

**PREPARED BY**



**ON BEHALF OF**



**MEGASCOLIDES-2  
WELL COMPLETION REPORT  
VOLUME 3: DRILLING DATA**

**PEP162 / EL4537**

**CONTROLLED DOCUMENT NO. 3446-DR-01-0008**

**Revision 0**



**17 July 2008**

## TABLE OF CONTENTS



<b>1</b>	<b>DISTRIBUTION LIST</b>	<b>3</b>
<b>2</b>	<b>APPROVALS</b>	<b>4</b>
<b>3</b>	<b>DOCUMENT REVISION HISTORY</b>	<b>4</b>
<b>4</b>	<b>EXECUTIVE SUMMARY</b>	<b>5</b>
<b>5</b>	<b>WELL SUMMARY &amp; OVERVIEW</b>	<b>6</b>
5.1	WELL SUMMARY	6
5.2	DRILLING & COMPLETIONS OPERATIONS SUMMARY	7
5.3	HEALTH, SAFETY & ENVIRONMENTAL SUMMARY	10
<b>6</b>	<b>TIME –DEPTH CURVE</b>	<b>11</b>
<b>7</b>	<b>WELL SCHEMATICS</b>	<b>12</b>
7.1	WELL SCHEMATIC AT END OF DRILLING OPERATIONS	12
	<b>ATTACHMENTS</b>	<b>13</b>
	ATTACHMENT 1 : BIT RECORD & REVIEW	15
	ATTACHMENT 2 : BHA RECORD	17
	ATTACHMENT 3 : MUD RECAP	19
	ATTACHMENT 4 : SURVEY REPORTS	21
	ATTACHMENT 5 : LOCATION SURVEY REPORT	23
	ATTACHMENT 6 : ACTIVITY SUMMARY	25
	ATTACHMENT 7 : WELL TIME SUMMARY GRAPHS	27
	ATTACHMENT 8 : WELLHEAD INFORMATION	29
	ATTACHMENT 9 : LEAK OFF TEST REPORT	31
	ATTACHMENT 10 : CASING REPORT	33
	ATTACHMENT 11 : CEMENTING REPORTS	35
	ATTACHMENT 12 : DAILY DRILLING REPORTS	37
	ATTACHMENT 13 : RIG DOWN DAILY REPORTS	39
	ATTACHMENT 14 : RIG INVENTORY	41
	ATTACHMENT 15 : BHI FINAL WELL REPORT	43

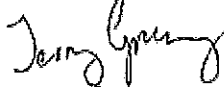
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	<b>MEGASCOLIDES-2</b> <b>WELL COMPLETION REPORT</b> <b>VOLUME 3: DRILLING DATA</b>	
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## 2 APPROVALS

<b>Prepared By:</b>		<b>Signature:</b>	<b>Date:</b>
Name:	Adelaide Lam		21/07/08
Title:	Drilling Engineer		
Name:	Terry Greaney		17/07/08
Title:	Onshore Drilling Superintendent		

<b>Approved By:</b>		<b>Signature:</b>	<b>Date:</b>
Name:	Terry Greaney		17/07/08
Title:	Onshore Drilling Superintendent		

## 3 DOCUMENT REVISION HISTORY

Revision	Date	Sections	Details
Rev 0	17 July 2008	All	Release to Karoon & DPI



#### **4 EXECUTIVE SUMMARY**

Megascolides-2 was drilled to appraise the hydrocarbon shows encountered in the Crayfish Group equivalent quartzose sandstone reservoir in Megascolides-1. After drilling commenced Karoon Gas sought approval to revise the projected TD to deepen the well through to Paleozoic Basement.

Century Rig 11 was utilized for the drilling operations. The move of Rig 11 to Megascolides 2 commenced at 1600 hrs on December 29, 2006 when the rig was released from Megascolides 1 RE-ST. After a delay while a drawworks bearing was replaced Megascolides 2 spudded at 1400 hrs on January 4, 2007.

After 12-1/4" surface hole was drilled to 510m & 9-5/8" surface casing was set at 507mMDRT, an 8-1/2" hole was drilled to TD of 2130mMDRT (2125mTVDRT). Planned coring was not conducted. After logging Megascolides 2 was plugged & abandoned and the wellhead recovered. Rig 11 was released at 1800 hrs on February 3, 2007 however remained on contract until 1600 hrs on February 8, 2007 when the next operator agreed to allow the move to its location.

The time from spud to rig release, was 30.16 days.

There were no Lost Time Incidents.

