safety Meeting (2)	18 Dec 2006	0 Days	Weekly Crew meeting
Safety Meeting (2)	18 Dec 2006	0 Days	Daily pre tour

Operations For Period 0000 Hrs to 2400 Hrs on 18 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	HBHA	0000	0030	0.50	1622m	Rig up to handle BHA and strap new components
PH1	P	HBHA	0030	0300	2.50	1622m	PU and MU New BHA. RIH from Surface 478m.
PH1	P	WOC	0300	0600	3.00	1622m	WOC. Circulate and condition mud in pits
PH1	P	WOC	0600	0930	3.50	1622m	WOC. Circulate and condition mud in pits
PH1	P	TI	0930	1230	3.00	1622m	RIH hole tag cement at 1622m, lay out excess pipe
PH1	P	DC	1230	1300	0.50	1635m	Drill cement from 1622 to 1635m. Set down 30k on plug. Plug firm
PH1	P	CMD	1300	1500	2.00	1635m	Circulate Hole clean and condition mud, flow check and pump pill
PH1	P	TO	1500	1800	3.00	1635m	POOH from 1635m to 340m. Conduct Drill
PH1	P	RS	1800	1830	0.50	1635m	Replace Drum Clutch throttle to repair air leak
PH1	P	HBHA	1830	2000	1.50	1635m	Cont to POOH from 340 m. Lay out stab from BHA
PH1	P	HT	2000	2400	4.00	1635m	Prepare subs and X-overs for motor. Set bent sub to 1.5 deg

Operations For Period 0000 Hrs to 0600 Hrs on 19 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	HBHA	0000	0100	1.00	1635m	M/U Mud motor and function test, calibrate newly install BHI block height encoder.
PH1	P	TI	0100	0200	1.00	1635m	RIH with BHA to jars
PH1	P	SVY	0200	0330	1.50	1635m	Pick up survey barrel and run in hole to rabbit the string and check depth to UBHO. OK
PH1	P	TI	0330	0600	2.50	1635m	(IN PROGRESS) Continue to RIH to 1628 m

KAROON Gas Australia

WBM Data

Daily Chemical Costs: $ 2083 | Cost To Date: $ 15693 | Engineer : Peter Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:	42C°	Cl:	14.50x1000 mg/l	Low Gravity Solids:	4.0%	Gels 10s	1
Sample From:	below shaker	Nitrates:		Hard/Ca:	500mg/l	High Gravity Solids:	0.0%	Gels 10m	0
Time:	14:10	Sulphites:	100mg/l	MBT:	10	Solids (corrected):	6.0%	Fann 003	1
Weight:	9.20ppg	API FL:	12.0cm³/30m	PM:	1.82	H2O:	94.0%	Fann 006	1
ECD TD:	9.40ppg	API Cake:	2/32nd"	PF:	0.12	Oil:	0.0%	Fann 100	8
ECD Shoe:	9.40ppg	PV	14cp	MF:	1.85	Sand:	.25 %	Fann 200	13
Viscosity	44sec/qt	YP	4lb/100ft²	pH:	11	Barite:		Fann 300	18
KCl Equiv:	2.0%	CaCO3 Added:		PHPA Added:				Fann 600	32

Comment: Add soda ash to combat Ca+. Use KCl for weight in slug while tripping.

Shakers, Volumes and Losses Data

				Equip.	Descr.	Mesh Size	Hours
Available	**767.0bbl**	**Losses**	**79.0bbl**	De-Gaser 1	Rig		
Active	342.0bbl	Downhole	15.0bbl	De-Sander 1	Pioneer	2 Cones	18
Hole	419.0bbl	Shakers & Equip.	44.0bbl	De-Silter 1	Pioneer	10 Cones	10
Slug		Dumped	20.0bbl	Shaker 1	DFE	3 X 84	18
Reserve	6.0bbl	Centrifuges	0.0bbl	Shaker 2	DFE	3 X 84	18
Built							

Bit Data

Bit # 1RR3

Size (''):	8.50	IADC#	117	**Nozzles**	**Drilled over last 24 hrs**		**Calculated over Bit Run**	
Mfr:	Security DBS	WOB(avg)	klb	3 x 20(/32nd")	Progress	m	Cum. Progress	0.0m
Type:	Rock	RPM(avg)			On Bottom Hrs	0.00	Cum. On Btm Hrs	0.00
Serial No.:	10858843	RPM (DH)(avg)			IADC Drill Hrs	0.00	Cum IADC Drill Hrs	0.00
Bit Model	EBXSC15	F.Rate	gpm		Total Revs	0	Cum Total Revs	0
Depth In	1635m	SPP	psi		OB-ROP(avg)		Cum. OB-ROP(avg)	0.00m/hr
Depth Out		TFA	0.92	HSI				
Bit Run Comment		This is to be run with steering assembly (BHA #4).						

Bit Data

Bit # 1RR2

Wear	I	O1	D	L	B	G	O2	R
	0	0	CT	N1	E	I	NO	BHA

Size (''):	8.50	IADC#	117	**Nozzles**	**Drilled over last 24 hrs**		**Calculated over Bit Run**	
Mfr:	Security DBS	WOB(avg)	klb	3 x 20(/32nd")	Progress	13m	Cum. Progress	13.0m
Type:	Rock	RPM(avg)			On Bottom Hrs	1.00	Cum. On Btm Hrs	1.00
Serial No.:	10858843	RPM (DH)(avg)			IADC Drill Hrs	1.00	Cum IADC Drill Hrs	1.00
Bit Model	EBXSC15	F.Rate	gpm		Total Revs	2000	Cum Total Revs	2000
Depth In	1622m	SPP	psi		OB-ROP(avg)	13.00m/hr	Cum. OB-ROP(avg)	13.00m/hr
Depth Out	1635m	TFA	0.92	HSI				
Bit Wear Comment		Drill cement						
Bit Run Comment		Used to polish kick off plug						

BHA Data

BHA # 3

Weight(Wet)		Length	179m	Torque(max)		D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)		String		Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up		Torque(On.Btm)		H.W.D.P. Ann Velocity	0fpm
		Slack-Off		Jar Hours	19.5	D.P. Ann Velocity	0fpm
BHA Run Description		Polishing assembly for top of KO plug					

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.27m	8.50in				
Bit Sub	1 x 0.99m	6.50in	2.87in			
Drill Collar	1 x 9.33m	6.75in	2.88in			
String Stabiliser	1 x 1.48m	8.50in	2.87in			
Drill Collar	2 x 9.12m	6.25in	2.88in			
String Stabiliser	1 x 1.48m	8.50in	2.83in			
Drill Collar	6 x 9.12m	6.25in	2.88in			
Drilling Jars	1 x 9.30m	6.25in	2.88in			
Drill Collar	3 x 9.12m	6.25in	2.88in			
HWDP	6 x 9.35m	4.50in	2.93in			
Total Length:	179.27m					

BHA Data

BHA # 4

Weight(Wet)	41.00klb	Length	185m	Torque(max)		D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	23.00klb	String		Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up		Torque(On.Btm)		H.W.D.P. Ann Velocity	0fpm
		Slack-Off		Jar Hours	19.5	D.P. Ann Velocity	0fpm

BHA Run Description	Steering assembly
BHA Run Comment	Sliding

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.27m	8.50in	2.75in	10858843	24	
Mud Motor	1 x 6.50m	6.75in	4.50in	67552042	24	
X/Over	1 x 0.32m	6.38in	2.75in			
Bit Sub	1 x 0.99m	6.50in	2.12in			
X/Over	1 x 0.26m	6.50in	2.25in			
OBHO	1 x 0.78m	6.25in	2.25in	675-2		
X/Over	1 x 0.41m	6.25in	2.81in			
NMDC	1 x 9.33m	6.75in	2.81in	HOFCO-65		
Drill Collar	8 x 9.05m	6.25in	2.80in			
Drilling Jars	1 x 9.58m	6.25in	2.68in	A248792		
Drill Collar	3 x 9.21m	6.25in	2.81in			
HWDP	6 x 9.35m	4.50in	2.75in			
Total Length:	184.57m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1035.91	2.50	128.00	1035.39	-4.38	0.16	-4.38	23.46	Multishot
1279.79	2.90	125.00	1279.00	-11.13	0.36	-11.13	32.74	Multishot
1448.63	3.10	112.00	1447.62	-15.60	0.30	-15.60	40.13	Multishot
1561.19	3.00	99.00	1599.99	-17.25	0.37	-17.25	46.37	Multishot

Summary

Company	Pax On
Karoon Gas Ltd	2
Halliburton	2
Sperry Sun	1
Century Drilling Ltd	23
Hofco Oilfield Services Pty Ltd	1
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	35

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	1	0	25.0
AMC Defoamer	25L can	0	0	0	14.0
AMC PAC-R	25kg sack	0	6	0	21.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	0	0	559.0
Caustic Soda	25kg pail	0	0	0	21.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	12.0
KCl	25kg sack	0	42	0	63.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	0	0	37.0
Sodium Sulfite	25kg sack	0	2	0	34.0
Xanthan Gum	25kg sack	0	0	0	29.0
Xtra-sweep	12lb box	0	0	0	10.0
Diesel fuel	1000L	0	1.2	0	21.1

KAROON Gas Australia

Megascolides-1 RE

Date :	17 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	4	**Drilling Supervisor :**	Brian Holland	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1622m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1621m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	4.00	Liner MD:		LTI Free Days:	204
Datum:	WGS 84	Days On Well:	52.00	Liner TVD:			

Current Ops @ 0600:	RIH rotary assembly. WOC.
Planned Operations:	Dress cement plug. POOH for directional motor.

Summary of Period 0000 to 2400 Hrs

RIH with cement stinger, Mix and place 100m long cement Kick Off plug. POOH make up drilling assembly to Polish TOC

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

Operations For Period 0000 Hrs to 2400 Hrs on 17 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	CMP	0000	0100	1.00	1766m	Clear rig floor and prepare JSA for non routine activity (RIH with tubing for cement stinger).
PH1	P	CMP	0100	0530	4.50	1766m	MU 3 1/2" tubing for cement stinger. RIH on DP to 496 m
PH1	P	SC	0530	0630	1.00	1766m	Hang Blocks and slip 30 foot drilling line; conduct BOP drill.
PH1	P	CMP	0630	1000	3.50	1766m	Cont. RIH from 496m to 1744 m Bottom of proposed cement plug
PH1	P	CMP	1000	1100	1.00	1766m	Conduct tool box meeting. Then rig up Halliburton cementing stand pipe and circulating head.
PH1	P	CMP	1100	1200	1.00	1766m	Circulate to condition BHCT
PH1	P	CMP	1200	1330	1.50	1766m	PTSM. Pump 20bbl drill water, Press Test to 3000 psi for 5 min. Mix and pump 45 bbl 16.8ppg slurry, followed with 2 bbl drill water. Displace with rig pump, 71 bbl (1437 stks)
PH1	P	CMP	1330	1400	0.50	1622m	Rig down circulating head and pull DP from 1744 to 1591 m
PH1	P	CMP	1400	1530	1.50	1622m	Rig Circulating head and circulate 1.5 X BU. 15,000 stokes. Observe well and flow check. Well static.
PH1	P	CMP	1530	2200	6.50	1622m	Lay out 15 joints drill pipe, POOH rack remaning stands. Lay out the cement stinger.
PH1	P	CMP	2200	2400	2.00	1622m	Lay out the NMDC. Pick up bit and bit sub with ported float. MU New BHA.

Operations For Period 0000 Hrs to 0600 Hrs on 18 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	HBHA	0000	0030	0.50	1622m	Rig up to handle BHA and strap new components
PH1	P	HBHA	0030	0300	2.50	1622m	PU and MU New BHA. RIH from Surface 478m.
PH1	P	WOC	0300	0600	3.00	1622m	WOC. Circulate and condition mud in pits

KAROON Gas Australia

WBM Data

Daily Chemical Costs: $ 1225 | Cost To Date: $ 13610 | Engineer : Peter Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:	47C°	Cl:	14.50x1000 mg/l	Low Gravity Solids:	4.5%
Sample From:	below shaker	Nitrates:		Hard/Ca:	500mg/l	High Gravity Solids:	0.0%
Time:	15:30	Sulphites:	100mg/l	MBT:	10	Solids (corrected):	5.5%
Weight:	9.20ppg	API FL:	12.0cm³/30m	PM:	1.82	H2O:	94.5%
ECD TD:	9.40ppg	API Cake:	2/32nd"	PF:	0.12	Oil:	0.0%
ECD Shoe:	9.40ppg	PV	14cp	MF:	1.85	Sand:	.25 %
Viscosity	44sec/qt	YP	4lb/100ft²	pH:	11	Barite:	
KCl Equiv:	2.4%	CaCO3 Added:		PHPA Added:			

Gels 10s	1
Gels 10m	0
Fann 003	1
Fann 006	1
Fann 100	8
Fann 200	13
Fann 300	18
Fann 600	32

Comment: Add soda ash to combat Ca+. Use KCl for weight in slug while tripping.

Shakers, Volumes and Losses Data

Available	**826.0bbl**	**Losses**	**11.0bbl**
Active	282.0bbl	Downhole	0.0bbl
Hole	390.0bbl	Shakers & Equip.	0.0bbl
Slug		Dumped	11.0bbl
Reserve	154.0bbl	Centrifuges	0.0bbl
Built	70.0bbl		

Equip.	Descr.	Mesh Size	Hours
De-Gaser 1	Rig		
De-Sander 1	Pioneer	2 Cones	18
De-Silter 1	Pineer	10 Cones	10
Shaker 1	DFE	3 X 84	18
Shaker 2	DFE	3 X 84	18

Bit Data

Bit # 1RR2

Size (''):	8.50	IADC#	117	**Nozzles**	**Drilled over last 24 hrs**		**Calculated over Bit Run**
Mfr:	Security DBS	WOB(avg)	klb	3 x 20(/32nd")	Progress	0m	Cum. Progress 0.0m
Type:	Rock	RPM(avg)			On Bottom Hrs	0.00	Cum. On Btm Hrs 0.00
Serial No.:	10858843	RPM (DH)(avg)			IADC Drill Hrs	0.00	Cum IADC Drill Hrs 0.00
Bit Model	EBXSC15	F.Rate	gpm		Total Revs	0	Cum Total Revs 0
Depth In	1622m	SPP	psi		OB-ROP(avg)		Cum. OB-ROP(avg) 0.00m/hr
Depth Out		TFA	0.92	HSI			

Bit Wear Comment	Drill cement
Bit Run Comment	Used to polish kick off plug

BHA Data

BHA # 3

Weight(Wet)		Length	179m	Torque(max)		D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)		String		Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up		Torque(On.Btm)		H.W.D.P. Ann Velocity	0fpm
		Slack-Off		Jar Hours	19	D.P. Ann Velocity	0fpm

BHA Run Description: Polishing assembly for top of KO plug

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.27m	8.50in				
Bit Sub	1 x 0.99m	6.50in	2.87in			
Drill Collar	1 x 9.33m	6.75in	2.88in			
String Stabiliser	1 x 1.48m	8.50in	2.87in			
Drill Collar	2 x 9.12m	6.25in	2.88in			
String Stabiliser	1 x 1.48m	8.50in	2.83in			
Drill Collar	6 x 9.12m	6.25in	2.88in			
Drilling Jars	1 x 9.30m	6.25in	2.88in			
Drill Collar	3 x 9.12m	6.25in	2.88in			
HWDP	6 x 9.35m	4.50in	2.93in			
Total Length:	179.27m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1035.91	2.50	128.00	1035.39	-4.38	0.16	-4.38	23.46	Multishot
1279.79	2.90	125.00	1279.00	-11.13	0.36	-11.13	32.74	Multishot
1448.63	3.10	112.00	1447.62	-15.60	0.30	-15.60	40.13	Multishot
1561.19	3.00	99.00	1599.99	-17.25	0.37	-17.25	46.37	Multishot

Summary

Company	Pax On
Karoon Gas Ltd	1
Halliburton	2
Century Drilling Ltd	21
Hofco Oilfield Services Pty Ltd	1
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	31

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	26.0
AMC Defoamer	25L can	0	0	0	14.0
AMC PAC-R	25kg sack	0	3	0	27.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	0	0	559.0
Caustic Soda	25kg pail	0	0	0	21.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	12.0
KCl	25kg sack	0	33	0	105.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	4	0	37.0
Sodium Sulfite	25kg sack	0	0	0	36.0
Xanthan Gum	25kg sack	0	0	0	29.0
Xtra-sweep	12lb box	0	0	0	10.0
Diesel fuel	1000L	0	1.2	0	22.3

KAROON Gas Australia

DAILY DRILLING REPORT # 3

Megascolides-1 RE

Date :	16 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	3	**Drilling Supervisor :**	Brian Holland	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1766m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1765m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	3.00	Liner MD:		LTI Free Days:	203
Datum:	WGS 84	Days On Well:	51.00	Liner TVD:			

Current Ops @ 0600:	RIH with Stinger on Drill Pipe
Planned Operations:	Continue to RIH with stinger to 1740m. Mix and pum cement plug. POOH wait on cement.

Summary of Period 0000 to 2400 Hrs

Wash and ream to 1766m. Circulate and condition mud. Pump hi-vis slug. POOH to conduct multishot survey. Rig to run stinger.

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

Operations For Period 0000 Hrs to 2400 Hrs on 16 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	RW	0000	0100	1.00	1212m	Wash and Ream from 1174 to 1212 m
PH1	P	TI	0100	0130	0.50	1212m	Clean and strap additional drill pipe confirm measurement and tally
PH1	P	RW	0130	1200	10.50	1766m	Ream and wash from 1212 m to 1766 m (below anticipated top of cement plug 3). Encountered tight hole. Elected to set kick-off plug.
PH1	P	CMD	1200	1800	6.00	1766m	Circulate old mud out of hole and condition as new mud. Several circulations required to obtain desired properties. Spot viscous pill at 1766 m and rig to POOH
PH1	P	SVY	1800	1830	0.50	1766m	Prepare survey timer and drop survey barrel. Wait for survey to drop.
PH1	P	TO	1830	2330	5.00	1766m	POOH with magnetic multishot survey tool, pause as required. L/O BHA stabs and rack DC's. Retrieve multishot survey.
PH1	P	CMP	2330	2400	0.50	1766m	Prepare to RIH with stinger. MU tubing handling tools.

Operations For Period 0000 Hrs to 0600 Hrs on 17 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	CMP	0000	0100	1.00	1766m	Clear rig floor and prepare JSA for non routine activity (RIH with tubing for cement stinger).
PH1	P	CMP	0100	0530	4.50	1766m	MU 3 1/2" tubing for cement stinger. RIH on DP to 496 m
PH1	P	SC	0530	0600	0.50	1766m	(IN PROGRESS) Hang Blocks and slip 30 foot drilling line; conduct BOP drill.

WBM Data

Daily Chemical Costs: $ 5769 | Cost To Date: $ 12385 | Engineer : Peter Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:	47C°	Cl:	13.50x1000 mg/l	Low Gravity Solids:	6.0%
Sample From:	below shaker	Nitrates:				High Gravity Solids:	1.0%
Time:	17:00	Sulphites:	120mg/l	Hard/Ca:	1280mg/l	Solids (corrected):	6.0%
Weight:	9.30ppg	API FL:	13.0cm³/30m	MBT:	11.5	H2O:	94.0%
ECD TD:	9.70ppg	API Cake:	2/32nd"	PM:	1.65	Oil:	0.0%
ECD Shoe:	9.70ppg	PV	12cp	PF:	0.12	Sand:	.75 %
Viscosity	42sec/qt	YP	3lb/100ft²	MF:	1.82	Barite:	
KCl Equiv:	2.0%	CaCO3 Added:		pH:	10		
				PHPA Added:			

Gels 10s	1
Gels 10m	1
Fann 003	0
Fann 006	1
Fann 100	6
Fann 200	10
Fann 300	15
Fann 600	27

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KAROON Gas Australia

Shakers, Volumes and Losses Data

Available	**767.0bbl**	**Losses**	**79.0bbl**
Active	342.0bbl	Downhole	15.0bbl
Hole	419.0bbl	Shakers & Equip.	44.0bbl
Slug		Dumped	20.0bbl
Reserve	6.0bbl	Centrifuges	0.0bbl
Built			

Equip.	Descr.	Mesh Size	Hours
De-Gaser 1	Rig		
De-Sander 1	Pioneer	2 Cones	18
De-Silter 1	Pineer	10 Cones	10
Shaker 1	DFE	3 X 84	18
Shaker 2	DFE	3 X 84	18

Bit Data

Bit # 1RR1

Wear	I	O1	D	L	B	G	O2	R
	0	0	NO	BLANK	0	I	NO	BHA

Size (''):	8.50	IADC#	117	**Nozzles**	**Drilled over last 24 hrs**		**Calculated over Bit Run**
Mfr:	Security DBS	WOB(avg)	klb		Progress	0m	Cum. Progress 62.0m
Type:	Rock	RPM(avg)			On Bottom Hrs	0.00	Cum. On Btm Hrs 8.00
Serial No.:	10858843	RPM (DH)(avg)			IADC Drill Hrs	0.00	Cum IADC Drill Hrs 10.00
Bit Model	EBXSC15	F.Rate	gpm		Total Revs	0	Cum Total Revs 40000
Depth In	535m	SPP	psi		OB-ROP(avg)		Cum. OB-ROP(avg) 7.75m/hr
Depth Out	1766m	TFA	0.92	HSI			

Bit Run Comment: Drilled cement & was used for reaming

BHA Data

BHA # 2

Weight(Wet)		Length	170m	Torque(max)		D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)		String		Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up		Torque(On.Btm)		H.W.D.P. Ann Velocity	0fpm
		Slack-Off		Jar Hours	19	D.P. Ann Velocity	0fpm

BHA Run Description: Packed assembly to ream and wash in 8 1/2" hole

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.27m	8.50in				
Bit Sub	1 x 0.99m	6.50in	2.87in			
NMDC	1 x 9.33m	6.75in	2.88in			
String Stabiliser	1 x 1.48m	8.50in	2.87in			
Drill Collar	2 x 9.12m	6.25in	2.88in			
String Stabiliser	1 x 1.48m	8.50in	2.83in			
Drill Collar	9 x 9.12m	6.25in	2.88in			
HWDP	6 x 9.35m	4.50in	2.93in			
Total Length:	169.97m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1636.23	2.70	94.00	1634.95	-17.65	0.08	-17.65	49.98	Multishot Tie-in
1644.00	3.00	72.00	1642.71	-17.60	4.35	-17.60	50.36	MSS
1693.64	4.25	57.00	1692.25	-16.20	0.94	-16.20	53.13	MSS
1743.00	4.00	57.00	1741.48	-14.26	0.15	-14.26	56.11	MSS

Summary

Company	Pax On
Karoon Gas Ltd	2
Halliburton	2
Century Drilling Ltd	17
Hofco Oilfield Services Pty Ltd	1
RMN Drilling Fluids	3
BHI	3
Total on Rig	28

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	2	0	26.0
AMC Defoamer	25L can	0	1	0	14.0
AMC PAC-R	25kg sack	0	20	0	30.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	2	0	366.0
Baryte	25kg sack	0	1	0	559.0
Caustic Soda	25kg pail	0	0	0	21.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	12.0
KCl	25kg sack	0	72	0	138.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	0	0	41.0
Sodium Sulfite	25kg sack	0	4	0	36.0
Xanthan Gum	25kg sack	0	1	0	29.0
Xtra-sweep	12lb box	0	0	0	10.0
Diesel fuel	1000L	0	2.6	0	23.5

Pumps

Pump Data - Last 24 Hrs								Slow Pump Data					
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (gpm)	Depth (m)	Ck. Line (psi)		SPM (SPM)	SPP (psi)	Flow (gpm)
1	Gardner Denver PZ 7	5.50		97	100	950	173			1.			
										2.			
2	Gardner Denver PZ 7	5.50		97	0	0	0			1.			
										2.			
3	Gardner Denver PZ 7	5.50		97	100	950	173			1.			
										2.			

KAROON Gas Australia

DAILY DRILLING REPORT # 2

Megascolides-1 RE

Date :	15 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	2	**Drilling Supervisor :**	Brian Holland	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1174m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1174m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	62m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	2.00	Liner MD:		LTI Free Days:	202
Datum:	WGS 84	Days On Well:	50.00	Liner TVD:			

Current Ops @ 0600:	Washing and reaming at 1465m
Planned Operations:	Continue to wash to bottom. Polish up the existing cement plug. Survey out and Run Cement stinger and set new KOPlug. POOH WOC

Summary of Period 0000 to 2400 Hrs

Washed and reamed, Drilled cement plug and continued to wash and ream through stale mud to 1465m

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

Operations For Period 0000 Hrs to 2400 Hrs on 15 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TO	0000	0030	0.50	0m	Continue to POOH from 83m to Surface
PH1	P	RW	0030	0400	3.50	516m	M/U New BHA & RIH to 516m
PH1	P	RW	0400	0500	1.00	557m	PU Kelly and MU Ream and Wash to 557m
PH1	P	DC	0500	0600	1.00	557m	Tag cement & drill plug from 557m to 565m
PH1	P	DC	0600	1000	4.00	593m	Continue to drill plug from 565m to 593 m
PH1	P	RW	1000	1030	0.50	593m	Circulate & work tight hole
PH1	P	RS	1030	1100	0.50	593m	Rig Service
PH1	P	DC	1100	1600	5.00	619m	Continue to Drill cement plug from 593 to 619m
PH1	P	RW	1600	2000	4.00	752m	RIH washing and reaming
PH1	P	RW	2000	2400	4.00	1174m	Continue through bridge at 990 m and wash and ream 1174m

Operations For Period 0000 Hrs to 0600 Hrs on 16 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	RW	0000	0100	1.00	1212m	Wash and Ream from 1174 to 1212 m
PH1	P	TI	0100	0130	0.50	1212m	Clean and strap additional drill pipe confirm measurement and tally
PH1	P	RW	0130	0600	4.50	1766m	(IN PROGRESS) Ream and wash from 1212 m to 1766 m (below anticipated top of cement plug 3). Encountered tight hole. Elected to set kick-off plug.

WBM Data

Daily Chemical Costs: $ 5799 | Cost To Date: $ 6616 | Engineer : Peter Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:	82C°	Cl:	15.40x1000 mg/l	Low Gravity Solids:		Gels 10s	1
Sample From:	Suction	Nitrates:		Hard/Ca:	680mg/l	High Gravity Solids:		Gels 10m	1
Time:	21:30	Sulphites:	50mg/l	MBT:	6.7	Solids (corrected):	2.1%	Fann 003	
Weight:	8.85ppg	API FL:	22.0cm³/30m	PM:	4.2	H2O:		Fann 006	
ECD TD:		API Cake:		PF:	1.28	Oil:		Fann 100	
ECD Shoe:		PV	38cp	MF:	2.05	Sand:	%	Fann 200	
Viscosity	38sec/qt	YP	2lb/100ft²	pH:	13.5	Barite:		Fann 300	
KCl Equiv:	3.8%	CaCO3 Added:		PHPA Added:				Fann 600	

Printed on 12 Jun 2008

KAROON Gas Australia

Shakers, Volumes and Losses Data

Available	0.0bbl	Losses	0.0bbl	Equip.	Descr.	Mesh Size	Hours
Active		Downhole					
Hole		Shakers & Equip.	0.0bbl				
Slug		Dumped					
Reserve		Centrifuges					
Built							

Bit Data

Bit # 1

Wear	I	O1	D	L	B	G	O2	R
	0	0	NO	BLANK	0	I	NO	BHA

				Nozzles	Drilled over last 24 hrs		Calculated over Bit Run	
Size (''):	8.50	IADC#	117		Progress	m	Cum. Progress	36.0m
Mfr:	Security DBS	WOB(avg)	klb		On Bottom Hrs	NaN	Cum. On Btm Hrs	7.00
Type:	Rock	RPM(avg)			IADC Drill Hrs	NaN	Cum IADC Drill Hrs	9.00
Serial No.:	10858843	RPM (DH)(avg)			Total Revs		Cum Total Revs	35000
Bit Model	EBXSC15	F.Rate	gpm		OB-ROP(avg)		Cum. OB-ROP(avg)	5.14m/hr
Depth In	6m	SPP	psi					
Depth Out	535m	TFA		HSI				
Bit Run Comment		Drilled cement plug inside casing.						

Bit Data

Bit # 1RR1

				Nozzles	Drilled over last 24 hrs		Calculated over Bit Run	
Size (''):	8.50	IADC#	117		Progress	62m	Cum. Progress	62.0m
Mfr:	Security DBS	WOB(avg)	klb		On Bottom Hrs	8.00	Cum. On Btm Hrs	8.00
Type:	Rock	RPM(avg)			IADC Drill Hrs	10.00	Cum IADC Drill Hrs	10.00
Serial No.:	10858843	RPM (DH)(avg)			Total Revs	40000	Cum Total Revs	40000
Bit Model	EBXSC15	F.Rate	gpm		OB-ROP(avg)	7.75m/hr	Cum. OB-ROP(avg)	7.75m/hr
Depth In	535m	SPP	psi					
Depth Out		TFA	0.92	HSI				
Bit Run Comment		Drilled cement & was used for reaming						

BHA Data

BHA # 2

Weight(Wet)		Length	170m	Torque(max)		D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)		String		Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up		Torque(On.Btm)		H.W.D.P. Ann Velocity	0fpm
		Slack-Off		Jar Hours	19	D.P. Ann Velocity	0fpm
BHA Run Description		Packed assembly to ream and wash in 8 1/2" hole					

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.27m	8.50in				
Bit Sub	1 x 0.99m	6.50in	2.87in			
NMDC	1 x 9.33m	6.75in	2.88in			
String Stabiliser	1 x 1.48m	8.50in	2.87in			
Drill Collar	2 x 9.12m	6.25in	2.88in			
String Stabiliser	1 x 1.48m	8.50in	2.83in			
Drill Collar	9 x 9.12m	6.25in	2.88in			
HWDP	6 x 9.35m	4.50in	2.93in			
Total Length:	169.97m					

KAROON Gas Australia

BHA Data

BHA # 1

Weight(Wet)	Length	167m	Torque(max)	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	String		Torque(Off.Btm)	D.C. (2) Ann Velocity	0fpm
	Pick-Up		Torque(On.Btm)	H.W.D.P. Ann Velocity	0fpm
	Slack-Off		Jar Hours	9 D.P. Ann Velocity	0fpm

BHA Run Description: Drill cement in 9.5/8" casing

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.27m	8.50in				
Bit Sub	1 x 0.99m	6.50in	2.87in			
NMDC	1 x 9.33m	6.75in	2.88in			
Drill Collar	2 x 9.12m	6.25in	2.88in			
Drill Collar	9 x 9.12m	6.25in	2.88in			
HWDP	6 x 9.35m	4.50in	2.93in			
Total Length:	167.01m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
52.90	0.30	62.00	52.90	0.08	0.33	0.08	0.15	Multishot
285.51	0.90	62.01	285.50	1.24	0.00	1.24	2.32	Multishot
641.95	1.10	82.00	641.89	3.80	0.84	3.80	6.92	Multishot
1035.91	2.50	128.00	1035.39	-4.38	0.16	-4.38	23.46	Multishot

Summary

Company	Pax On
Karoon Gas Ltd	1
Century Drilling Ltd	23
RMN Drilling Fluids	1
Upstream Petroleum	1
BHI	2
Total on Rig	28

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	2	0	28.0
AMC Defoamer	25L can	0	2	0	15.0
AMC PAC-R	25kg sack	0	14	0	50.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	20	0	368.0
Baryte	25kg sack	0	0	0	560.0
Caustic Soda	25kg pail	0	0	0	21.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	12.0
KCl	25kg sack	0	126	0	210.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	0	0	41.0
Sodium Sulfite	25kg sack	0	2	0	40.0
Xanthan Gum	25kg sack	0	0	0	30.0
Xtra-sweep	12lb box	0	0	0	10.0
Diesel fuel	1000L	13.6	1.5	0	26.1

KAROON Gas Australia

Megascolides-1 RE

Date :	14 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco
Report Number	1	**Drilling Supervisor :**	Brian Holland / Chris Dann	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	534m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	534m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	36m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	1.00	Liner MD:		LTI Free Days:	201
Datum:	WGS 84	Days On Well:	49.00	Liner TVD:			

Current Ops @ 0600:	Drilling cement at 565m
Planned Operations:	Continue to drill cement / monitor cuttings.

Summary of Period 0000 to 2400 Hrs

Commence day rate operations after rig acceptance. Drill surface plug. Pressure tested casing to 1400psi. Wash and ream to 534m (no sign of plug at 9-5/8 shoe), conducted LOT to 16.8ppg, POOH to change BHA. (Note - BOP tested Dec 12 during rig acceptance).

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:		Cum. Cost:	
Projected Cost:							

Operations For Period 0000 Hrs to 2400 Hrs on 14 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DC	0000	0900	9.00	42m	Tag cement at 6 m Drill cement to 41.9m
PH1	U	PT	0900	0930	0.50	42m	Pressure test, casing able to contain 1,400 psi
PH1	P	DC	0930	1000	0.50	50m	Wash and ream from 41.9 to 50 m
PH1	P	RO	1000	1100	1.00	50m	Remove Kelly spinner and torque Top connection. Replace Kelly spinner.
PH1	P	RW	1100	2030	9.50	534m	Wash and ream to 534m. Did not encounter cement, and was past the shoe which is at 508m.
PH1	TU (OTH)	TO	2030	2100	0.50	534m	Pull back to 485, inside shoe and prepare to conduct LOT
PH1	TU (OTH)	LOT	2100	2130	0.50	534m	Conduct LOT (16.8 ppg)
PH1	TU (OTH)	LOT	2130	2200	0.50	534m	Rig down Pressure testing equipment and prepare to POOH
PH1	P	TO	2200	2400	2.00	534m	POOH from 485 to 83 m

Operations For Period 0000 Hrs to 0600 Hrs on 15 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TO	0000	0030	0.50	0m	Continue to POOH from 83m to Surface
PH1	P	RW	0030	0400	3.50	516m	M/U New BHA & RIH to 516m
PH1	P	RW	0400	0500	1.00	557m	PU Kelly and MU Ream and Wash to 557m
PH1	P	DC	0500	0600	1.00	557m	Tag cement & drill plug from 557m to 565m

KAROON Gas Australia

WBM Data

	Daily Chemical Costs: $ 817		Cost To Date: $ 817	Engineer : Peter Aronetz
Mud Type: Water	Flowline Temp:	Cl:	Low Gravity Solids:	Gels 10s / Gels 10m
Sample From: Pits	Nitrates:	Hard/Ca:	High Gravity Solids:	Fann 003 / Fann 006 / Fann 100 / Fann 200 / Fann 300 / Fann 600
Time: 21:15	Sulphites:	MBT:	Solids (corrected):	
Weight: 8.33ppg	API FL:	PM:	H2O:	
ECD TD:	API Cake:	PF:	Oil:	
ECD Shoe:	PV	MF:	Sand: %	
Viscosity	YP	pH:	Barite:	
KCl Equiv: 0.0%	CaCO3 Added:	PHPA Added:		

Comment: Drilling essentially with water. Today's cost pre-mix used to drill mouse hole

Shakers, Volumes and Losses Data

				Equip.	Descr.	Mesh Size	Hours
Available	**0.0bbl**	**Losses**	**0.0bbl**				
Active		Downhole					
Hole		Shakers & Equip.	0.0bbl				
Slug		Dumped					
Reserve		Centrifuges					
Built							

Bit Data

Bit # 1

Size (''):	8.50	IADC#	117	**Nozzles**	**Drilled over last 24 hrs**		**Calculated over Bit Run**	
Mfr:	Security DBS	WOB(avg)	klb		Progress	36m	Cum. Progress	36.0m
Type:	Rock	RPM(avg)			On Bottom Hrs	7.00	Cum. On Btm Hrs	7.00
Serial No.:	10858843	RPM (DH)(avg)			IADC Drill Hrs	9.00	Cum IADC Drill Hrs	9.00
Bit Model	EBXSC15	F.Rate	gpm		Total Revs	35000	Cum Total Revs	35000
Depth In	6m	SPP	psi		OB-ROP(avg)	5.14m/hr	Cum. OB-ROP(avg)	5.14m/hr
Depth Out		TFA		HSI				
Bit Run Comment		Drilled cement plug inside casing.						

BHA Data

BHA # 1

Weight(Wet)		Length	167m	Torque(max)		D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)		String		Torque(Off.Btm)		D.C. (2) Ann Velocity	0fpm
		Pick-Up		Torque(On.Btm)		H.W.D.P. Ann Velocity	0fpm
		Slack-Off		Jar Hours	9	D.P. Ann Velocity	0fpm
BHA Run Description		Drill cement in 9.5/8" casing					

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.27m	8.50in				
Bit Sub	1 x 0.99m	6.50in	2.87in			
NMDC	1 x 9.33m	6.75in	2.88in			
Drill Collar	2 x 9.12m	6.25in	2.88in			
Drill Collar	9 x 9.12m	6.25in	2.88in			
HWDP	6 x 9.35m	4.50in	2.93in			
Total Length:	167.01m					

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Datum
52.90	0.30	62.00	52.90	0.08	0.33	0.08	0.15	Multishot
285.51	0.90	62.01	285.50	1.24	0.00	1.24	2.32	Multishot

Summary	
Company	**Pax On**
Karoon Gas Ltd	1
Century Drilling Ltd	23
RMN Drilling Fluids	1
Upstream Petroleum	1
BHI	2
Total on Rig	28

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	32	2	0	30.0
AMC Defoamer	25L can	17	0	0	17.0
AMC PAC-R	25kg sack	64	0	0	64.0
AMC PHPA	25kg sack	60	0	0	60.0
AUS-DEX	25kg sack	96	0	0	96.0
AUS-GEL	25kg sack	420	32	0	388.0
Baryte	25kg sack	560	0	0	560.0
Caustic Soda	25kg pail	22	1	0	21.0
Kwik-seal C	40lb sack	32	0	0	32.0
Kwik-seal F	41lb sack	32	0	0	32.0
Kwik-seal M	42lb sack	32	0	0	32.0
Lime	20kg sack	12	0	0	12.0
KCl	25kg sack	336	0	0	336.0
Rod-free 205L	205L drum	1	0	0	1.0
Soda Ash	25kg sack	41	0	0	41.0
Sodium Sulfite	25kg sack	42	0	0	42.0
Xanthan Gum	25kg sack	30	0	0	30.0
Xtra-sweep	12lb box	10	0	0	10.0
Diesel fuel	1000L	0	1.3	0	14.0

KAROON Gas Australia

DAILY DRILLING REPORT # 16

Megascolides-1 RE

Date :	29 Dec 2006	**Well Site Manager :**	Cesar Miaco	**Rig Manager :**	Cesar Miaco / Fred Sanchez
Report Number	16	**Drilling Supervisor :**	Bruce Pilat	**Drilling Company :**	Century Drilling Ltd
Easting	402155.9	**Northing**	5767949.5	**Geologist :**	Dave Horner

Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1960m
Field:	Megascolides	Measured Depth:	1980m	Casing MD:	508m	Last BOP Test:	12 Dec 2006
Rig:	Century 11	True Vertical Depth:	1978m	Casing TVD:	508m	FIT/LOT:	/ 16.86ppg
RT - AMSL:	125.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	15.67	Liner MD:		LTI Free Days:	216
Datum:	WGS 84	Days On Well:	64.19	Liner TVD:			

Current Ops @ 0600:	Rig Released.
Planned Operations:	Rig down & Move to Megascolides 2.

Summary of Period 0000 to 2400 Hrs

Lay out drillpipe. Set surface cement plug. Nipple down BOP's. Release rig at 1600 hrs.

Well Costs - AFE Number:

Original AFE:	$ 1,943,770	Orig & Supp AFE:	$ 1,943,770	Daily Cost:	$ 89,009	Cum. Cost:	$ 1,827,726
Projected Cost:	$ 1,827,726						

HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening (4)	28 Dec 2006	1 Day	All on site personnel blow into acholiser
Pre-Tour Meetings (2)	28 Dec 2006	1 Day	Laying out pipe,cementing

Operations For Period 0000 Hrs to 2400 Hrs on 29 Dec 2006

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ABN	P	CMP	0000	0730	7.50	418m	Layout drill pipe from 418 m
ABN	P	CMP	0730	0830	1.00	418m	Head up Halliburton to 3.5" tbg,unable to pump through due to cement blockage,rig down Halliburton,Layout 9 joints 3.5" tbg
ABN	P	CMP	0830	0900	0.50	418m	Pick up & run in hole with 7 joints 4.5" drill pipe
ABN	P	CMP	0900	0930	0.50	55m	Set cement plug # 3 from 55m to 5m (pump 20 bbl water ahead, PT lines to 2000 psi"ok" mix & pump 12 bbl class"A" cement @ 15.6 ppg,chase with 2 bbl water
ABN	P	CMP	0930	1030	1.00	5m	Layout 7 joints 4.5" drill pipe,flush BOP with water
ABN	P	CMP	1030	1600	5.50	5m	Nipple down BOP system,dump & clean mud tanks,layout kelly RIG RELEASE @ 16:00 Hrs

WBM Data

Daily Chemical Costs: $ 724 | Cost To Date: $ 35296 | Engineer : Peter N Aronetz

Mud Type:	KCl / Polymer	Flowline Temp:		Cl:	12.10x1000 mg/l	Low Gravity Solids:	4.0%
Sample From:	Suction Tk	Nitrates:	0mg/l	Hard/Ca:	180mg/l	High Gravity Solids:	0.0%
Time:	15:00	Sulphites:	100mg/l	MBT:	7	Solids (corrected):	4.0%
Weight:	9.05ppg	API FL:	7.0cm³/30m	PM:	0.9	H2O:	96.0%
ECD TD:		API Cake:	1/32nd"	PF:	0.14	Oil:	0.0%
ECD Shoe:		PV	17cp	MF:	1.25	Sand:	0.1 %
Viscosity	57sec/qt	YP	16lb/100ft²	pH:	9.8	Barite:	0
KCl Equiv:	2.0%	CaCO3 Added:	0.0ppb	PHPA Added:	0.00ppb		

Gels 10s	2
Gels 10m	2
Fann 003	2
Fann 006	3
Fann 100	16
Fann 200	26
Fann 300	33
Fann 600	50

Comment: Mix HiVis pills as required, no other fluid treatment.

This is the final report for this well.

RMN & AMC thank you for your business!

Printed on 13 Jun 2008

Shakers, Volumes and Losses Data

Available	**898.0bbl**	**Losses**	**0.0bbl**
Active	374.0bbl	Downhole	0.0bbl
Hole	466.0bbl	Shakers & Equip.	0.0bbl
Slug		Dumped	0.0bbl
Reserve	58.0bbl	Centrifuges	
		De-Sander De-Silter	
Built	10.0bbl		

Equip.	Descr.	Mesh Size	Hours
De-Gaser 1	Rig		0
De-Sander 1	Pioneer	2 Cones	0
De-Silter 1	Pioneer	10 Cones	0
Shaker 1	DFE	2x175, 1x140	0
Shaker 2	DFE	2x175, 1x140	0

Comment: No chemical or fluid additions (other than precipitation) last 24 hours.
Drilling fluid engineer tentatively to be released Fri. morning, Dec 29.