The site has since been restored.

## 5 WELL SUMMARY & OVERVIEW

### 5.1 WELL SUMMARY

<b>Well Name</b>	<b>Megascolides-2</b>		
Designation	Appraisal Well		
License	PEP162 / EL4537		
Geographic Surface Location Co-ordinates (GDA94, GRS80, MGA, UTM Zone 55)	Latitude	038° 14' 02.23" S	5,767,648.97 mN
	Longitude	145° 53' 39.16" E	403,222.46 mE
Lease Holder	Karooon Gas Pty Ltd		
Project Manager	Upstream Petroleum Pty Ltd (AGR Asia Pacific Pty Ltd)		
Rig on Contract	29 December 2006 @ 16:00 hrs		
Rig Arrived Location	30 December 2006 @ 06:00 hrs		
Spud Time	04 January 2007 @ 14:00 hrs		
Reach TD of 2130mMD	31 January 2007 @ 09:00 hrs		
Rig Released	03 February 2007 @ 18:00 hrs		
Rig off Contract	08 February 2007 @ 16:00 hrs		
Days – Rigging up / Maintenance	5.92 days		
Days – Drilling (Spud to Rig Release)	30.16 days		
Days – Standby after Rig Release	4.92 days		
Total Days	41.00 days		
RT-GL	5.2m		
GL-MSL	151.0m		
Drilling Contractor / Rig Name and Type	Century Energy Services Pty Ltd <i>Rig 11 – Land Rig Rotary Drive</i>		
Well Status	Plugged and Abandoned		
Total Depth	2130mMDRT		
Bottom Hole Location	5,767,744.43 mN 403,250.50 mE		
Maximum Deviation	8.50°		
12¼" Surface Hole / 9⅝" Surface Casing	510mMDRT / 507mMDRT		
8 ½" Production Hole	2130mMDRT (2125mTVDRT)		
Mud: Surface Hole	Gel / Native Clays		
Mud: Production Hole	KCI / PHPA / Polymer		

## **5.2 Drilling & Completions Operations Summary**

Megascolides-2 was drilled to appraise the hydrocarbon shows encountered in the Crayfish Group equivalent quartzose sandstone reservoir in Megascolides-1. The Megascolides 2 wellsite was built in December 2006. Projected Total Depth was 1850m. After drilling commenced Karoon Gas sought approval to revise the Projected TD to 2171m RT to fully evaluate the hydrocarbon potential of the well through to Paleozoic Basement.

Rig 11 and the drilling camp facilities were mobilized in late October 2006 from Roma, Brisbane & Jackson in Queensland where they had been stacked since earlier in 2006. A rig camp was established at nearby Lardner. After a period of maintenance, inspection, recommissioning & upgrade ensued Rig 11 was accepted by the operator & Megascolides-1 RE ST1 re-entry was conducted during December 2006.

Century's Rig 11 commenced moving to the Megascolides 2 location on December 29 2006 @ 16:00hrs after being released from the Megascolides-1 RE ST1 well.

While rigging up the drawworks sandline drum bearing failed and took 35 hrs to replace before Megascolides-2 was spudded on January 04 2007 @ 14:00hrs. The 12¼" surface hole was drilled in one bit run (60.5 hrs) with a milltooth bit (IADC 1-1-6) & pendulum BHA to section TD at 510mMDRT.

After circulating the hole clean, spotting a hi-vis pill, pulling out of hole and rigging up to run 9⅝" surface casing, the casing stabbing board was found to be not functional & the correct tong casing jaws not on site. The shoe stand was stood aside and a slick BHA was RIH (no fill seen) to condition the hole while modifications to the casing stabbing board were carried out.

Once modifications were completed (24 hrs NPT) the drillstring was again pulled out & 9⅝" casing was run trouble-free to 507mMDRT and cemented. Some loss of returns occurred during cementing and cement returns were not seen at surface. The plug was bumped to 2500 psi. A cement top-up job was performed.

After waiting on cement an 11" 3000 psi x 9-5/8" BTC casing head was installed onto the casing and the BOPs were rigged up and pressure tested. A 5-bladed Security FM3553 8-1/2" PDC bit with packed BHA was run in hole (Bit 2 - rerun from Megascolides 1 RE-ST). Top of cement was tagged at 490mMDRT and drill-line was slipped & cut. The Century 11 AOI PVT system which had software upgraded during rig up was found to require recalibration. Once this was rectified (26 hrs NPT) the 9-5/8" surface casing was pressure tested to 2500 psi.