Survey

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1743.00	4.00	57.00	1741.48	-14.26	0.15	-14.26	56.11	MSS
1819.00	4.00	62.00	1817.30	-11.58	0.14	-11.58	60.68	MSS
1869.00	4.00	52.00	1867.18	-9.68	0.42	-9.68	63.59	MSS
1980.00	4.00	40.00	1977.91	-4.33	0.23	-4.33	69.13	Assumed TD

Summary

Company	Pax On
Karoon Gas Ltd	2
Century Drilling Ltd	19
RMN Drilling Fluids	1
BHI	2
Eurest	2
Total on Rig	26

Bulk Stocks

Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	16.0
AMC Defoamer	25L can	0	0	0	3.0
AMC PAC-R	25kg sack	0	0	0	71.0
AMC PHPA	25kg sack	0	0	0	60.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	366.0
Baryte	25kg sack	0	0	0	524.0
Caustic Soda	25kg pail	0	0	0	21.0
Citric Acid	25kg sack	0	0	0	38.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	41lb sack	0	0	0	32.0
Kwik-seal M	42lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	0	0	420.0
Rod-free 205L	205L drum	0	0	0	1.0
Soda Ash	25kg sack	0	0	0	8.0
Sodium Sulfite	25kg sack	0	0	0	20.0
Xanthan Gum	25kg sack	0	0	0	16.0
Xtra-sweep	12lb box	0	0	0	5.0
Diesel fuel	1000L	0	0	0	25.4

Pumps													
Pump Data - Last 24 Hrs								**Slow Pump Data**					
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM (SPM)	SPP (psi)	Flow (gpm)	Depth (m)	Ck. Line (psi)		SPM (SPM)	SPP (psi)	Flow (gpm)
1	Gardner Denver PZ7	5.50		97	76	850	160	1897		1.	70	120	126
										2.	90	220	168
2	Gardner Denver	5.50		97	76	850	160	1897		1.	70	120	126
										2.	90	220	168
3	Gardner Denver	5.50		97						1.			
										2.			

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ATTACHMENT 17 : MOBILISATION DAILY REPORTS

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	12-Dec-06	Drilling Rep Days	Chris Dann/Brian Holland	Wellsite Gelogist	
Report No.	47	Drilling Rep Nights		Toolpusher	Darren Thompson

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	$9,687
Rig	Rig 11	Progress		LOT:		Cum Cost:	$977,378
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Cold night and days cool, repair/modify rig equipment, repair valves, check certification, work on HSE items, continue assembly of handling tools, witness pressure testing BOP Manifold and mud lines.

CURRENT OPERATION @ 06:00HRS: ---------- Make repairs as per inspection list

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Finish inspection and rectify all major items.
Once all items identified as "A" are rectified, spud well.

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Repair output line control valves from Mud pumps and test.
06:00	06:15	Tradesmen Safety Meeting
06:15	00:00	Move more pipe off location for repair.
		Inspect all items prior to spud as per agreed check list.
		Some items outstanding require attention.
		BHI do not have a PVT working, and do not record torque, require installation tech.
		Pipe cleaned and strapped on rack.
		Pump motor required adjustment after initial run up.
		Mud pit required modification to newly installed walls to allow for correct operation.

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	12/12/2006	Drilling Rep Days	Chris Dann/Brian Holland	Wellsite Geologist	0
Report No.	47	Drilling Rep Nights	0	Rig Manager	Darren Thompson

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	2
Century	Rig Crew	21
Century	Camp + Cook	3
		0
Eldred's Coach	Bus Driver	1
BHI	Mudloggers	2
RMN	Mud Engineer	1
	Total	**30**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	11-Dec-06	Drilling Rep Days	Chris Dann/Brian Holland	Wellsite Gelogist	
Report No.	46	Drilling Rep Nights		Toolpusher	Darren Thompson

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	$12,087
Rig	Rig 11	Progress		LOT:		Cum Cost:	$958,004
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Cold night and days cool, repair/modify rig equipment, work electrical items, check certification, work on HSE items, continue assembly of handling tools, witness pressure testing BOP Manifold and mud lines, hold pre-spud meeting.

CURRENT OPERATION @ 06:00HRS: ---------- Continue to service pressure lines

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair solids control equipment, wait on parts for Mud pump delivery lines. conduct pressure testing, housekeeping. Rack & strap BHA and drill pipe.

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Prepare for pressure test and finish drilling rat hole, clean cement from mouse hole sock
06:00	06:15	Crew Safety Meeting
06:15	10:00	Finish drill pipe inspection, move some damaged pipe off location.
		Statewide absolute fire ban, no hot work permitted.
		Pressure testing continued however parts required.
10:00	13:00	Conduct pre-spud meeting all crews and service Co. reps.
13:00	00:00	Cont: Pressure test, Repair Manual choke, Wait on desilter parts. Modify wall in tank between desander and desilter tanks.

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	11/12/2006	Drilling Rep Days	Chris Dann/Brian Holland	Wellsite Geologist	0
Report No.	46	Drilling Rep Nights	0	Rig Manager	Darren Thompson

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	3
Century	Rig Crew	21
Century	Camp + Cook	3
		0
Eldred's Coach	Bus Driver	1
BHI	Mudloggers	2
RMN	Mud Engineer	1
	Total	**31**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	10-Dec-06	Drilling Rep Days	Chris Dann/Brian Holland	Wellsite Gelogist	
Report No.	45	Drilling Rep Nights		Toolpusher	Darren Thompson

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	$12,087
Rig	Rig 11	Progress		LOT:		Cum Cost:	$958,004
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Very hot with cool change at 18:00, repair/modify rig equipment, work electrical items, check certification, work on HSE items, continue assembly of handling tools, witness pressure testing BOP Manifold and mud lines. Drill Mouse hole. Drill Rat hole.

CURRENT OPERATION @ 06:00HRS: ---------- Continue to service pressure lines

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair solids control equipment, wait on parts for Mud pump delivery lines. conduct pressure testing, housekeeping. Pre-spud meeting this morning.

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Continue to repair valves and lines that did not test
06:00	06:15	Crew Safety Meeting
06:15	00:00	Continue drill pipe inspection.
		Statewide absolute fire ban, no hot work permitted.
		Pressure testing continued however, parts required.
		Parts for desilter and desander brought from Melbourne from plane.
		Drilled mouse hole and installed sock.
	00:00	Drill rat hole and install sock.

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	10/12/2006	Drilling Rep Days	Chris Dann/Brian Holland	Wellsite Geologist	0
Report No.	45	Drilling Rep Nights	0	Rig Manager	Darren Thompson

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	2
Century	Rig Crew	21
Century	Camp + Cook	3
Century	Pipe inspectors	2
Eldred's Coach	Bus Driver	1
BHI	Mudloggers	2
	Mud Engineer	1
	Total	**32**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	09-Dec-06	Drilling Rep Days	Chris Dann/Brian Holland	Wellsite Gelogist	
Report No.	44	Drilling Rep Nights		Toolpusher	Darren Thompson

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather warm, repair/modify rig equipment, work electrical items, check certification, work on HSE items, continue assembly of handling tools, witness pressure testing BOP Manifold and mud lines.

CURRENT OPERATION @ 06:00HRS: ---------- Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test/install electrical items and instrumentation, sort equipment & certification, continue reassembly of handling tools, conduct pressure testing, housekeeping, receive and spot on-site units, inspect and repair drill pipe

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:15	Crew Safety Meeting
06:15	00:00	Inspect handling tools & choke lines with R.I.S. - re-assembly inspected handling tools - continue on inspection
		of Drill Pipe. Equipment on site and Tubular UT in progress.
		Make up kelly, upper kelly cock, crossover and swivel - repair kelly spinner mount - install kelly spinner and rotary hose
		Make up crossover, lower kelly cock, saver sub and safety valves below kelly in preperation for pressure test
		Receive furniture for additional shacks.
		Work on repairs to pressure lines, flanges and unions.

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	09/12/2006	Drilling Rep Days	Chris Dann/Brian Holland	Wellsite Geologist	0
Report No.	44	Drilling Rep Nights	0	Rig Manager	Darren Thompson

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	2
Century	Rig Crew	21
Century	Camp + Cook	3
Century	Pipe inspectors	2
Eldred's Coach	Bus Driver	1
BHI	Mudloggers	2
	Total	**31**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	08-Dec-06	Drilling Rep Days	Chris Dann/Brian Holland	Wellsite Gelogist	
Report No.	43	Drilling Rep Nights		Toolpusher	Darren Thompson

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather warm, repair/modify rig equipment, work electrical items, check certification, work on HSE items, continue assembly of handling tools, install generator mufflers, work on water tank valve, make up kelly and swivel

CURRENT OPERATION @ 06:00HRS: ---------- Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test/install electrical items and instrumentation, sort equipment & certification, continue reassembly of handling tools, conduct pressure testing, housekeeping, receive and spot on-site units, inspect and repair drill pipe

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:15	Crew Safety Meeting
06:15		Inspect handling tools & choke lines with R.I.S. - re-assembly inspected handling tools - continue on inspection
		of Drill Pipe. Equipment on site and Tubular UT in progress.
		Make up kelly, upper kelly cock, crossover and swivel - repair kelly spinner mount - install kelly spinner and rotary hose
		Make up crossover, lower kelly cock, saver sub and safety valves below kelly in preparation for pressure test
		Receive additional on-site office and accommodation units
	21:30	Work on instrumentation
21:30	00:00	New crew worked until darkness. Plan to break tour tomorrow.

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	08/12/2006	Drilling Rep Days	Chris Dann/Brian Holland	Wellsite Geologist	0
Report No.	43	Drilling Rep Nights	0	Rig Manager	Darren Thompson

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	2
Century	Rig Crew	20
Century	Camp + Cook	3
Century	Pipe inspectors	2
Eldred's Coach	Bus Driver	1
BHI	Mudloggers	2
	Total	**30**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	07-Dec-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	42	Drilling Rep Nights		Toolpusher	Darren Thompson

WELL DATA							
Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather warm, repair/modify rig equipment, work electrical items, check certification, work on HSE items, continue assembly of handling tools, install generator mufflers, work on water tank valve, make up kelly and swivel

CURRENT OPERATION @ 06:00HRS: ---------- Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test/install electrical items and instrumentation, sort equipment & certification, continue reassembly of handling tools, conduct pressure testing, housekeeping, receive and spot on-site units, inspect and repair drill pipe

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:15	Crew Safety Meeting
06:15		Inspect handling tools & choke lines with R.I.S. - re-assembly inspected handling tools - wait on inspection & repair equipment for drill pipe
		Install new mufflers on rig generator motors
		Make up kelly, upper kelly cock, crossover and swivel - repair kelly spinner mount - install kelly spinner and rotary hose
		Make up crossover, lower kelly cock, saver sub and safety valves below kelly in preperation for pressure test
		Relocate drill pipe, pipe bins and junk box ready to receive additional on-site office and accommodation units
		Pump water out of day tank to change out mud tank supply valve
		Repair tong hanging arm
		Make up and install winch SWL plates
	19:00	Work on instrumentation
19:00	00:00	Off shift - only one crew on site

WATER BASED MUD DETAILS							
Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA							
Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	07/12/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	42	Drilling Rep Nights	0	Rig Manager	Darren Thompson

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	15
Century	Camp + Cook	2
Century	Pipe inspectors	2
Eldred's Coach	Bus Driver	1
	Total	**21**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	06-Dec-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	41	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather warm, repair/modify rig equipment, work electrical items, check certification, work on HSE items, continue handling tools & choke line inspection, install emergency shower, prepare generator muffler brackets, work on mud tank valves and seals

CURRENT OPERATION @ 06:00HRS: ---------- Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test & install electrical items, sort equipment & certification, continue reassembly of handling tools, continue high pressure line inspection, housekeeping, install new mufflers on generators

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:15	Crew Safety Meeting
06:15		Inspect handling tools & choke lines with R.I.S. - re-assembly inspected handling tools - wait on inspection & repair equipment for drill pipe
		Replace mud tank valve, take on water - attempt to function run desander (return line modification)
		Fabricate and install light stands for mud pumps - fabricate mud gates for shale shakers
		Break out upper kelly cock for inspection - prepare lower kelly cock & safety valves for inspection - prepare table bushing for inspection
		Change over hydromatic supply and return lines and fittings - install casing tong fittings
		Re-calibrate accumulator pressure gauge transducers - relocate and install new tong torque gauge
		Install emergency shower on suction mud tank
		Receive and offload 43 pallets of mud chemicals
		Install additional pump stroke counter on remote choke panel for third mud pump
18:00	00:00	Off shift - only one crew on site

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	06/12/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	41	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	14
Century	Camp + Cook	2
Century	Pipe inspectors	2
Century	Visitors	2
	Total	**21**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	05-Dec-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	40	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather warm, repair/modify rig equipment, work electrical items, check certification, work on HSE items, continue handling tools inspection, install slick line controls, prepare generator muffler brackets, work on mud tank valves and seals

CURRENT OPERATION @ 06:00HRS: ---------- Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test & install electrical items, sort equipment & certification, continue rig up drill floor, continue handling tools inspection, housekeeping, receive and off load mud products

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:15	Crew Safety Meeting
06:15		Inspect handling tools with R.I.S. - Work on instrumentation hydraulic lines
		Repair rig generator fuel system - Install Bronco slick line / repaired hydrualic controls
		Inspect desilter tank & repair butterfly valve - modify pill tank suction valve - test & repair tank union seals between mud tanks
		Continue fabrication of generator exhaust brackets
		Fabricate and install winch cover - fabricate and install safety locks on drillers console control handles
		Function test accumulator and BOP remote control - repair leaks and faulty control valve
		Replace nitrogen bottle on man rider manifold
		Clean rig floor and general house keeping
		Prepare rat hole drilling equipment - begin re-assembly of inspected handling tools
18:00	00:00	Off shift - only one crew on site
		Lifting equipment and safety harness register completed

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	05/12/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	40	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	16
Century	Camp + Cook	2
Century	Pipe inspectors	2
	Total	**21**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	04-Dec-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	39	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather warm, repair/modify rig equipment, work electrical items, check certification, work on HSE items, continue pipe inspection, install desander pump, prepare handling tools for inspection

CURRENT OPERATION @ 06:00HRS: ---------- Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test & install electrical items, sort equipment & certification, continue rig up drill floor, continue pipe inspection, housekeeping, compile lifting & safety equipment register, pressure accumulator & function test BOPs

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:15	Crew Safety Meeting
06:15		Inspect drill pipe with R.I.S. - Dis-assemble handling tools for inspection
		Fabricate man rider winch anchor cover, I-BOP handle, Eye wash station stands, cable tray covers & genset muffler stands
		Install rebuilt desander centrifugal pump - test butterfly valves in mud tank system - run trip tank pump
		Install fabricated sub base beams
		Work with Bullivants to complete lifting equipment inspection and certification - load test two sub base pad eyes
		Fill accumulator reservoir - run accumulator pumps
		Make up kelly to swivel with inspected double pin crossover sub
		Clean rig floor and general house keeping
		Make up rotary hose to swivel
18:00	00:00	Off shift - only one crew on site
		Drill pipe to date: ~212 joints have end area inspections - ~46 bent, ~100 pin & ~166 box for field repair, ~24 pin &~27 box for shop repair

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	04/12/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	39	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	15
Century	Camp + Cook	2
Century	Pipe inspectors	2
	Total	**20**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	03-Dec-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	38	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather cool & showers, repair/modify rig equipment, work electrical items, check certification, work on HSE items, service man rider winch, continue BHA & pipe inspection, repair desander pump, prepare & number handling tools for inspection

CURRENT OPERATION @ 06:00HRS: ---------- Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test & install electrical items, sort equipment & certification, continue rig up drill floor, continue BHA inspection, housekeeping, inspect outstanding lifting & safety equipment

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:15	Crew Safety Meeting
06:15		Inspect BHA & drill pipe with R.I.S. - Dis-assemble handling tools for inspection
		Fabricate & install trip tank return line from shale shakers
		Rebuild desander centrifugal pump - replace butterfly valves in mud tank system
		Hang traveling blocks, unspool drilling line - inspect drilling line clamp & re-install - inspect left hand double pin crossover for kelly to swivel
		Work on calibrating AOI system - stamp CDL plant numbers on handling tools
		Work on HSE items - work on lifting equipment register
		Rig up and function remote choke
		Service man rider winch - set upper and lower travel limits
		Prepare and crack test pad eyes below rotary table beams
18:00	00:00	Off shift - only one crew on site

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	03/12/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	38	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company		Service Provided	Pax
Upstream		Sup	1
Century		Rig Crew	14
Century		Camp + Cook	2
Century		Pipe inspectors	2
		Total	**19**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	02-Dec-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	37	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather warm, repair/modify rig equipment, work electrical items, check certification, work on HSE items, rig up man rider winch continue BHA & pipe inspection, repair desander pump, prepare handling tools for inspection

CURRENT OPERATION @ 06:00HRS: ---------- Pre Tour Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test & install electrical items, sort equipment & certification, continue rig up drill floor, continue BHA inspection, housekeeping, inspect outstanding lifting & safety equipment

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:15	Daily Crew Safety Meeting
06:15		Inspect BHA & drill pipe with R.I.S. - Dis-assemble handling tools for inspection
		Hook up hydraulic hoses for casing tong
		Fabricate & install handrails on shale shaker tank access walkway
		Repair man rider winch air manifold & spool line - fabricate & install air manifold bracket
		Install air line to accumulator remote panel - repair two accumulator bottles & check pre-charge pressure
		Work on HSE items - work on lifting equipment register
		Re-build centrifugal pump for desander
		Continue to work on electrical items
		Dig drains around rig & general rigging up of equipment
18:00	00:00	Off shift - only one crew on site

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	02/12/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	37	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	14
Century	Camp + Cook	2
Century	Pipe inspectors	2
	Total	**19**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	01-Dec-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	36	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather warm, repair/modify rig equipment, work electrical items, reposition choke lines, check certification, work on HSE items prepare & begin BHA inspection, repair mud pump exhaust mount, prepare & number handling tools for inspection

CURRENT OPERATION @ 06:00HRS: ---------- Pre Tour Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, sort equipment & certification, continue rig up drill flo continue BHA inspection, housekeeping

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:30	Weekly Crew Safety Meeting
06:30		Fabricate & install cable stand & exhaust bracket on # 2 mud pump engine
		Repair safety clamp handles & rotary table master bushing locks
		Prepare handling tools & BHA for inspection - install CDL identification numbers as necessary
		Work on electrical systems - repair trip tank mechanical gauge - run drawworks & repair / replace gaskets
		Replace 8" butterfly valve between desilter & desander suctions - reposition choke lines - Rig up remote choke controls
		Work on HSE items - replace derrick escape line sling - work on lifting equipment register
	18:00	Service and inspect man rider sheave in derrick - replace kelly spinner fittings
18:00	00:00	Off shift - only one crew on site

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	Megascolides 1 Re-entry (Mobilization)				
Date	01/12/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	36	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		DRILLING in Last 24hrs		Calculated over Bit Run	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	14
Century	Camp + Cook	2
Century	Pipe inspectors	2
	Total	**19**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	30-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	35	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather warm, repair/modify rig equipment, work electrical items, replace choke lines, check certification, work on HSE items work on electrical systems, repair mud pump exhaust mount, repair compressor, work on fuel system

CURRENT OPERATION @ 06:00HRS: ---------- Pre Tour Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, sort equipment & certification, work on air, fuel & wat begin BHA inspection, housekeeping

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:30	Crew Safety Meeting
06:30		Continue instalation of choke line, flare line, MGS vent line and return line from choke manifold to MGS
		Measure mast for fabrication of new casing stabbing board
		Work on # 2 mud pump motor exhaust mounts
		Work on electrical systems
		Continue work on identification and certification of equipment
		Work on HSE items - work on fuel system
	18:00	Repairs to compressor in generator unit
18:00	00:00	Off shift - only one crew on site
		Century crew change - reduced number of personnel until 15:00 hours

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	30/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	35	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	14
Century	Camp + Cook	2
	Total	**17**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	29-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	34	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather warm, repair/modify rig equipment, test & tag electrical items, replace choke hose with steel line, cleaning & painting, check certification, work on HSE items, work on AOI & P.A.,

CURRENT OPERATION @ 06:00HRS: ---------- Pre Tour Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, sort equipment & certification, work on air, fuel & wat work on AOI system, housekeeping

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:30	Weekly Crew Safety Meeting
06:30		Paint rig tongs
		Install screens on second shale shaker
		Remove non-certified choke line hose - re-route choke line with steel line replacing non-certified hose
		Work on AOI system and electrical test & tag inspection
		Continue work on identification and certification of equipment
		Work on HSE items & mechanical rig up items
	18:00	Cleaning and painting of equipment
18:00	00:00	Off shift - only one crew on site

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	29/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	34	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	18
Century	Camp + Cook	3
	Total	**22**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	28-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	33	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather warm, repair/modify rig equipment, test & connect electrical items, buff paint of rig tongs & record identification number check certification, work on HSE items, run mud pumps, work on AOI & P.A., Rig up derrick escape line, check accumulator pre-charge

CURRENT OPERATION @ 06:00HRS: ---------- Pre Tour Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, sort equipment & certification, work on air, fuel & wat work on AOI system, fabricate mud return line to trip tank, repair leaks & faults in low pressure mud systems, repair desander pump - wait on parts

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:30	Weekly Crew Safety Meeting
06:30		Run all three mud pumps - short test only
		Remove desander centrifugal pump to replace bearings
		Buff replacement tongs to check ID numbers for certification - repaint tongs
		Work on AOI system and electrical test & tag inspection
		Check accumulator pre-charge 10ea with ~1,000 psi & 2ea with 0 psi - wait on parts
		Weld hammer union on swivel adapter
	18:00	Repair mud pump relief valve - Install derrick escape line
18:00	00:00	Off shift - only one crew on site
		Pipe inspectors expected on site Friday 1st December to begin inspecting BHA, drill pipe, handling tools, air receiver & high pressure lines

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	28/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	33	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	18
Century	Camp + Cook	3
	Total	**22**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	27-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	32	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather cool, repair/modify rig equipment, test & connect electrical items, prepare drill pipe & BHA for inspection, check certification, work on desander pump, work on HSE items, prime mud pumps, work on AOI, Pick up & make up kelly to swivel, check replacement tong ID numbers

CURRENT OPERATION @ 06:00HRS: ---------- Pre Tour Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, sort equipment & certification, work on air, fuel & wat work on AOI system, fabricate mud return line to trip tank, repair leaks & faults in low pressure mud systems, begin inspections of pipe, BHA, handling tools, HP lines

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:30	Weekly Crew Safety Meeting
06:30		Start all three mud pump motors - prime mud pumps
		Remove desander centrifugal pump to replace bearings
		Continue to prepare drill pipe and BHA for inspection
		Work on AOI system & begin electrical test inspection
		Buff swivel and replacement tongs to check ID numbers for certification
		Replace oil seal in agitator
	18:00	Install BOP control hoses to BOP - install casing pressure sensor to well head SOV
18:00	00:00	Off shift - only one crew on site
		BHI mudloggers departed location
		Century received replacement tongs

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	27/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	32	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	17
Century	Camp + Cook	3
	Total	**21**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	26-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	31	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather cool, repair/modify rig equipment, test & connect electrical items, prepare drill pipe for inspection, tension guy lines, sort lifting, safety and handling equipment - check certification, work on desander & desilter system valves, work on HSE items, install MGS vent & flare line, attempt to install CS

CURRENT OPERATION @ 06:00HRS: ---------- Pre Tour Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, sort equipment & certification, work on air, fuel & wat install instrumentation and AOI system, fabricate mud return line to trip tank, repair leaks in low pressure mud systems, begin inspections of pipe, BHA, handling tools, HP lines

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	06:30	Weekly Crew Safety Meeting
06:30		Install MGS vent line & flare line to flare pit
		Work on instrumentation & electrical systems
		Fabricate and install flowline support at shale shakers
		Work on installing HSE items
		Attempt to fit casing stabbing board (ex Rig 7) in mast - not compatible
	18:00	Continue to equipment and certification of rig items
18:00	00:00	Off shift - only one crew on site
		BHI mudloggers rigging up equipment completed until drill rig is rigged up

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	26/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	31	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	17
Century	Camp + Cook	3
BHI	Mud Logging	3
	Total	**24**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	25-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	30	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather cool with showers, repair/modify rig equipment, test & connect electrical items, prepare drill pipe for inspection, sort lifting, safety and handling equipment - check certification, work on desander & desilter system valves, work on HSE items

CURRENT OPERATION @ 06:00HRS: ---------- Pre Tour Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, sort equipment & certification, complete camp bun install instrumentation and AOI system, fabricate mud return line to trip tank, install high pressure mud lines, repair leaks in low pressure mud systems

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Off shift - only one crew on site
06:00		Continue to prepare drill pipe for inspection
		Install flow nipple and flow line
		Work on suction tank & desilter/desander low pressure system
		Work on instrumentation & electrical systems
		Identify shortfalls in lifting equipment and safety equipment certifications
		Work on installing HSE items
		Begin dressing shale shakers - insufficient correct parts to complete both shale shakers
	18:00	Continue to sort handling tools and certification of rig items
18:00	00:00	Off shift - only one crew on site
		BHI mudloggers rigging up equipment
		2ea 12,000lt black water removed & 3ea 11,000lt potable water received

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	25/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	30	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	18
Century	Camp + Cook	3
BHI	Mud Logging	3
	Total	**25**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	24-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	29	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather cloudy & cool, repair/modify rig equipment, test & connect electrical items, prepare drill pipe for inspection, work on HS sort equipment & check certification, work on suction tank,

CURRENT OPERATION @ 06:00HRS: ---------- Pre Tour Safety Meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, sort equipment & certification, install flowline, install instrumentation and AOI system, fabricate mud return line to trip tank, begin installing high pressure mud lines, repair leaks in low pressure mud systems

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00		Continue to prepare drill pipe for inspection
		Complete fabrication of flow nipple and flow line - begin installation of flow nipple and flow line
		Work on suction tank low pressure system
		Work on instrumentation & electrical sytems
		Identify shortfalls in lifting equipment certifications
		Work on installing HSE items
		Complete repairs to Century loader - change fork assembly from rental loader to Century loader
	18:00	Continue to sort handling tools and certification of rig items
18:00	00:00	Off shift - only one crew on site
		BHI mudloggers rigging up equipment

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	24/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	29	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	18
Century	Camp + Cook	3
BHI	Mud Logging	3
	Total	**25**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	23-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	28	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather cloudy & cool, repair/modify rig equipment, test & connect electrical items, rig down - reposition over hole centre - rig u sort equipment & check certification, work on suction tank,

CURRENT OPERATION @ 06:00HRS: ---------- Sort equipment and handling tools, Rig up equiment, fabricate bell nipple & flow line for 13 5/8" BOPs

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, sort equipment & certification, fabricate flowline, continue hydro testing mud tank valves, work on instrumentation

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	03:00	Continue to rig up rig floor, adjust mast over hole centre
03:00	03:30	Work on installing mud vibrator hose
03:30	04:30	Adjust drawworks brakes
04:30	07:30	Paint subbase - connect weight indicator at drillers console
07:30		Prepare drill pipe for inspection, sort excess equipment for Wacol, Continue to fabricate Flow nipple & flowline, Install AOI instrumentation
		Hydro test suction valves in suction tank (all okay) - Hydro test low pressure systems (Hopper discharge line & valve leaking, desiter suction
	12:00	valve leaking, desander suction and discharge valves leaking, suction & gun line unions between tanks leaking, pumps shaft packings leakin
12:00		Replace faulty valve on mud hopper line, fabricate & install gauge panel mounts at driller's console, sort and store fishing gear
		Coninue to fabricate flow nipple & flow line, Continue to repair Century loader, Continue to install AOI system
		Continue to prepare drill pipe for inspection, prepare BHA items for inspection
	00:00	Sort and store handling tools
		Received 3ea 8 1/2" roller bits, 20ea 3 1/2" tubing, 1ea WGPC shipment
		BHI mudloggers begin rigging up equipment

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	23/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	28	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	25
Century	Camp + Cook	3
BHI	Mud Logging	3
	Total	**32**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	22-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	27	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather cloudy & cool, repair/modify rig equipment, test & connect electrical items, rig down - reposition over hole centre - rig u sort equipment & check certification, work on suction tank,

CURRENT OPERATION @ 06:00HRS: ---------- Sort equipment and handling tools, Rig up equiment, fabricate bell nipple & flow line for 13 5/8" BOPs

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, sort equipment & certification, fabricate flowline, continue hydro testing mud tank valves, work on instrumentation

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	04:30	Continue to rig down rig floor, driller's console and stairways
04:30	06:00	Clean & sort equipment and rubbish around location
06:00	07:00	Lower mast onto carrier
07:00	07:30	Drive carrier off carrier pony base
07:30	09:30	Prepare subbase in readiness to skid with bulldozer
09:30	10:00	Connect bulldozer and skid subbase over well centre
10:00	12:00	Reverse carrier onto carrier pony base & level same with carrier jacks - connect rotary vertical drive shaft
12:00		Prepare and raise mast
		Prepare and extend mast
	00:00	Rig up stairways, Vee-door, Catwalks, Pipe Racks, Survey Slick line, electrical circuits and rig floor
		Repair / replace suction valves in mud suction tank
		BHI mudloggers begin rigging up equipment

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	22/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	27	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	25
Century	Camp + Cook	3
BHI	Mud Logging	3
	Total	**32**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	21-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	26	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather cloudy & cool, repair/modify rig equipment, test & connect electrical items, begin rigging down mast & carrier to positio subbase over well centre, sort equipment & check certification, work on suction tank, install kill line, continue to identify equipment shortfalls, lay out swivel & kelly

CURRENT OPERATION @ 06:00HRS: ---------- Prepare to lower mast on to carrier

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, sort equipment & certification, Rig down carrier & reposition subbase over well centre - rig up again, continue repairing mud tank valves for hydro testing, work on instrumentation

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00		Attemped to install vibrator hoses between mud pumps , requires modification - Install kill line hose
		Replace butterfly valves in mud mix pump manifold system, old valves faulty
		Install braces in sub base - collect serial numbers from HWDP
		Continue sorting subs and handling tools for certification verification
		Begin replacing mud tank suction valves
		Continue to work on Century loader - rental unit still in service
		Lay out kelly and swivel - prepare rig floor to rig down mast
		Disconnect standpipe vibrator hose , guy lines and load lines - Retract upper section of mast
		Continue installation, checking and servicing of electrical equipment
		Continue modifications and repairs to equipment - Prepare equipment to fabricate new flow nipple
	00:00	Continue sorting equipment and preparing to rig down carrier to re-position sub base over well centre

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	21/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	26	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Rig Crew	25
Century	Camp + Cook	3
BHI	Mud Logging	2
	Total	**31**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	20-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	25	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather fine & cool, repair/modify rig equipment, sort & changing out drill pipe, test & connect electrical items, bund camp fuel t sort equipment & check certification, work on flow nipple, continue installing choke line & manifold, continue to identify equipment shortfalls, pick up swivel & kelly

CURRENT OPERATION @ 06:00HRS: ---------- Work on certification of equipment

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, sort equipment & certification, continue to change out Rig 11 with Rig 7 drill pipe, continue hydro testing & repairing mud tank valves, work on instrumentation

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	05:30	Continue to nipple up BOPs, choke line and choke manifold - reverse in line tee to targeted tee - assemble #1 & #3 mud pumps
05:30	07:30	Assembly inspected fishing tools - Record S/N of drill collars - Move & sort 4 1/2" drill pipe - Bund camp fuel tank
07:30	12:00	Spool new slick line on unit - unload 2 bins 4 1/2" drill pipe ex Rig 7 - offload and position #2 mud pump
12:00		Continue to spot #2 mud pump - load 2 bins 4 1/2" drill pipe ex Rig 11
		Work on choke manifold hard line
		Offload and spot BHI mud logging unit, gas rack & spares container
		Pick up swivel and kelly - Begin rigging up #2 mud pump
		Sort rotary subs, fishing tools & handling equipment
		Prepare Century loader for engine removal (rental unit in service)
		Continue modifications and repairs to equipment - Prepare equipment to fabricate new flow nipple
	00:00	Continue changing out exhausts on #1 mud pump motor
		Received BHI mud logging equipment

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	20/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	25	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	5
Century	Trades	4
Century	Driller + AD	5
Century	Derrick + Motor + F'man	8
Century	Labour	2
Century	Sub-contractor	1
Century	Camp + Cook	3
	Total	**29**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	19-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	24	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA							
Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather fine & cool, repair & modify rig equipment, sort & begin changing out Rig 11 / Rig 7 drill pipe, test & connect electrical i sort equipment & check certification, work on mud tank suction lines, continue installing 13-5/8" BOP stack & DSA, continue to identify equipment shortfalls, dig flare pit

CURRENT OPERATION @ 06:00HRS: ---------- Nipple up BOPs including choke lines and manifold. Work on mud pumps # 1 & # 3

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment, test, repair & install electrical items, BOP nipple up, sort equipment & certification, continue to change out Rig 11 with Rig 7 drill pipe, continue hydro testing & repairing mud tank valves, bund camp fuel tank

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	20:00	Conduct pre tour safety meeing
		Rig up Hydromatic & Brake water return lines
		Repair water leak from Rig day tank manifold
		Receive & offload two bins 4 1/2" drill pipe ex Rig 7 - Load out two bins 4 1/2" drill pipe from Rig 11
		Assemble BOP rams, mud cross and annular - install on wellhead
		Attempt to service break overshot drive sub for inspection - unable to break with rig tongs - to be sent to machine shop
		Continue hydro testing of mud tank suction valves - attempt to seal faulty valves
		Dig flare pit - continue to sort down hole & handling equipment for certification verification
		Continue modifications and repairs to equipment - Prepare equipment to take on water in mud tanks
		Continue changing out exhausts on #1 & #3 mud pump motors
20:00	00:00	Wait on crew break, crew in camp
		5ea 11,500lt loads potable water delivered & 3ea 12,000lt loads of waste water removed

WATER BASED MUD DETAILS							
Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA							
Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	19/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	24	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	5
Century	Trades	4
Century	Driller + AD	5
Century	Derrick + Motor + F'man	8
Century	Labour	2
Century	Sub-contractor	1
Century	Camp + Cook	3
	Total	**29**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	18-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	23	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather fine & cool, repair & modify rig equipment, continue to mark inspected drill pipe, test & connect electrical items, sort equipment & check certification, begin hydro test of mud tank suction lines, begin installing 13-5/8" BOP stack & DSA, pick up swivel to rig floor, identify equipment shortfalls

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Repair and modify equipment - test, repair & install electrical items, BOP nipple up, sort equipment, change out drill pipe conduct fishing tools inspection - break tour with crews starting 24 hour operations, - continue hydro testing & repairing mud tank valves - dig flare pit (~135' from well centre)

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	19:00	Conduct pre tour safety meeing
		Receive & offload rental loader - swap bucket to fork frame
		Continue breaking out & cleaning fishing tools for inspection
		Offload 13 5/8" BOP stack - begin work on installing BOPs
		Offload & spot crew crib unit
		Install whip check lines on kelly spinner hoses- Install monkey board fall arrest system
		Begin digging drains around rig equipment
		Begin hydro test of mud tank suction valves
		Continue modifications and repairs to equipment - Prepare to take on water in mud tanks - loader out of service
		Begin changing out exhausts on #1 & #3 mud pump motors
19:00	00:00	Wait on daylight, crew in camp
		One near miss reported - hand tool dropped down V-door from rig floor

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	18/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	23	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	4
Century	Trades	7
Century	Driller + AD	5
Century	Derrick + Motor + F'man	7
Century	Labour	2
Century	Sub-contractor	1
Century	Camp + Cook	3
	Total	**30**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	17-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	22	Drilling Rep Nights		Toolpusher	Agus Nugroho

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather fine & cool, repair & modify rig equipment, visually inspect drill pipe, test & connect electrical items, conduct third party inspection of lifting equiment, install water lines

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Continue to repair and modify equipment, test, repair & install electrical items, continue drill pipe inspection, sort equipm conduct fishing tools inspection (service break as necessary)

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Conduct pre tour safety meeing
		Pump water from drill water supply dam to rig day tank - Rig up brake & hydromatic water lines - Install water lines to mud tanks
		Rig up ESD control lines - Continue with BOP control lines (wait on additional fittings)
		Clean & clear rig floor - Paint console - Install weight indicator - Install lights on dog house, catwalk & shaker tank
		Offload equipment from Roma & back load excess items to Wacol
		Pick up handling tools to rig floor - continue to identify equipment & check for certifications
		Continue drill pipe "visual" inspection - Carry out third party inspection of non-certified lifting equipment
		Continue to work on satellite communications system - sort safety equipment & documentation in communications office
		Continue modifications and repairs to rig floor and equipment - Prepare to take on water in mud tanks - loader out of service
18:00	00:00	Wait on daylight, crew in camp
		Original pipe inspection (20/02/06) - 342ea Premium G 105, 49ea Class II G 105, 1ea Class II E 95
		Initial result of 145 checked - 94ea Premium E 75 & 51ea Premium G 105 with ~40 tool joint repairs required & 16 bent of the 145 inspected
		Received drill collars, kelly spinner, test pump, DSA & Saturn ring for BOPs with other assorted equipment from Roma & Wacol

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	17/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	22	Drilling Rep Nights	0	Rig Manager	Agus Nugroho

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	3
Century	Trades	5
Century	Driller + AD	5
Century	Derrick + Motor + F'man	5
Century	Labour	1
Century	Sub-contractor	2
Century	Camp + Cook	3
	Total	**25**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	16-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	21	Drilling Rep Nights		Toolpusher	Marty Whitu

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather overcast with rain squalls, repair & modify mud tanks, prepare drill pipe for inspection, test & connect electrical items, dress mast for scoping, work on drill line drum anchor recess

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Continue to repair and modify mud tanks, test, repair & install electrical items, scope mast, unpack and sort equipment, prepare drill pipe and fishing tools for inspection

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Conduct pre tour safety meeing
		Modify/Fabricate ladder at base of mast & ladder static line anchor to floor
		Stack scrap steel in steel skip provided - install protective plastic between mud tanks and sump
		Conduct rig service - install tong dies in rotary tongs - secure lease entry signs to withstand high winds
		Sort handling tools, prepare fishing tools for inspection, begin "visual" inspection of drill pipe (inspection tools arrived on site)
		Install water transfer pump and lay flat line from water source dam to rig day tank
		Connect VIP unit in camp - begin setting up Century satellite communications (wait on personnel due on site Friday 17th)
		Continue modifications and repairs to mud tanks, light stands and supply lines
		Continue installation of lights, instrumentation and electrical equipment
		Continue modifications and repairs to rig floor and equipment
18:00	00:00	Wait on daylight, crew in camp
		Received pipe inspector's equipment

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	16/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	21	Drilling Rep Nights	0	Rig Manager	Marty Whitu

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	1
Century	Trades	5
Century	Driller + AD	4
Century	Derrick + Motor + F'man	6
Century	Labour	
Century	Sub-contractor	1
Century	Camp + Cook	2
	Total	**20**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	15-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	20	Drilling Rep Nights		Toolpusher	Marty Whitu

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather overcast with rain squalls, repair & modify mud tanks, prepare drill pipe for inspection, test & connect electrical items, dress mast for scoping, work on drill line drum anchor recess

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Continue to repair and modify mud tanks, test, repair & install electrical items, scope mast, unpack and sort equipment, prepare drill pipe and fishing tools for inspection

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Conduct pre tour safety meeing
		Adjust mast over well centre
		Clean 4 1/2" drill pipe for inspector
		Rig up instrumentation to driller's console
		Replace manrider winch base frame & install floor hold back post keepers
		Work on rig generator motor to bring on line
		Continue to clean & tidy location
		Continue modifications and repairs to mud tanks, light stands and supply lines
		Continue installation of lights, instrumentation and electrical equipment
		Continue modifications and repairs to mud tanks and supply lines
18:00	00:00	Wait on daylight, crew in camp
		Received 3ea 3" lay flat (Karoon) & 1ea pallet drill bits & accessories (Halliburton Security - DBS)

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	15/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	20	Drilling Rep Nights	0	Rig Manager	Marty Whitu

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	1
Century	Trades	6
Century	Driller + AD	4
Century	Derrick + Motor + F'man	6
Century	Labour	
Century	Camp + Cook	2
	Total	**20**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	14-Nov-06	Drilling Rep Days	Chris Dann	Wellsite Gelogist	
Report No.	19	Drilling Rep Nights		Toolpusher	Marty Whitu

WELL DATA							
Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather overcast with rain squalls, repair & modify mud tanks, prepare drill pipe for inspection, test & connect electrical items, dress mast for scoping, work on drill line drum anchor recess

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Continue to repair and modify mud tanks, test, repair & install electrical items, scope mast, unpack and sort equipment, prepare drill pipe and fishing tools for inspection

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Conduct pre tour safety meeing
		Prepare mast to scope
		Lay out guy lines to anchor blocks
		Bleed scoping rams (PTW)
		Extend mast - checking ram stabilizers during scoping
		Hang traveling blocks and slip drilling line
		Install vibrator hose on standpipe
		Install rotary tongs on rig floor
		Clean rig floor & location
		Continue modifications and repairs to mud tanks and supply lines
		Continue installation of lights, instrumentation and electrical equipment
		Century received 1ea VIP unit in camp, water transfer pump and hoses at rig site
18:00	00:00	Wait on daylight, crew in camp

WATER BASED MUD DETAILS							
Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA							
Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	14/11/2006	Drilling Rep Days	Chris Dann	Wellsite Geologist	0
Report No.	19	Drilling Rep Nights	0	Rig Manager	Marty Whitu

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	2
Century	Trades	6
Century	Driller + AD	4
Century	Derrick + Motor + F'man	6
Century	Labour	
Century	Camp + Cook	2
	Total	**21**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	13-Nov-06	Drilling Rep Days	Brian Holland/Chris Dann	Wellsite Gelogist	
Report No.	18	Drilling Rep Nights		Toolpusher	Marty Whitu

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather overcast with rain squalls, repair & modify mud tanks, prepare drill pipe for inspection, test & connect electrical items, dress mast for scoping, work on drill line drum anchor recess

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Continue to repair and modify mud tanks, test, repair & install electrical items, scope mast, unpack and sort equipment, prepare drill pipe and fishing tools for inspection

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Conduct pre tour safety meeing
		Reposition mechanic and store skids for location access
		Continue to repair and modify mud tanks
		Continue to install service lines for air, fuel and water
		Install rig floor stairways
		Continue cleaning and drifting drill pipe
		Continue testing, repair and installation of electrical items
		Prepare mast to scope
		Remove 11" BOP from test stump
18:00	00:00	Wait on daylight, crew in camp

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	13/11/2006	Drilling Rep Days	Brian Holland/Chris Dann	Wellsite Geologist	0
Report No.	18	Drilling Rep Nights	0	Rig Manager	Marty Whitu

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	2
Century	Sup	3
Century	Trades	6
Century	Driller + AD	4
Century	Derrick + Motor + F'man	6
Century	Labour	
Century	Camp + Cook	2
	Total	**23**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	12-Nov-06	Drilling Rep Days	Brian Holland/Chris Dann	Wellsite Gelogist	
Report No.	17	Drilling Rep Nights		Toolpusher	Marty Whitu

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather overcast with rain showers, repair & modify mud tanks, prepare drill pipe for inspection, test & connect electrical ite distribute camp fire extingushers, off load & spot communications office, prepare & stand lower derrick

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Continue to repair and modify mud tanks, test & repair electrical items, dress mast ready to scope, reposition mecha spares containers for lease access, prepare drill pipe for inspection

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Conduct pre tour safety meeing
		Empty two pipe bins and reposition for pipe inspection and readiness for additional site accommodation units
		Continue to repair and modify mud tanks
		Continue to install service lines for air, fule and water
		Receive, off load and spot Century communications building
		Replaced out of date fire extingushers at camp site
		Continue testing, repair and installation of electrical items, supply power to communications and office units
		Prepare and raise mast
18:00	00:00	Wait on daylight, crew in camp

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	12/11/2006	Drilling Rep Days	Brian Holland/Chris Dann	Wellsite Geologist	0
Report No.	17	Drilling Rep Nights	0	Rig Manager	Marty Whitu

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company		Service Provided	Pax
Upstream		Sup	2
Century		Sup	3
Century		Trades	5
Century		Driller + AD	4
Century		Derrick + Motor + F'man	6
Century		Labour	
Century		Camp + Cook	2
		Total	**22**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	11-Nov-06	Drilling Rep Days	Brian Holland/Chris Dann	Wellsite Gelogist	
Report No.	16	Drilling Rep Nights		Toolpusher	Marty Whitu / Mick Manning

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather fine, continue to install fuel lines, mud pits and assemble inspected handling tools.

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Crew work daylight hours. Prepare to stand mast. Move bins and ready for Com shack continue to rig up, welding in mud pits, modify hand rails on Mud pits.

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Tradesmen at camp continue with installation of equipment.
		Main crew arrived from Brisbane via Melbourne at 14:00
		15:00 hours went to rig and oriented themselves for next day work.
		Hand over to Chris Dann.
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	11/11/2006	Drilling Rep Days	Brian Holland/Chris Dann	Wellsite Geologist	0
Report No.	16	Drilling Rep Nights	0	Rig Manager	Marty Whitu / Mick Manning

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	2
Century	Sup	3
Century	Trades	5
Century	Driller + AD	4
Century	Derrick + Motor + F'man	5
Century	Labour	2
Century	Camp + Cook	2
	Total	**23**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	10-Nov-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	15	Drilling Rep Nights		Toolpusher	

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather fine, continue to install fuel lines, mud pits and AOI equipment (Icebreaker Day 2 held in Brisbane)

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Crew in Brisbane for 'Ice-Breaker' to return to site. Remaining 6 man crew to continue to rig up, finish welding in mud pits, modify hand rails on Mud pits.

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Pre tour meeting.
		Rig & Camp Crew in Brisbane for Ice Breaker meeting
		Continue modifying & repairing mud tanks
		Continue work on AOI system
		Continue rigging up fuel lines
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	10/11/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	15	Drilling Rep Nights	0	Rig Manager	0

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company		Service Provided	Pax
Upstream		Sup	
Century		Sup	
Century		Trades	5
Century		Driller + AD	
Century		Derrick + Motor + F'man	
Century		Labour	1
Century		Camp + Cook	
		Total	**6**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	09-Nov-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	14	Drilling Rep Nights		Toolpusher	

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather fine, continue to install fuel lines, mud pits and AOI equipment (Icebreaker Day 1 in Brisbane)

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Crew in Brisbane for 'Ice-Breaker.': Remaining 6 man crew to continue to rig up, finish welding in mud pits, modify hand rails on Mud pits.

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Pre tour meeting.
		Rig & Camp Crew in Brisbane for Ice Breaker meeting
		Continue modifying & repairing mud tanks
		Continue work on AOI system
		Continue rigging up fuel lines
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	09/11/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	14	Drilling Rep Nights	0	Rig Manager	0

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	
Century	Sup	
Century	Trades	5
Century	Driller + AD	
Century	Derrick + Motor + F'man	
Century	Labour	1
Century	Camp + Cook	
	Total	**6**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	08-Nov-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	13	Drilling Rep Nights		Toolpusher	Darren Thompson

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather fine, continue to install fuel lines, mud pits and AOI equipment. Drill Crew travel to Brisbane for Icebreaker

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Crew in Brisbane for 'Ice-Breaker.': Remaining 6 man crew to continue to rig up, finish welding in mud pits, modify hand rails on Mud pits.

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Pre tour meeting.
		Continue itemizing BHA - clean lease
		Continue modifying & repairing mud tanks
		Continue work on AOI system
		Continue rigging up fuel lines.
		Drill crew travel to Brisbane for Icebreaker.
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	08/11/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	13	Drilling Rep Nights	0	Rig Manager	Darren Thompson

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	
Century	Trades	5
Century	Driller + AD	2
Century	Derrick + Motor + F'man	3
Century	Labour	1
Century	Camp + Cook	2
	Total	**14**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	07-Nov-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	12	Drilling Rep Nights		Toolpusher	Darren Thompson

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather fine, continue to install fuel lines, mud pits and assemble inspected handling tools.

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Crew make ready to travel to Brisbane for 'Ice-Breaker.': Remaining 6 mann crw to continue to rig up, finish welding in mud pits, modify hand rails on Mud pits.

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Pre tour meeting, assemble inspected handling tools.
		Sort through tools and subs. Assemble tools not required this campaign for return to Wacol.
		Electrician continuing to lay cable in cable tray. Check lights and terminations.
		Install Fuel line from fuel tank.
		Visit from Terry Greaney and Lino Barro.
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	07/11/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	12	Drilling Rep Nights	0	Rig Manager	Darren Thompson

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company		Service Provided	Pax
Upstream		Sup	1
Century		Sup	1
Century		Trades	5
Century		Driller + AD	2
Century		Derrick + Motor + F'man	3
Century		Labour	1
Century		Camp + Cook	2
		Total	**15**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	06-Nov-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	11	Drilling Rep Nights		Toolpusher	Daniel Wood

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	$4,340
Rig	Rig 11	Progress		LOT:		Cum Cost:	$799,733
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather fine, Install fuel lines + Drilling line. Continued with installation of floor, NDT, Install solids control equipment and repair tanks.

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Work on mud pits, stand mast, check draw works and continue with NDT inspection. some collars need to go to workshop for re-threading.

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Install fuel line hoses and ready fuel tanks for delivery.
		Camp still needs to be levelled. Request for water and rubbish removal.
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	06/11/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	11	Drilling Rep Nights	0	Rig Manager	Daniel Wood

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	1
Century	Trades	5
Century	Driller + AD	2
Century	Derrick + Motor + F'man	3
Century	Labour	1
Marana Inspection	NDT	1
Century	Camp + Cook	2
	Total	**16**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	05-Nov-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	10	Drilling Rep Nights		Toolpusher	Daniel Wood

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	$5,510
Rig	Rig 11	Progress		LOT:		Cum Cost:	$795,393
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather fine, continued with installation of floor and NDT. Plus install Solids control equipment, repair tanks.

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ----------Install fuelline & Drilling line. Continue to rig up, repair mud pits,continue check tools and tubulars.
some collars need to go to workshop for re-threading.

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Weather fine, continued to repair floor and install Mud control equipment, check electical installation.
		Continue to install internal wall in mud suction pit. Install timeber to rig floor. Add stairs to rear ingress to rig floor.
		Pump catch tank at camp.
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	05/11/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	10	Drilling Rep Nights	0	Rig Manager	Daniel Wood

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	1
Century	Trades	5
Century	Driller + AD	2
Century	Derrick + Motor + F'man	3
Century	Labour	1
Marana Inspection	NDT	1
Century	Camp + Cook	2
	Total	**16**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	04-Nov-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	9	Drilling Rep Nights		Toolpusher	Daniel Wood

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	$3,890
Rig	Rig 11	Progress		LOT:		Cum Cost:	$789,883
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Weather fine, continued with installation of floor and NDT. Plus install Solids control equipment, repair tanks.

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ----------Continue to rig up, repair mud pits, continue check tools and tubulars. Maintain camp

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Weather fine, continued to repair floor and install Mud control equipment and guard rails.
		Yesterday roughneck received an injury. Taken to out patients this morning. Discharged and capable of light duties.
		Camp requires still needs leveling.
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	04/11/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	9	Drilling Rep Nights	0	Rig Manager	Daniel Wood

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	1
Century	Trades	5
Century	Driller + AD	2
Century	Derrick + Motor + F'man	3
Century	Labour	1
Marana Inspection	NDT	1
Century	Camp + Cook	2
	Total	**16**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	03-Nov-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	8	Drilling Rep Nights		Toolpusher	Daniel Wood

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	$3,890
Rig	Rig 11	Progress		LOT:		Cum Cost:	$785,993
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: ---------- Wait on Daylight, Continue to rig up, work to 18:00. Continue handling tools inspection.
Take tools to sand blaster and check on site. Continue to repair rig floor, cont. install lights.

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ----------Continue to rig up, check tools and tubulars. Maintain camp

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Transport provided to take tools to Warragul for sand blasting. Inspector's tools arrived.
		Rig floor waiting for sheet steel delivery. Lights installed in mast and tested. Electrician continuing with other connections.
		Camp requires still needs leveling.
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	03/11/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	8	Drilling Rep Nights	0	Rig Manager	Daniel Wood

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	1
Century	Trades	5
Century	Driller + AD	2
Century	Derrick + Motor + F'man	3
Century	Labour	1
Marana Inspection	NDT	1
Century	Camp + Cook	2
	Total	**16**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	02-Nov-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	7	Drilling Rep Nights		Toolpusher	Daniel Wood

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	$4,376
Rig	Rig 11	Progress		LOT:		Cum Cost:	$781,769
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: ---------- Wait on Daylight, Continue to rig up, work to 18:00. Prep work for handling tools inspection.
Prep work for repair of rig floor, prep work for installing lights in Mast (remove old lights). Prep to reeve drilling line.

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight, Conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ----------Raining at 06:00 Anticipate difficulties due to weather. Continue to rig up, and maintain camp

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Heavy delayed operations on rig floor and lighting installation. Rain eased afternoon and work continued.
		Welder able to cut and measure during rain but no welding on floor.
		Camp requires leveling crane schedulled to undertake this work today.
		Discussions on BOP certification (Century chasing minor repair paperwork & also to mob 13-5/8" 5k stack as contingent measure).
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Decription	Mesh Size	Hours
Active (bbls)		Downhole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	02/11/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	7	Drilling Rep Nights	0	Rig Manager	Daniel Wood

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company		Service Provided	Pax
Upstream		Sup	1
Century		Sup	1
Century		Trades	4
Century		Driller + AD	2
Century		Derrick + Motor + F'man	3
Century		Labour	1
Marana Inspection		NDT	1
Century		Camp + Cook	2
		Total	**15**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	01-Nov-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	6	Drilling Rep Nights		Toolpusher	Daniel Wood

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	$4,100
Rig	Rig 11	Progress		LOT:		Cum Cost:	$773,450
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: ---------- Wait on Daylight, Continue to rig up, work to 18:00

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ----------Raining at 06:00 Anticipate difficulties due to weather. Continue to rig up, and maintain camp

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Attempt to repair rig floor, required major patching and decision made to replace floor, work underway. Handling tools
		stripped in preparation for routine NDT. Spotted carrier, vertical drive mis aligned, work underway to rectify this.
		Camp working, refrigerator adequate but floor condition remains an issue.
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Decription	Mesh Size	Hours
Active (bbls)		Downhole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	01/11/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	6	Drilling Rep Nights	0	Rig Manager	Daniel Wood

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	1
Century	Trades	4
Century	Driller + AD	2
Century	Derrick + Motor + F'man	3
Century	Labour	1
Marana Inspection	NDT	1
Century	Camp + Cook	2
	Total	**15**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	31-Oct-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	5	Drilling Rep Nights		Toolpusher	Daniel Wood

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	$4,100
Rig	Rig 11	Progress		LOT:		Cum Cost:	$769,350
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: ---------- Wait on Daylight, Continue to rig up, work to 18:00

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Continue to rig up, and finalise camp

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight, crew in camp
06:00	18:00	Rig up, continue to rig up, spot dog house, continue to spot gas buster and trip tank.
		Lay coflex BOP hoses, install monkey board.
		Camp requires some work on the fridge. Levelling huts but serviceable.
		Visited Mrs James, discussed the noise potential. Inspected the Hay she wishes we could use. Found it to be suitable.
		Visited Toll Energy warehouse in Dndenong. See separate field report.
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Decription	Mesh Size	Hours
Active (bbls)		Downhole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			

Reserve (bbls)		De-silter					
Kill (bbls)		Centifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	31/10/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	5	Drilling Rep Nights	0	Rig Manager	Daniel Wood

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company		Service Provided	Pax
Upstream		Sup	1
Century		Sup	1
		Driller	1
		Labour	2
		Cook	1
		Camp	1
		Welder	1
		Electrician	1
		Total	**9**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	30-Oct-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	4	Drilling Rep Nights		Toolpusher	Dan Wood

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	$4,100
Rig	Rig 11	Progress		LOT:		Cum Cost:	$765,250
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: ---------- Wait on Daylight, Continue to rig up, work to 18:00

CURRENT OPERATION @ 06:00HRS: ---------- Wait on Daylight conduct pre tour meeting

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Continue to rig up, and finalise camp

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on daylight
06:00	18:00	Rig uo, Fix sub base, replacement pins required, local fabrication anticipated. Spot Tool pusher accom shack and catch tank.
		Spot day tank and rig to lift dog house, spot clump anchors.
18:00	00:00	Wait on day light

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Decription	Mesh Size	Hours
Active (bbls)		Downhole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	30/10/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	4	Drilling Rep Nights	0	Rig Manager	Dan Wood

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	1
Century	Sup	1
	Driller	1
	Labour	2
	Cook	1
	Camp	1
	Welder	1
	Electrician	1
	Total	**9**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	29-Oct-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	3	Drilling Rep Nights		Toolpusher	Dan Wood

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: ---------- Spot camp and delivered rig components

CURRENT OPERATION @ 06:00HRS: ---------- Wait on delivery of Camp and rig loads

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Work daylight hours and set up rig and camp

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	18:00	Took delivery of mast; mud tanks; day tank; additional component, Spotted sub-base, Spotted Day tank; installed mast
		on carrier; Spotted mud pit.
18:00	00:00	Wait on Daylight

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Decription	Mesh Size	Hours
Active (bbls)		Downhole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	29/10/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	3	Drilling Rep Nights	0	Rig Manager	Dan Wood

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company		Service Provided	Pax
		Total	

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	28-Oct-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	2	Drilling Rep Nights		Toolpusher	Dan Wood

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: ---------- Work daylight hours and set up rig and camp

CURRENT OPERATION @ 06:00HRS: ---------- Wait on delivery of Camp and rig loads

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Work daylight hours and set up rig and camp

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	18:00	2 X Camp attendents Plus Electrician at Camp. Camp spotted and requires levelling. Delivered water to camp,
		Delivered rubbish skip to camp. Clearing junk from rooms.
		Spotted sub base and carrier boat. Unloaded 15 trailers
		Excavated site for Drill water pump at Dam. No sign of Rig water pump yet.
18:00	00:00	Wait on Daylight

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Decription	Mesh Size	Hours
Active (bbls)		Downhole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centifuge					

DAILY DRILLING REPORT

KAROON Gas Australia

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	28/10/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	2	Drilling Rep Nights	0	Rig Manager	Dan Wood

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company		Service Provided	Pax
		Total	

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	27-Oct-06	Drilling Rep Days	Brian Holland	Wellsite Gelogist	
Report No.	1	Drilling Rep Nights		Toolpusher	Dan Wood

WELL DATA

Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	
Rig	Rig 11	Progress		LOT:		Cum Cost:	
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: ---------- Spot camp and delivered rig components

CURRENT OPERATION @ 06:00HRS: ---------- Wait on delivery of Camp and rig loads

PLANNED OPERATIONS FOR NEXT 24HRS: ---------- Work daylight hours and set up rig and camp

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Wait on Daylight
06:00	18:00	Camp arrived on 9 trailers. Crane available to unload and spot camp at Lardner.
		Camp spotted by 11:00 hours. Cranes moved to Megascolides 1 location. Suction tanks and Mud pumps unloaded. Mechanics
		Shack spotted. Catch tank for sewerage delivered to both sites.
18:00	00:00	Wait on Daylight

WATER BASED MUD DETAILS

Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA

Available (bbls)		Losses		Equipment	Decription	Mesh Size	Hours
Active (bbls)		Downhole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centifuge					

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilisation)**				
Date	27/10/2006	Drilling Rep Days	Brian Holland	Wellsite Geologist	0
Report No.	1	Drilling Rep Nights	0	Rig Manager	Dan Wood

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company		Service Provided	Pax
		Total	

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

DAILY DRILLING REPORT

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	13-Dec-06	Drilling Rep Days	Chris Dann/Brian Holland	Wellsite Gelogist	
Report No.	48	Drilling Rep Nights		Toolpusher	Darren Thompson

WELL DATA							
Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland	Measured Depth		Casing MD		AFE Number	
Drill Co.	Century	True Vertical Depth		Casing TVD		Daily Cost:	$9,687
Rig	Rig 11	Progress		LOT:		Cum Cost:	$1,000,507
GL - AMSL	120 m	Days From Spud		Last BOP Date:		Planned TD:	
RT - GL	5.2 m	Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 00:00 to 2400HRS: --- Final inspection

CURRENT OPERATION @ 06:00HRS: ---------- Drilling cement

PLANNED OPERATIONS FOR NEXT 24HRS: ----------Drill ahead. This is final report this format

OPERATIONS FOR PERIOD 00:00 to 24:00

From	To	Operation Description
00:00	06:00	Repair output line control valves from Mud pumps and test.
06:00	06:15	Tradesmen Safety Meeting
06:15	00:00	Final documention set in place and accepted.
		Calibrate AOI recording system.
		Rig acceptance ready to Spud at 00:00
		***** Final Mobilisation Report *****

WATER BASED MUD DETAILS							
Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		Cl		Oil:		PV	
Time		Hard/Ca		Sand		YP	
Weight		MBT		Glycol		Gels 10sec	
Temp		PM		KCl		Gels 10min	
API FL		Solids		PHPA			

EQUIPMENT, VOLUMES AND LOSSES DATA							
Available (bbls)		Losses		Equipment	Description	Mesh Size	Hours
Active (bbls)		Down hole		Shaker 1			
Mixing (bbls)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centrifuge					

KAROON Gas Australia

DAILY DRILLING REPORT

Upstream Petroleum

Well	**Megascolides 1 Re-entry (Mobilization)**				
Date	13/12/2006	Drilling Rep Days	Chris Dann/Brian Holland	Wellsite Geologist	0
Report No.	48	Drilling Rep Nights	0	Rig Manager	Darren Thompson

BIT INFORMATION

Bit No.		IADC Code		**DRILLING in Last 24hrs**		**Calculated over Bit Run**	
Size		WOB (avg)		Progress		Cum Progress	
Mfr		RPM (avg)		On Bottom Hrs		Cum On Btm Hrs	
Type		Pump Rate		IADC Drill Hrs		Cum IADC Drill Hrs	
Serial No.		SPP		Total Revs		Cum Total Revs	
Bit Model		TFA		ROP (avg)		Cum. ROP(avg)	
Depth in		No. of Nozzle		Bit Run Comments: Grading ----------			
Depth out		Nozzle Sizes					

BHA INFORMATION

BHA No.		Length		Torque(Max)		D.C (1) Ann Velocity	
Weight wet		String		Torque(Off Btm)		D.C (2) Ann Velocity	
Weight Below Jars (Wet)		Pick-up		Torque(On Btm)		HWDP Ann Velocity	
Weight Dry		Slack-Off		Jar Hrs		DP Annular Velocity	
Weight Below Jars (Dry)		BHA Run Description:					

SURVEY INFORMATION

Survey No.	MD	Incl.	Corr Az	TVD	Tool Type

PERSONNEL AT SITE

Company	Service Provided	Pax
Upstream	Sup	2
Century	Rig Crew	21
Century	Camp + Cook	3
		0
Eldred's Coach	Bus Driver	1
BHI	Mudloggers	2
RMN	Mud Engineer	1
	Total	**30**

CASING RUN

Size	LOT/FIT	Casing Shoe MD/TVD	Cementing Comments (Estimated TOC, Job Details)

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ATTACHMENT 18 : RIG INVENTORY

Century RESOURCES
A DIVISION OF DOWNER EDI LIMITED

RIG INVENTORY

RIG # 11 : COOPER LTO 750

CARRIER:	Cooper LTO 750 Carrier with triple front and rear axles 54,000lb front and 70,000lb rear. All necessary highway equipment. Unit leveled with hydraulic jacks when stationary.
SUBSTRUCTURE:	5.2 m Ground level to rotary table. 4.3 m Clear height under rotary beams. Maximum 350,000 lbs on rotary table and 200,000 lbs on setback.
DRAWWORKS:	Cooper 750 HP Double Drum Drawworks
ENGINES:	Driven by 2 each Caterpillar 3406 TA Diesel Engines
BRAKE:	Parmac 202 Hydromatic
ROTARY TABLE:	National Rotary Table Model C-175
DERRICK:	Cooper Derrick Model 118-365. Ground height 118' Maximum rated static hook load 350,000 lbs with 10 lines. Mast raised, lowered and telescoped hydraulically. Pipe racking capacity of 2500m – 4-1/2" drill pipe.
CROWN BLOCK:	Cooper Crown Block with 4 working sheaves. Fast line sheave and dead line sheave. All grooved for 1-1/8" line
HOOK BLOCK:	Ideco 1 1/8" 265 Ton Shorty
SWIVEL:	National P-200
SLUSH PUMPS:	3 Gardner Denver PZ-7 Triplex Pumps driven by Cat 379TA Diesel Engines Rated 550 HP each.
MUD SYSTEM:	2 × 300 bbl tanks incorporating 80 bbl pill tank and 54 bbl trip tank.
SHAKERS:	2 x DFE SCR-01 Linear Motion.
DEGASSER:	Drilco Atmospheric Degasser Standard Pit powered by $7^1/_2$ HP 60 Hz, 230v motor.
MUD / GAS SEPARATOR	40" Poor Boy Degasser
VENT LINE:	6" vent line from Separator to flare pit.
DESANDER:	Harrisburg Model DSN 1000. 2 x 10" Cones with 6" × 8" Centrifugal pump driven by 60 HP Electric Motor.
DESILTER:	Harrisburg 10 x 5" Cones and 6" x 8"Centrifugal pump, driven by a 60 HP Electric Motor.
MUD MIXING PUMP:	Harrisburg 6" × 8" Centrifugal pump driven by a 50 HP Electric Motor
MUD AGITATORS:	4 only Brandt Mud Agitator Model MA 7.5
BOP:	Annular: 11" 5,000psi Hydril GK Rams: 11" 5,000psi Shaffer Double Gate Model 'LWS' Complete with $4^1/_2$", $5^1/_2$", 7" and Blind Rams

ACCUMULATOR:	Koomey Model 100-11S
CHOKE MANIFOLD:	Cameron 3-1/8” 5,000 psi with one hydraulic and one manual choke complete with remote control panel.
DRILL PIPE SAFETY VALVE:	1 x 4” IF Inside BOP (Gray) 1 x 4” IF full Operating Stab Valve
SPOOLS:	1-11” 5,000 psi Flanged Drilling Spool with $3^1/_8$” 5,000 psi Flanged Choke Line out and $2^1/_{16}$” 5,000 psi Kill Line Outlet 1-11” 5,000 psi to 11” 3,000psi Kill Line Double Studded Adaptor 1-11” 5,000 psi to $7^1/_{16}$” 5,000 psi Double Studded Adaptor
KILL LINE VALVES:	2-$2^1/_{16}$” 5,000 psi Manual Flanged Valves and MCM 2” – 5M Check Valve
CHOKE LINE VALVES:	1-$3^1/_8$” 5,000 psi Manual Flanged Valve 1-$3^1/_8$” 5,000 psi HCR Flanged Valve
INSTRUMENTATION:	AOI Advanced Drillers Monitoring System Martin-Decker 6 pen Record-O-Graph Martin-Decker Weight Indicator Type FS Martin-Decker Mud Pressure Gauge Martin-Decker Rotary RPM Indicator Martin-Decker Pump Stroke Indicator (3 of) Martin-Decker Tong Torque Indicator
KELLY SPINNER:	Foster Model 77 (hydraulic)
KELLY:	1-$4^1/_4$”Hex Kelly 40' long with $6^5/_8$" API Reg LH Box up 3-1/2" IF Pin Down
UPPER KELLY VALVE:	Upper Kelly Cock. 10,000 test $6^5/_8$" API Reg LH Connections.
LOWER KELLY VALVE:	1 – Hydril Kelly Guard 4-3/4” OD 10,000 psi, 3-1/2” IF (NC46) Pin and Box Connection
KELLY DRIVE BUSHING:	Varco Type 4 KRS Kelly Drive Bushing
DRILL PIPE AND TOOLS:	12 joints $4^1/_2$” Range II Hevi Wate Drill Pipe with 18^0 Taper 4” IF (NC46) Connections. 10,000 ft 4-1/2” G 105, 16.6 lb/ft Range ll Drill pipe with 4” IF (NC46) Connections
DRILL COLLARS:	6 - 8” Drill Collars, Range II, with 6-5/8” Reg. Connections. 6 – 6-1/4” Drill Collars, Range II, with 4” IF (NC46) Connections.
FISHING TOOLS:	Fishing Tools to catch all Contractor’s Equipment 1- 9-5/8" Gotco FS Overshot Series 150 1- 8-1/8” FS Overshot Series 150
<u>Note</u>:	Contractor will provide Overshots, Grapples, Guides, Packoffs, etc. for each size of drill pipe, drill collars and downhole tools provided by Contractor.
JUNK RETRIEVERS:	1- 11" OD Gotco Rev/Circ Junk Basket 1- 7-7/8" OD Gotco Rev/Circ Junk Basket

HANDLING TOOLS:	**Elevators:** 1 Set 9-5/8” Casing 1 Set 7” Casing 1 Set 5-1/2” Casing 1 Set 9-5/8” Single Jt 1 Set 7” Single Jt 1 Set 5-1/2” Single Jt 2 Sets 4-1/2” 250 Ton
	Safety clamp 1 Safety clamp for 8” and 6-1/4” Drill Collars.
	Slips: 1 Set 9-5/8” Casing 1 Set 7” Casing 1 Set 5-1/2” Casing 1 Set 8” Drill collar 1 Set 6-1/4” Drill collar 2 Sets 4-1/2” Drill pipe
	Tongs: 1 Set Foley 36” short lever with jaws to suit 3-1/2” to 13-3/8” 1 Set Farr Hydraulic Power Tongs Jaws to suit 5-1/2”, 7”, 9-5/8” and 13-3/8”
PIPE SPINNER:	Air powered Weatherford Lamb Spinner Hawk to suit 3-1/2” to 5-1/2”
SUBS:	1 – 6-5/8” Reg. x 6-5/8” Reg. Bit Sub (Double Box) 2 – 4-1/2” Reg. x 4” IF (NC46) Bit Subs 1 – 6-5/8” Reg. x 4” IF (NC46) Crossover Sub (Pin x Box) 3 – 6-5/8” Reg. Lift Nubbins 11 – 4” IF (NC46) Lift Nubbins
CASING / TUBING DRIFTS:	1 – 9-5/8” 36 lb/ft 1 - 7” 26 lb/ft 1 - 7” 23 lb/ft 1 – 5-1/2” 17 lb/ft 1 – 5-1/2” 15.5 lb/ft
THREAD PROTECTORS:	3 – 9-5/8” Klampon Style 3 - 7” Klampon Style 3 – 5-1/2” Klampon Style
WELDING EQUIPMENT:	1 x Cig-weld 300A Electric Welder
	2 x Oxy/acetylene sets
AIR COMPRESSORS:	2 x Sullair Compressor Package Model 10-30L - 100 CFM @ 125 psi. 2 x Engine mounted 12 CFM CAT Compressors. 2 x Coldstart Compressors.
AC GENERATOR:	2 x Caterpillar 3408TA AC Generator Model SR-4. 1,800 rpm 60 hz 275 kw.
FUEL TANKS:	1 x 27,000 litre - Skid Mounted
WATER TANK:	400 BBL tank with two Warman 3 × 2 pumps driven by 20 HP electric motors

PIPE RACKS:	4 sets 30ft in length
CATWALKS:	2 piece Catwalk drill pipe construction 42" height
COMMUNICATION:	Gaitronics System
WIRELINE UNIT	1 x Mathey Slick line unit c/w 10,000 ft of 0.092” slick line
MUD LAB:	Baroid Rig Laboratory Model 821
RATHOLE DRILLER:	Manufactured Rat Hole Driller for $5^1/_4$” Kelly
MUD SAVER:	Harrisburg Unit with $4^1/_2$” Sealing Rubbers
CELLAR PUMP:	1 only 3” Pacific Diaphragm Unit
FIRE EXTINGUISHER:	1 lot as per State Mining Regulations for Rig and Camp
CUP TESTER:	Cameron Type ‘F’ Cup Tester Mandrel with 4-1/2” IF Connections. 9 $^5/_8$“ 47- 36 lbs rubber for cup tester.
TRANSPORTATION:	One Cat 950F Loader or equivalent
RIG ACCOMMODATION:	1 Skid-Mounted Rig Manager/Company Man sleeper/office unit 1 Century rig office/Electrician/Mechanic office 1 Air conditioned smoko/ training Shack

At Contractors discretion any of the forgoing items may be replaced by equipment of equivalent or greater capacity.

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ATTACHMENT 19 : BHI FINAL WELL REPORT

END OF WELL REPORT

Karoon Gas Australia Pty. Ltd.

MEGASCOLIDES 1 RE-ST1

07/12/06 - 28/12/06

by

BAKER HUGHES INTEQ

Megascolides 1 Re - ST1

Final Well Report

SECTION 1

Well Summary

1. WELL SUMMARY

Rig Name:	Century Rig 11
Rig Type:	Land Rig Rotary Drive
Drilling Contractor:	Century Energy Services Pty. Ltd
Drilling Datum:	120m AMSL
Drill Floor Elevation:	5.2m
Surface Co-ordinates:	Lat: 38deg 13min 52.2sec
	Long: 145deg 52min 55.4sec
	Datum: GDA 94
Block:	PEP 162 / EL4567
Well Type:	Re-entry Side Track Vertical Exploration
Re-entry date:	14/12/06
Kicked off date:	19/12/06
Total Depth:	1980m
TD Date:	10:45hrs, 26/12/06
Primary Objective:	Crayfish Formation Equivalent (Oil/Gas)
Well Status:	Plug and Abandon
Baker Hughes INTEQ Crew:	Philip Pousai, Bambang Budiarto, Shaharizad, Rio Marasigan
Data Engineers:	Philip Pousai, Bambang Budiarto, Shaharizad, Rio Marasigan
Karoon Gas Representatives:	Chris Dann, Brian Holland, Bruce Pilat (Companyman), David Horner (Wellsite Geologist)

SECTION 2

Drilling and Engineering

BAKER HUGHES

INTEQ

LOCATION / WELL NAME

Australia (Victoria)/ Megascolides 1 Re-ST1

OPERATOR

Karoon Gas Australia Pty. Ltd.

CONTRACTOR / RIG

Century Energy Services Rig 11

Rotary Type Abbreviations

TS - Top Drive System
RT - Rotary Table
PD - Positive Displacement Motor
SB - Steerable PDM & Bent Sub
M - suffix designates MWD

Mud Type Abbreviations

PHG - Gel Sweeps AQ - Aquacol
G - Gel PHPA - Polyacrylamide
WB - Bentonite/polymer Mud

Geology Abbreviations

Sd : Sand
Sst : Sabdstone
Lst : Limestone
Slt : Silt
Sltst : Siltstone
Cl : Clay
Clst : Claystone
Volc : Volcanics
Sh : Shale
Dol : Dolomite

Dull Grade & Reason Pulled

A - All Rows
BC - Broken Cone
BHA - Bottomhole Assembly
BU - Balled Up Bit
CM - Condition Mud
CP - Core Point
DMF - Down Hole Motor Failure
DP - Drill Plug
DSF - Drill String Failure
DTF - Down Holw Tool Failure
E - Seals Effective
F - Seals Failed
FC - Flat Crested Wear
G - Gage Rows
H - Heel
HP - Hole Problems
HR - Hours on Bit
I - In Gauge
PR - Penetration rate
RG - Rounded Gauge
SD - Shirt Tail Damage
TD - Total / Csg Depth
TQ - Torque
TW - Twist Off
WC - Weather Condition
WT - Worn Teeth
JD - Junk Damage
LIH - Left In Hole
LOG - Run Logs
LT - Lost Teeth
M - Middle Rows
MH - Mid Heel
NO - No Dull Wear
O - Out of Gauge
PP - Pump Pressure

KAROON Gas Australia

BHA No.	Bit No.	Vendor	Type	Serial Number	Size (in)	IADC Code	Nozzles (x 1/32")	Depth In	Depth Out	Drilled m	Drilled hrs	ROP (m/hr)	WOB (klb)	RPM (at bit)	TORQ. (kft-lb)	TBR (x1000)	RT	Pump Pr (psi)	Flow Rate (gpm)	Dev (deg)	Geology Formation	W ppg	Mud Type	PV,YP	IADC Dull Grade (G in 1/16") I	O	D	L	B	G	O	R
8 1/2" HOLE SECTION																																
1	NB1	Security	EBXSC15	10858843	8.5		3x20	0	534	534	7.5	71.3	0.12-4.5	50-73	0.5-0.65	18730	Yes	214-400	415-450	0.9	Cement	8.55	WB	1,1								
2	NB1RR1	Security	EBXSC15	10858843	8.5		3x20	534	1767	1233	25.6	69.02	2-12	50-122	13-18	79.45	Yes	240-530	320-426	2.7	Cement	9.25	WB	12,3								
3	NB1RR2	Security	EBXSC15	10858843	8.5		3x20	1622	1635	13	0.5	26	0-8	50-100	15-48	0.023	Yes	575-900	289-423	2.70	Cement	9.20	WB	11,9								
4	NB1RR3	Security	EBXSC15	10858843	8.5		3x20	1635	1659	24	31.0	0.77	6-12	0-40	0.3-14	280	Yes	620-750	295-300	3	Clst,Sst,Coal	9.35	WB	20,11								
5	NB2	Security	FM3553	10881881	8.5		5 x 11	1659	1881	222	14.4	15.4	2-22	80-160	2-16	129	Yes	820-1074	308-377	4	Clst,Sst,Coal	9.25	WB	14,9								
6	CB1	Corpro	MCP662	8492C	8.5		TFA=1.01inch2	1881	1889	8	3.9	2	7-12	80-90	0.1-3	26.3	Yes	345-530	200-255	4	Clst,Sst,Coal	8.95	WB	12,8								
7	CB1RR1	Corpro	MCP662	8492C	8.5		TFA=1.01inch2	1889	1895	6	7.1	0.85	10-14	90-100	0.1-3	38.55	Yes	395-500	230-290	4	Clst,Sst, Coal	9.00	WB	13,9								
8	NB2RR1	Security	FM3553	10881881	8.5		5 x 11	1895	1980	85	10.7	8	4-19	100-120	2-13	75.43	Yes	555-925	248-340	4	Sh,Sst, Volc	9.00	WB	13,9								

Note:- No bits' grading informations from the first BHA

BAKER HUGHES INTEQ

Hydraulics Summary Table
Megascolides 1 Re-ST1 Gippsland Basin

KAROON Gas Australia

Drill String M - MWD N - Normal T - Turbine P - Posidrive Motor C - Core U - Under-Reamer **Power law used for hydraulics calculations.Robertson - Stiff Rheological Model**

BHA No.	Depth m	Hole Size in	Calc Size Hole	Jets / TFA x 1/32"	Drill String Items	W ppg	MUD TYPE	Flow Rate gpm	ECD ppg	Annular Velocities ft/min DP Casing	DP OH	DC OH	Crit	Jet Vel ft/sec	HHP hhp	HHP /in² hp/in²	Impact Force lbf/in2	Bit Pr. Loss psi	%SPP Loss	Calc. SPP psi	Actual flowrate calc.
NB1	534	8.5	8.5	3x20	N	9.00	Waterbased	415-450	8.55	193.4	-	317.6	-	58.6	43.5	0.1	2	23	13.1	174	430
NB1RR1	1767	8.5	8.5	3x20	N	9.00	Waterbased	320-426	9.25	167.8	193.5	275.5	342.6	130	112	0.47	4.1	121	23.6	514	373
NB1RR2	1635	8.5	8.5	3x20	N	9.30	Waterbased	289-423	9.2	160	184.7	263	327	124	91	0.41	3.7	110	25.1	438	356
NB1RR3	1859	8.5	8.5	3x20	N	9.35	Waterbased	295-300	9.2	124.1	141.4	221.6	275.5	207.4	135.2	0.96	5.2	307	39.7	773	300
NB2	1881	8.5	8.5	5x11	N	9.25	Waterbased	308-377	8.9	140.7	160.3	251.1	312.3	235	196.3	1.36	6.5	384	38.7	991	340
CB1	1889	8.5	8.5	TFA = 1.01inch2	C	8.95	Waterbased	200-255	9.1	95.2	108.4	169.9	-	73.1	46.7	0.09	1.4	37	10.65	348	230
CB1RR1	1895	8.5	8.5	TFA = 1.01inch2	C	9.00	Waterbased	230-290	9.1	107.6	122.6	192	-	82.6	66.3	0.13	1.8	48	10.88	438	260
NB2RR1	1980	8.5	8.5	5x11	N	9.00	Waterbased	248-340	9.1	133.6	152.2	238.5	296.6	223.3	173.6	1.17	5.9	348	37.77	922	323

SECTION 3

SURVEY SUMMARY

TOTCO SURVEYS

Megascolides 1 Re - ST1

Interval (m) Survey	Inclination Degrees	Azimuth Degrees
52m	0.3	62
285m	0.9	62
642m	1.1	82
1035.9m	2.5	128
1279.8m	2.9	125
1448.6m	3.1	112
1561.2m	3	99
1636.2m	2.7	94
1644m	3	94
1748m	4	45
1819m	4	40
1869m	4	52

SECTION 4

GEOLOGY, SHOWS & CORING

4.1 GEOLOGY AND SHOWS

MudLogging Services for Megascolides 1 Re-ST1 commenced from original hole at 1635m and kicked off to a total depth of 1980m. Samples were collected at 5m intervals from 1640m to 1980m.
The main object of re-entering the well was to fully evaluate the Crayfish Group equivalent quartzose reservoir encountered in Megascolides 1.

Megascolides 1 Re-ST1 (Karoon Gas Australia Pty. Ltd.) was spudded at 085:00 hrs on the 19th of December 2006. The depth was measured from Rotary Table with 5.2 m elevation measured from the ground level. Megascolides 1 Re-ST1 was drilled to a total depth of 1980m. Two core runs were taken from 1881m to 1889m and 1889m to 1895m respectively. The recovered cores were packed and air freighted to Brisbane for analysis.

Two sets of unwashed bulk samples

1 x 250 mg unwashed sample for Department of Primary Industry (DPI):

Sack #1 (1640-1980 m) 5 m interval

1x 250 mg washed sample for Karoon Gas Pty Ltd.:
Sack #1 (1640-1980 m) 5 m interval

One set of samplex tray sample

1x Samplex Tray Set for Karoon Gas Pty.Ltd.

2 Card box (1640m-1980m)

The lithology intersected at Megascolides-1 Re-ST1 is summarized below started from 1635m. For more detailed descriptions of the cuttings, please refer to the appendix section (Formation Evaluation Log).

FORMATION TOPS

Formation Name	Actual (mRT)	Actual (mSS)
Thorpdale Volcanics	5.2	+120
Barracuota Formation Childers Formation	39	+86.3
Wonthaggi Formation (Strzelecki Group)	62	+63.3
Intra Strzelecki Sand "A" Unit	859	-733.7
Intra Strzelecki Sand "B" Unit	1079	-953.7
Intra Strzelecki Sand "C" Unit	1373	-1247.7
Intra Strzelecki Sand "D" Unit	1726	-1600.7
Rintoul Creek	1883.4	-1758.2
Crayfish Group	1890	-1765.0
Weathered Duck Bay Volcanics	1944	-1819
Duck Bay Volcanics	1959	-1834
Total Depth	1980	-1855

Strzelecki Formation 1635m- 1881 m

The Strzelecki formation consisted of interbedded claystone and sandstones and a very rare trace of Coal stringer towards the base of the section.

The Sandstone was light to medium green grey, very fine to fine, dominantly very fine, subangular to rounded, and moderately sorted. The grains were supported by abundant off white argillaceous matrix and strong silica and weak to moderate calcareous cement. The sandstone contained abundant off white altered feldspar grains, common altered green grey volcanogenic lithic grains, traces of quartz grains, red brown lithics, trace to common goethite grains and vein infill, trace black coaly detritus, and trace crystalline calcite vein infill. The sandstone was predominantly hard, with no visible porosity and no oil fluorescence.

The Claystone was medium green grey to medium brown grey to dark. The claystone was slightly to very silty and often very fine arenaceous in textures, containing altered feldspar grains, and at place very carbonaceous. Traces of black carbonaceous flecks, black coal detritus, micromicas, and calcite and geothite lined fractures were commonly present. The claystone was hard and subfissile.

Fluorescence @ 1645m – 1655m: The calcite vein infill (trace of total sample) has 40% bright patchy to solid light to medium yellow oil fluorescence giving a dull yellow white crush cut fluorescence with trace yellow white film residue.

Fluorescence @ 1660m – 1665m: The calcite vein infill (trace of total sample) has trace moderate bright patchy to solid light to medium yellow oil fluorescence giving a dull yellow white crush cut fluorescence with trace residue.

Fluorescence @ 1755m – 1765m: The vein infill material (1% of total sample) has trace bright patchy to solid light to medium yellow oil fluorescence giving a dull yellow white crush cut fluorescence with trace yellow white film residue.

Fluorescence @ 1790m – 1800m: The vein infill material (1% of total sample) has trace to 40% bright patchy to low white film residue.

Fluorescence @ 1855m – 1860m: The vein infill material (trace of total sample) has 10% bright patchy to solid light to medium yellow oil fluorescence giving a dull yellow white crush cut fluorescence with trace yellow white ring residue.

The total gas ranged from 0.0020% to 0.0161% with and averaged of 0.0062%. Chromatograph analyzed methane (6-114ppm), ethane (0-9ppm), and propane (0-3ppm).

Rintoul Creek Formation 1883.4m – 1944 m (Crayfish Equivalent)

The Rintoul Creek formation consisted of a massive Sandstone bed on the upper section and thick shale units covered the lower portion of the formation. The sandstone was light to medium grey to light brown grey, very fine to very coarse, dominantly medium to coarse, angular to subrounded, and very poorly sorted. The grains were supported by common white argillaceous matrix, strong silica and weak to moderate calcareous cements. The sandstone had quartzose, trace dark grey and red brown lithics, trace medium to dark grey clay clasts (up to 30mm in size), trace garnet (?) and common black coal detritus. The sandstone was hard and had poor visible porosity.

The coal was black, moderately argillaceous, and often strongly slickensided, with common micromica where argillaceous, vitreous, platy to subconchoidal fracture, hard and brittle.

The shale was very dark grey to dark brown grey to black in color. Shale was slightly silty and had trace to common fine black carbonaceous matter, trace calcite infill fractures, common micromica, hard and subfissile.

The total gas ranged from 0.0028% to 0.0553% with and averaged of 0.0245%. Chromatograph analyzed methane (12-169ppm), ethane (4-59ppm), propane (2-61 ppm), iso-butane (0-15ppm), normal butane (0-15ppm), iso-pentane (0-5ppm) and normal pentane (0-4ppm).

Duck Bay Volcanics 1944m – 1980mTD

The highly weathered volcanics were off white to light brown and medium grey claystone. Cryptocrystalline texture was dominant and remnant of flow bandings was observable at places. The cutting was hard and brittle. Where less weathered, the volcanics were bright green to black, medium to dark green to black, cryptocrystalline with very fine spot of white clay and light brown grey vesicular in part. The cuttings contain chlorite? and common clear crystalline veins. It was hard and brittle.

The fluorescence from the calcite vein infill material (1% of total sample) has trace to 40% dull to bright solid to patchy yellow fluorescence giving a weak yellow white crush cut and thin yellow residual ring.

The total gas recorded 0.0064% to 0.0196% with and averaged of 0.011%. Chromatograph analyzed methane (26-85ppm), ethane (4-16ppm), propane (3-21 ppm), and traces of iso-butane and normal butane.

4.2 CORE REPORT

The coring operation was undertaken to cut core No. 1 and No. 2 from 1881.0m – 1895.0m (avg. 83% recovery). Core recovered in aluminium sleeves. An ACS technician cut core plugs and dispatch immediately to ACS Brisbane.

Core No. 1
Cut 1881.0 m –1889.0 m.
Recovered 1881.0 m-1887.6 m (6.6 m) or 82.5%

INTRA STRZELECKI SAND "D" UNIT

1881.0-1882.1m

CLAYSTONE (95%) with minor laminated **SANDSTONE** (5%).

CLAYSTONE: dark grey to dark brown grey to grey black,very silty in part, very carbonaceous, common coaly detritus, trace of very fine altered feldspar grains in part, common micromica, hard, subfissile.

SANDSTONE: Light to medium grey, very fine to fine, dominantly very fine, angular to subrounded, moderately sorted, strong silica and weak calcite cements, abundant altered feldspar grains, common grey brown lithics, trace of quartz grains, common black coal detritus, hard, no visual porosity, no oil fluorescence.

1882.1-1883.4m

CLYSTONE (80%) laminated and thinly interbedded with **SANDSTONE** (20%).

CLAYSTONE: dark grey to dark brown grey to grey black,very silty in part, very carbonaceous,common coaly detritus, trace of very fine altered feldspar grains in part, common micromica, hard, subfissile.

SANDSTONE: Light to medium grey, very fine to fine, dominantly very fine, angular to subrounded, moderately sorted, strong silica and weak calcite cements, abundant altered feldspar grains, common grey brown lithics, trace of quartz grains, common black coal detritus, hard, no visual porosity, no oil fluorescence.

STRUCTURE: Bedding - subhorizontal, common tight high angle calcite infilled fractures.

RINTOUL CREEK FORMATION: Top 1883.40m

1883.4-1887.6m

SANDSTONE (100%) with minor laminations of slickensided **COAL** (trace).

SANDSTONE: light to medium grey to light brown grey, very fine to very coarse, dominantly medium to coarse, angular to subrounded, very poorly sorted, strong silica cement, weak to moderate calcareous cement, common white argillaceous matrix, quartzose, trace dark grey and red brown lithics, trace medium to dark grey clay clasts to 30mm, common black coal detritus, hard, poor visual porosity.

COAL: black, moderately argillaceous, often strongly slickensided, common micromica where argillaceous, vitreous, platy to subconchoidal fracture, hard, brittle.

STRUCTURE: Bedding – subhorizontal, common tightly cemented subvertical calcite infilled fractures.

FLUORENSCENCE: The Rintoul Creek Sandstone has 50% patchy dull to moderately bright medium yellow to orange oil fluorenscence, giving a dull to moderately bright light to medium yellow slow streaming to crush cut fluorenscence, thin film residue.

Core No. 2
Cut 1889.0 m –1895.0 m.
Recovered 1887.6 m-1892.61 m (5.01 m) or 83.5%
Recovered stump left in hole from Core No. 1 with core no. 2

1887.6m-1889.0m

SANDSTONE (95%) with minor thin interbeds of **SHALE** (5%)

SHALE: very dark grey to black, slightly silty, trace to common fine black carbonaceous matter, trace of calcite infilled fractures, common micromica, hard, subfissile.

SANDSTONE: light to medium grey to light brown grey, very fine to very medium, occasionally coarse to very coarse, dominantly medium coarse, angular to subrounded, very poorly sorted, strong silica cement, weak calcareous cement, common white argillaceous matrix, quartzose, trace dark grey, red brown and green lithics, trace garnet (?) trace medium to dark grey clay clasts to 20mm, trace to common black coal detritus, hard, poor visual porosity.

FLUORENSCENCE: The Rintoul Creek Sandstone has 50% patchy dull to moderately bright medium yellow to orange oil fluorenscence, giving a dull to moderately bright light to medium yellow slow streaming to crush cut fluorenscence, thin film residue.

STRUCTURE: Bedding – subhorizontal, trace tightly cemented subvertical calcite infilled fractures.

CRAYFISH GROUP: TOP 1890.03m

1890.03-1892.61m

Massive **SHALE** (100%)

SHALE: very dark grey to dark brown grey to black, slightly silty, trace to common fine black carbonaceous matter, trace calcite infilled fractures, common micromica, hard, subfissile.

STRUCTURE: Bedding – subhorizontal.

1892.62-1895.0m

NO RECOVERY

SECTION 5

Sampling Summary

and

Record of Distribution

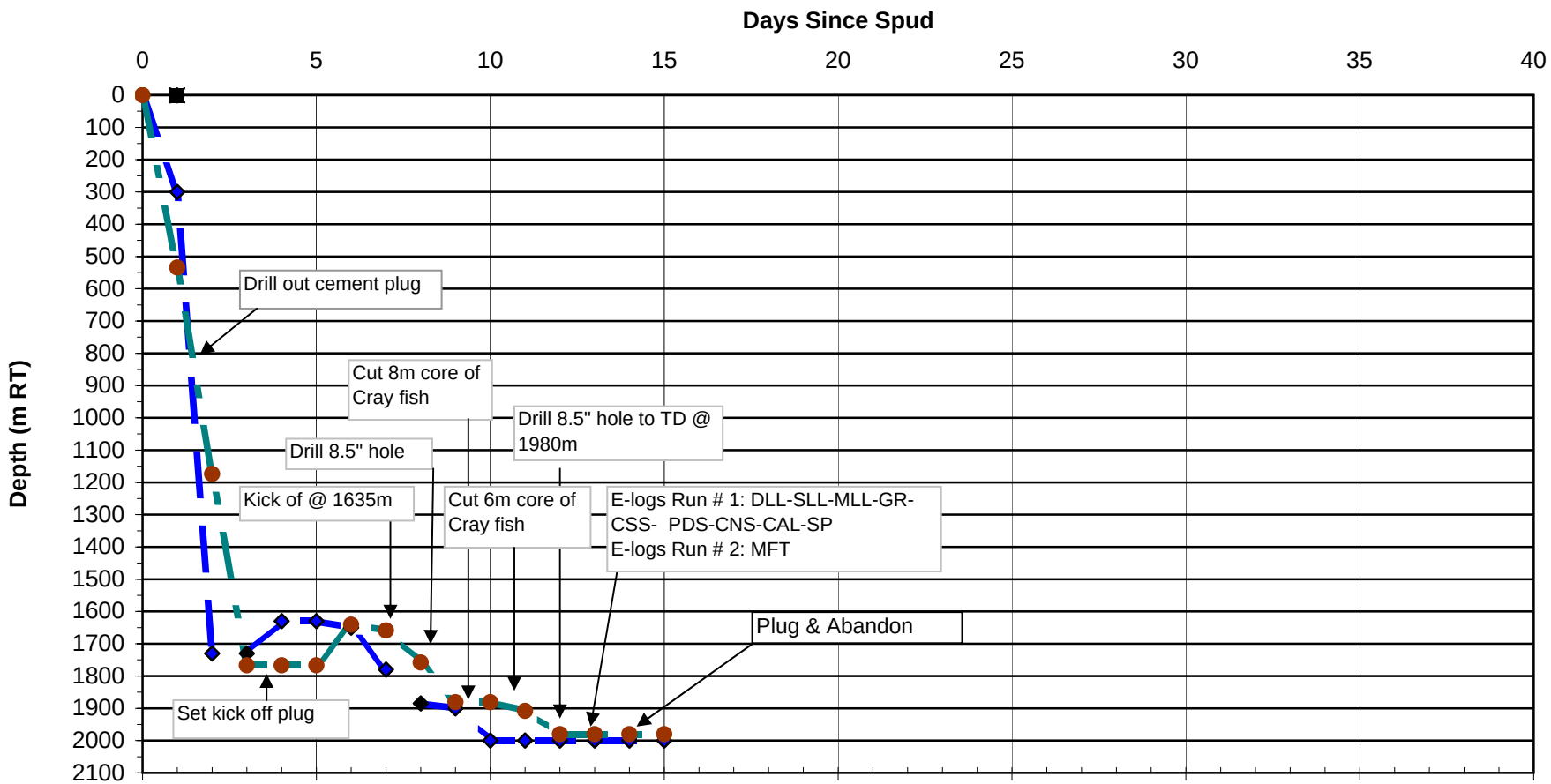
5.1 SAMPLING AND DISTRIBUTION

MEGASCOLIDES 1 Re -ST1 Karoon Gas Australia		
Sample type	**Interval**	**Descriptions**
SET A: Cloth bags (250g) washed and dried for KAROON GAS Australia	**1645m to 1980m (TD) (every 5 m)**	**2 cupboard box Box 1/2:1645m-1800m Box 2/2:1805m-1980m**
SET:B Cloth bags (250g) washed and dried for DPI Australia	**1645m to 1980m (TD) (Every 5 m)**	**2 cupboard box Box 1/2:1645m-1800m Box 2/2:1805m-1980m**
SET: C Samplex trays (50g) for Karoon Gas Australia	**1640m to 1980m (TD) (Every 5 m)**	**In two small cardboard boxes Box 1: 1640m – 1865m Box 2: 1865m – 1980m (TD)**

SECTION 6

Time And Depth Curve

Karoon Gas Australia
Megascolides 1 Re- ST1
Time vs. Depth Curve



APPENDIX

FORMATION EVALUATION LOG

1:500

DRILLING DATA PLOT

1:500

BAKER HUGHES

INTEQ

KAROON Gas Australia

Company	**Karoon Gas Pty.Ltd.**
Well	**Megascolides - 1 RE ST - 1**
Permit	**PEP162/EL4537**
Region	**Western Gippsland Basin, Narracan Trough**
Designation	**Vertical Exploration Re-entry & Sidetrack**
UTM Coord.	**Lat: 38deg 13min 52.2sec** **Long: 145deg 52min 55.4sec**
Ref Elevation	**120m RKB to AMSL**
Total Depth	**1980m MDRT**
Contractor	**Century Energy Services Pty. Ltd.**
Rig	**Century Rig 11**
Type	**Land Rig Rotary Drive**

LOG INTERVAL

Depth	**1980m MDRT**
Date	**27 Dec 2006**
Scale	**1:500**
Data Engineers	**Phillip Pousai, Bambang Budiarto, Shaharizad**
Logging Geologists	**N/A**

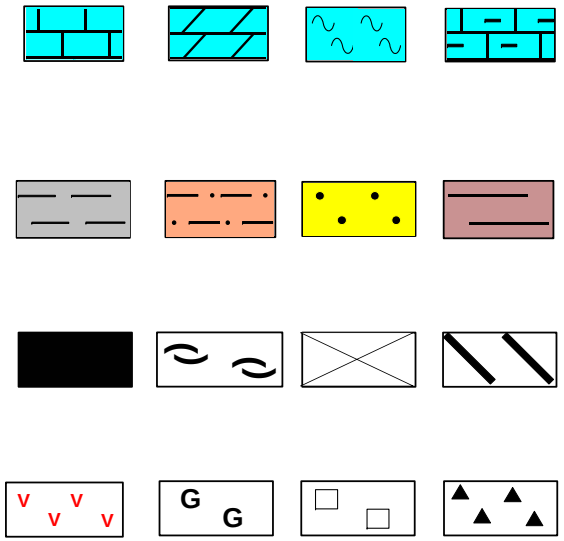
INTEQ LOG SUITE

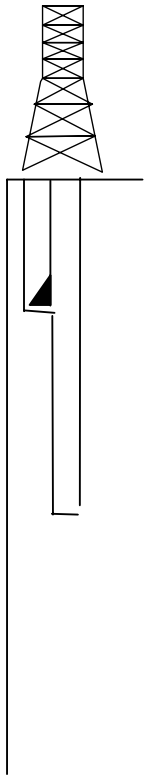
Formation Evaluation	Drilling Data Pressure Plot
Drilling Data Plot	Pressure Summary Plot

ABBREVIATIONS

NB	New Bit	MD	Measured Depth
RR	Rerun Bit	GPM	Gallons per Min
CB	Core Bit	PP	Pump Pressure
WOB	Weight on Bit	MW	Mud Weight sg
RPM	Revs per Minute	FV	Funnel Viscosity
FLC	Flow Check	F	Filtrate - API
FCG	Flow Check Gas	FC	Filter Cake
PR	Poor Returns	PV	Plastic Viscosity
NR	No Returns	YP	Yield Point
BG	Background Gas	Sol	Solids %
WTG	Wiper Trip Gas	Sd	Sand %
TG	Trip Gas	Cl	Chlorides
POG	Pumps Off Gas	RM	Mud Resistivity
CG	Connection Gas	RMF	Filtrate Resistivty
SWG	Swab Gas	TVD	True Vertical Depth

LITHOLOGY SYMBOLS





Datum, Rotary Table
GL 5.2 m RT

GL @ 120 m AMSL

9 $^{5}/_{8}$" casing at 508m.

Drilling Fluid: 8.55ppg-9.35ppg

Drill 8 ½" hole from1635m to 1980m

Well was P & A

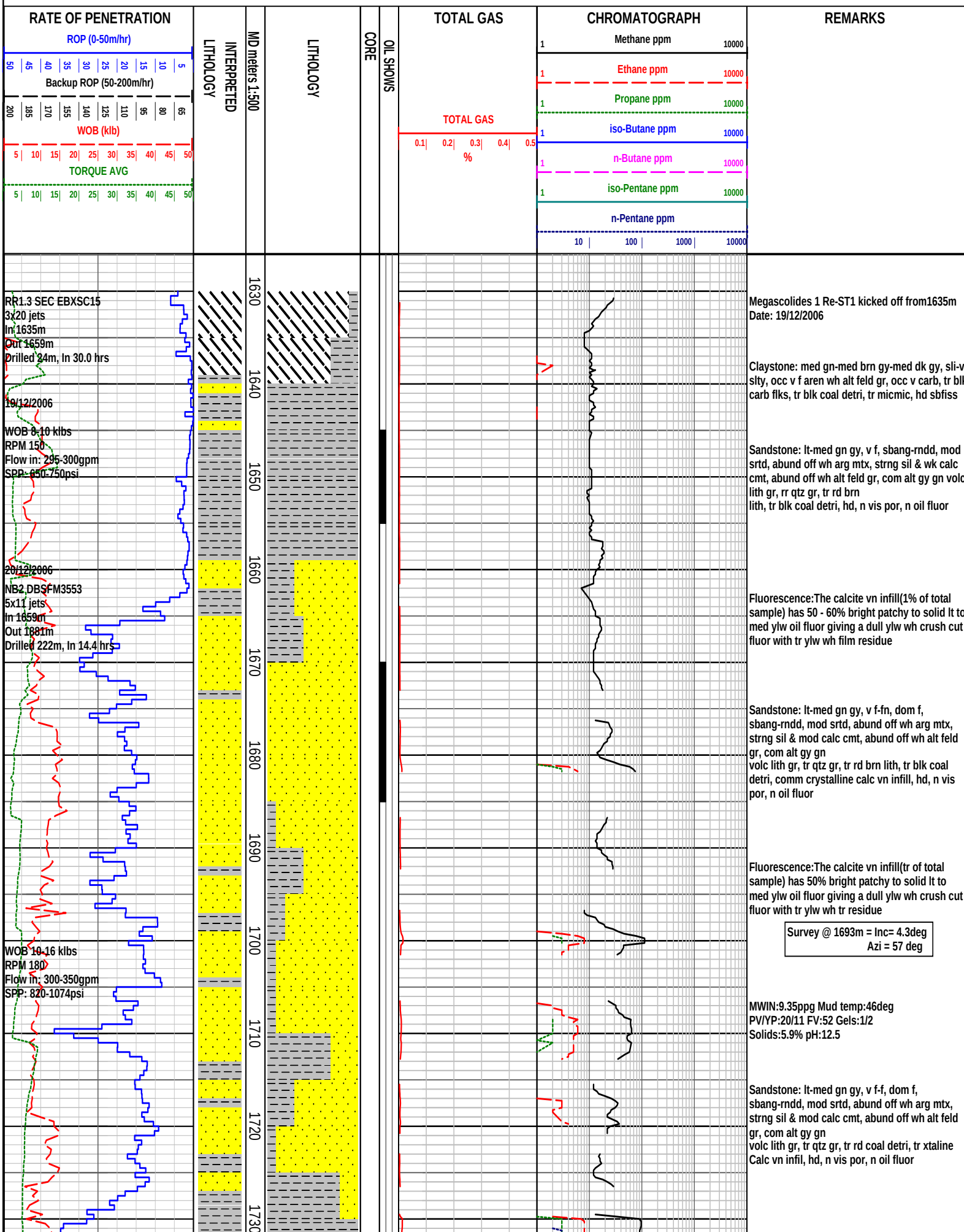
Casing Seat
Liner Hanger
Cored Interval
Unrecovered
Test Interval
M Mechanical Sidewall Core
Wireline Logs
Formation Test
Sidewall Core
No Recovery
M No Recovery

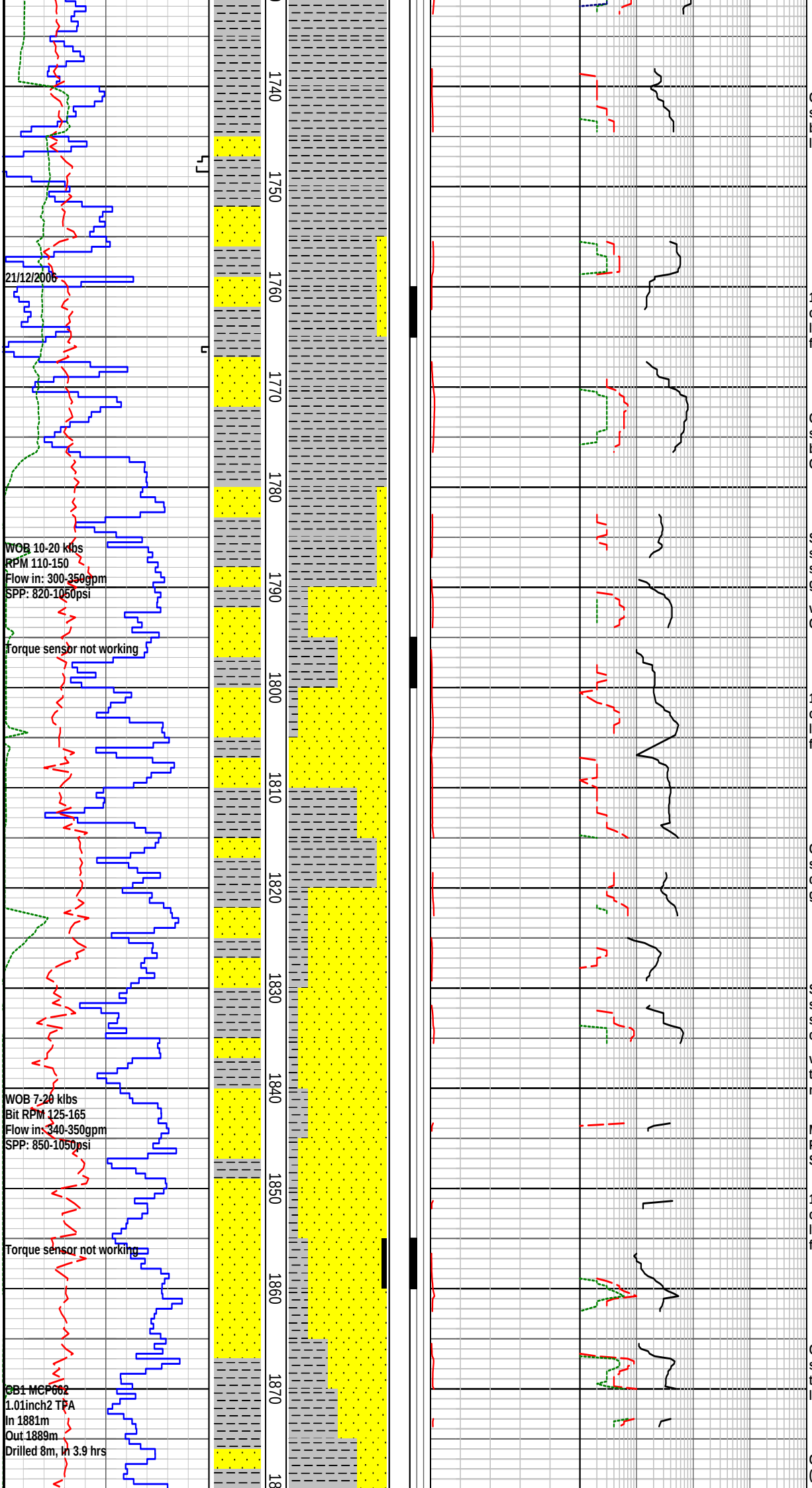
BAKER HUGHES INTEQ

Company : Karoon Gas Pty Ltd
Well : Megascolides 1 Re-ST1
Interval : 1626.00 - 2002.28 meters
Created : 29/01/2007 1:47:06 PM

KAROON Gas Australia

FORMATION EVALUATION LOG




1740
1750
1760
1770
1780
1790
1800
1810
1820
1830
1840
1850
1860
1870
21/12/2006
WOB 10-20 klbs
RPM 110-150
Flow in: 300-350gpm
SPP: 820-1050psi
Torque sensor not working
WOB 7-20 klbs
Bit RPM 125-165
Flow in: 340-350gpm
SPP: 850-1050psi
Torque sensor not working
CB1 MCP662
1.01inch2 TFA
In 1881m
Out 1889m
Drilled 8m, In 3.9 hrs
Claystone: med dk brn gy-med gn gy-dk gy, sli-v slty, v f aren w alt feld gr i/p, v carb i/p, tr blk carb flks, tr blk coal detri, tr micmic, tr Calc lined fractures, hd sbfiss
Survey @ 1743m = Inc = 4 deg
Azi = 45 deg
1760-1765m: Fluorescence:The vn infill mat (1% of total sample) has tr bright patchy- solid lt-med ylw oil fluor giving dull ylw wh crush cut fluor with tr ylw wh film residue
Claystone: med-dk gy-med brn gy-med gn gy, sli-v slty, v f aren w alt feld gr i/p, occ v carb, tr blk carb flks, tr blk coal detri, tr micmic, com Calc & goethite lined fractures,
Sandstone: lt-med gn gy, v f-f, dom f, sbang-rndd, mod srtd, abund off wh arg mtx, strng sil & mod calc cmt, abund off wh alt feld gr, com alt gy gn
volc lith gr, tr qtz gr, tr rd coal detri, com xtaline Calc & goetite vn infil, hd, n vis por, n oil fluor
1795-1800m: Fluorescence:The vn infill mat (1% of total sample) has tr bright patchy- solid lt-med ylw oil fluor giving dull ylw wh crush cut fluor with tr ylw wh film residue
Survey @ 1819m = Inc = 4 deg
Azi = 62 deg
Claystone: med brn gy-med gn gy-med-dk gy, sli-v slty, v f aren w alt feld i/p, occ v carb, tr blk carb flks, tr coal detri, tr micmic, tr-com Calc & geothite lined fract, hd sbfis
Sandstone: lt-med gn gy, v f-med, dom f, sbang-rndd, mod srtd, abund off wh arg mtx, strng sil & calc cmt, abund off wh alt feld gr, com alt gy gn
volc lith gr, tr qtz, tr rd brn lith, tr blk coal detri, tr xtaline Calc & goethite vn infil, hd, n vis por, n oil fluor
MWIN:8.95ppg Mud temp:46deg
PV/YP:14/9 FV:46 Gels:0/1
Solids:3.7% pH:10
1855-1860m:Fluorescence: The vn infill mat (tr of total sample) has 10% bright patchy-solid lt-med ylw oil fluor giving dull ywl wh crush cut fluor w tr ylw wh ring
Survey @ 1869m = Inc = 4 deg
Azi = 52 deg
Claystone: med-dk brn gy, occ gy-med gn gy, sli-v slty, v f aren w alt feld gr i/p, mod carb i/p, tr blk coal detri, tr micmic, tr Calc & rr geothite lined fract, hd, sbfiss
Cut Core#1 1881-1889m, cut 8m rec 6.6m (82.5%)

22-23/12/2006
CB-1 1881m-1889m

24/12/2006
CB-2 1889m-1895m
CB1RR1 MCP662
1.01inch2 TFA
In 1889m
Out 1895m
Drilled 6m, In 7.1 hrs

Torque sensor working

25/12/2006

NB2RR1 DBSFM3553
5x11 jets
In 1895m
Out 1980m
Drilled 85m, In 10.7 hrs

WOB 10-16 klbs
RPM 120
Flow in: 300-330gpm
SPP: 750-780psi

Megascolides 1 RE-ST1 was
P & A

0.056% @ 1917m

0.053% @ 1930m

0.056% @ 1935m

Sandstone:lt-med gy-lt bn gy, v f - v crs, dominantly med to crs, ang- srdd, v prly srtd, strng sil cmt, wk-mod calc cmt, com wh arg mtx, qtzose, tr dk gy
& r d bn lith, tr med-dk gy cly clst 20-30mm, com bk coal detri, hd, pr vis por

1882-1892m:Fluorescence: The Rintoul Creek SST has 50% patchy dull-mod bright med ylw-org oil fluor giving dull-mod bright lt-med ywl slow strmng-crush cut fluor w thin film residu

Cut Core#2 1889-1895m, cut 6m rec 5.01m (83.5%)

1900-1910m &1920-1930m: Fluorescence: The vn infill mat has tr-5% dull patchy pale ylw fluor giving a v wk dull ywl wh crush cut, tr residue

MWIN:9.0ppg Mud temp:41deg
PV/YP:13/9 FV:47 Gels:0/1
Solids:4.0% pH:9.2

Shale: dk-v dk gy-dk brn gy, sli-occ v slty, occ v f aren, mod carb, tr-com f blk carb mat, tr wh xln vn infil, com micmic, hd, sbfiss

Volcanics: weathered-off wh-lt brn-med gy claystone, cryptxln text, remnant flow bands, hd, brit, where less weathered is bri gn-blk, cryptxln, tr Calc vn, hd, brit

Volcanics: med-dk gn-bk speck w v f spots of wh cly,lt bn gy & weatheredi/p, ves i/p, mic-cryptoxtalline, chloritic (?), com wh & clear xtalline vn,hd.

1959-1980m: Fluorescence: The calcite vn infill mat (1% of sample) has tr-40% dull to bright solid to ptchy ylw fluor giving a wk ylw wh crush cut, thin ylw ring residue

TD @ 1980m 26 December 2006

Wireline Run # 1
DLL-SLL-MLL-GR-CSS-PDS-CNS-CAL-SP
Wireline Run # 2
MFT

FORMATION EVALUATION LOG

RATE OF PENETRATION
ROP (0-50m/hr)
50 45 40 35 30 25 20 15 10 5
Backup ROP (50-200m/hr)
200 185 170 155 140 125 110 95 80 65
WOB (klb)
5 10 15 20 25 30 35 40 45 50
TORQUE AVG
5 10 15 20 25 30 35 40 45 50

INTERPRETED LITHOLOGY

MD meters 1:500

LITHOLOGY

CORE

OIL SHOWS

TOTAL GAS
TOTAL GAS
0.1 0.2 0.3 0.4 0.5
%

CHROMATOGRAPH
Methane ppm 1 10000
Ethane ppm 1 10000
Propane ppm 1 10000
iso-Butane ppm 1 10000
n-Butane ppm 1 10000
iso-Pentane ppm 1 10000

REMARKS

n-Pentane ppm

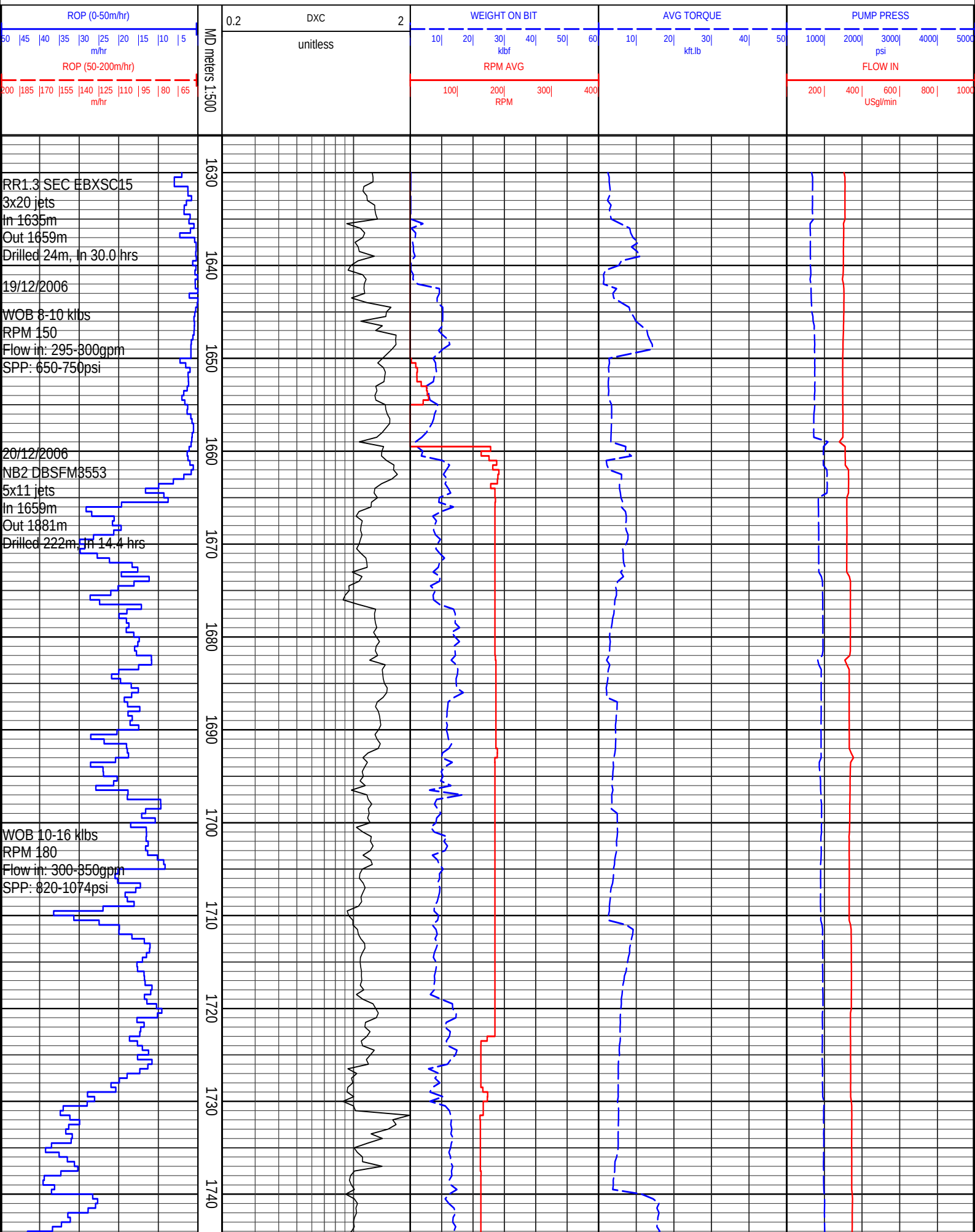
10 | 100 | 1000 | 10000

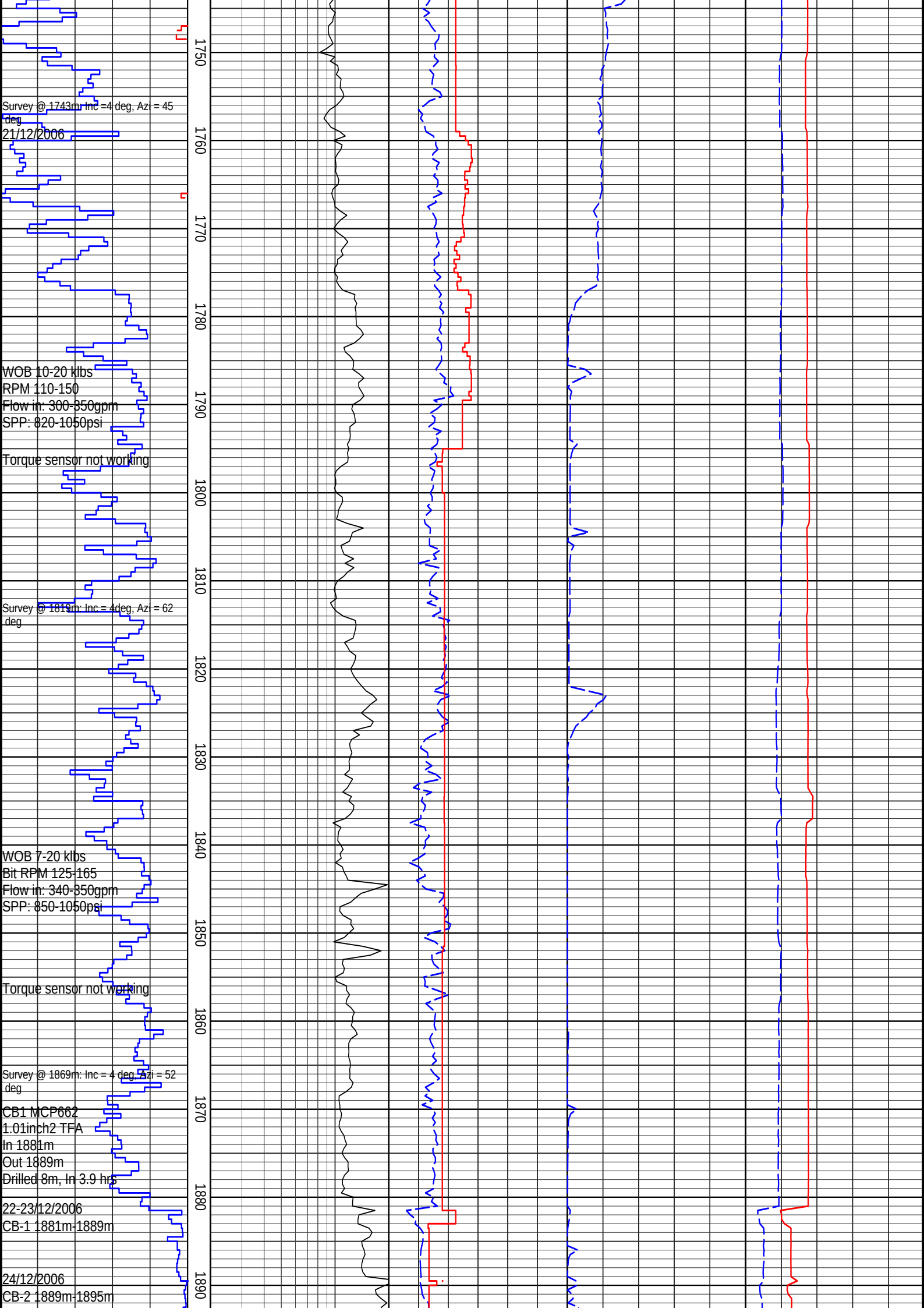
BAKER HUGHES INTEQ

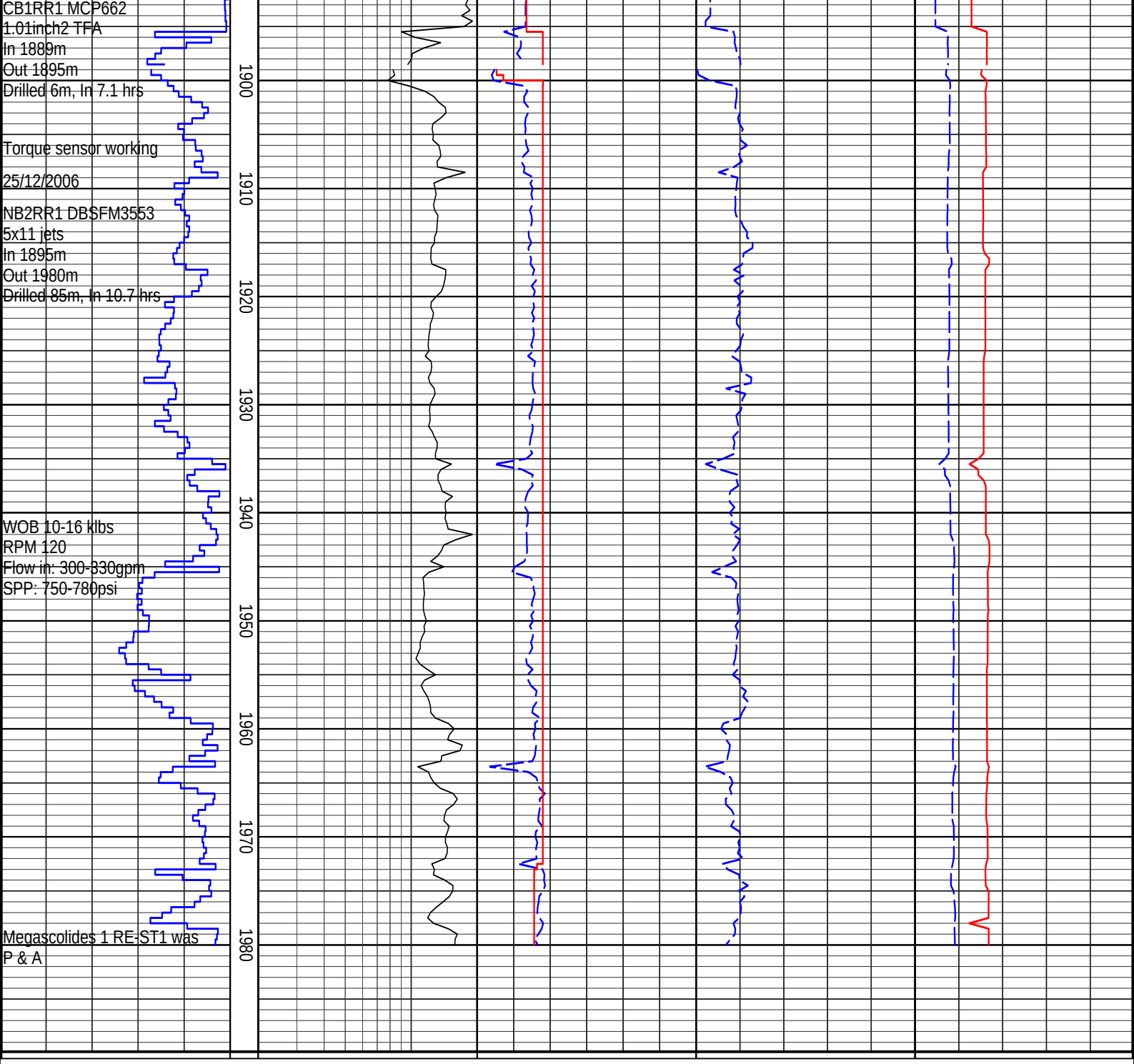
Company : Karoon Gas Pty Ltd
Well : Megascolides 1 Re-ST1
Interval : 1626.00 - 1989.88 meters
Created : 29/01/2007 1:47:06 PM

KAROON Gas Australia

ENGINEERING SUMMARY PLOT




1750
1760
1770
1780
1790
1800
1810
1820
1830
1840
1850
1860
1870
1880
1890
Survey @ 1743m Inc =4 deg, Azi = 45 deg
21/12/2006
WOB 10-20 klbs
RPM 110-150
Flow in: 300-350gpm
SPP: 820-1050psi
Torque sensor not working
Survey @ 1819m: Inc = 4deg, Azi = 62 deg
WOB 7-20 klbs
Bit RPM 125-165
Flow in: 340-350gpm
SPP: 850-1050psi
Torque sensor not working
Survey @ 1869m: Inc = 4 deg, Azi = 52 deg
CB1 MCP662
1.01inch2 TFA
In 1881m
Out 1889m
Drilled 8m, In 3.9 hrs
22-23/12/2006
CB-1 1881m-1889m
24/12/2006
CB-2 1889m-1895m



ENGINEERING SUMMARY PLOT

ROP (0-50m/hr)	MD meters 1:500	DXC	WEIGHT ON BIT	AVG TORQUE	PUMP PRESS
50 |45 |40 |35 |30 |25 |20 |15 |10 | 5 m/hr		0.2 — 2 unitless	10| 20| 30| 40| 50| 60 klbf	10| 20| 30| 40| 50 kft.lb	1000| 2000| 3000| 4000| 5000 psi
ROP (50-200m/hr) 200 |185 |170 |155 |140 |125 |110 |95 |80 |65 m/hr			RPM AVG 100| 200| 300| 400 RPM		FLOW IN 200 | 400 | 600 | 800 | 1000 USgl/min

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