The shoe track & cement were drilled (490-510m) and 3 metres of new 8-1/2" hole drilled to 513mMDRT. An FIT was conducted to 20.0ppg EMW (no leakoff).

Bit 2 (RR) continued to drill 8-1/2" hole from 513m to 1421m MDRT (911m in 113 hrs IADC / 85 hrs on bottom). Deviation was 5-3/4 degrees at 1200m but had declined to 4 degrees in a northerly direction when the bit was tripped out due to a decline in ROP. The PDC bit was still in fair condition (12-1/2 to 25% wear on cutters). Cutter delamination was also reported. A packed BHA was used for all 8-1/2" bit runs.

Bit 3, a new Security SE3653Z six bladed 8-1/2" PDC bit was then run. A new wear bushing was installed (wasn't installed earlier as the wear bushing onsite at the time, the one used on Megascolides 1RE, was found damaged). Drill-line was slipped. New hole was drilled from 1421m to 1578mMDRT (157m in 36.5 hrs IADC / 27 hrs on bottom). Deviation was maintained at less than 4-3/4 degrees in a northerly direction. The PDC bit was retrieved due to low ROP however was still in excellent condition (less than 12-1/2% wear on cutters).

Bit 4, a new Security XS16D 8-1/2" insert bit (IADC 4-4-7) was then run in hole and drilled from 1578 to 1636m MDRT before encountering tight hole 1617 – 1636mMDRT. After reaming this section Bit 4 continued to drill from 1636 to 1722mMDRT where a sample was circulated. After a short wiper trip to 1510mMDRT Bit 4 continued to drill from 1722 to 1810mMDRT interrupted briefly by repairs to the hydromatic drive & the weight indicator. Bit 4 did 232m in 75 hrs IADC / 62 hrs on bottom). Deviation had dropped to 2-1/4 degrees and the hole turned in an East-North East direction. The TCI rotary bit was retrieved due to low ROP & hours and was found to be in a moderately worn condition (25 - 50% wear on inserts).

Extra drill collars were added to the BHA and Bit 5, a new Security EBXS12DS 8-1/2" insert bit (IADC 4-3-7) was then run in hole. Drill line was slipped & cut. After RIH to bottom (no fill) Bit 5 drilled from 1810 to 2018mMDRT. Bit 5 did 208m in 74 hrs IADC / 64 hrs on bottom. Deviation had built from 2-1/4 to 6-3/4 degrees and the hole maintained an East-North East direction. The TCI rotary bit was retrieved due to low ROP & hours and was found to be in a moderately worn condition (25 – 37-1/2% wear on inserts).

In an attempt to improve ROP PDC Bit 3, the Security SE3653Z six bladed 8-1/2" PDC bit, was rerun (as Bit3RR1). After slipping drill line and continuing to RIH, tight hole was encountered at 1650mMDRT. Jars had to be fired once to free the drillstring. After reaming the tight spot the drillstring was run to bottom and Bit 3RR1 drilled from 2018m to 2065mMDRT. A sample was circulated at 2046mMDRT. Bit 3RR1 did 47m in 21 hrs IADC / 17 hrs on bottom. Deviation had built to 8-1/2 degrees however the azimuth wasn't available due to survey misruns). The PDC bit was retrieved due to low ROP and was found to be in a moderately worn condition (12-1/2 - 25% wear on cutters).

Since the PDC failed to improve the ROP it was decided to return to an insert bit through to TD. BOPs were re-tested due to the time lapse since initial testing. Bit 6, a new Security EBXS16D 8-1/2" insert bit (IADC 4-4-7) was then run in hole. Drill line was slipped. After washing & reaming from 2040 – 2065m MDRT (1m hard fill) Bit 6 drilled from 2065 to TD of 2130mMDRT (2125mTVDRT). Tight hole was worked from 2055 – 2077mMDRT. Bit 6 did 65m in 29 hrs IADC / 26 hrs on bottom. No further deviation information available. After a wiper trip to 1250mMDRT Bit 6 was tripped out for logging and was found to be in a reasonable condition (12-1/2 - 25 % wear on inserts). Stabilisers & NMDC were laid out.

Precision Logging rigged up and ran the following wireline logs:

Log #1: DLL-MLL-SLL-GR-Sonic-Neutron-Density-SP-CAL (Super Combo)

- from 497 – 2132m (GR to surface).

Log #2: HMI (High Resolution Micro Imager – Imaged Dip Log)

- from 960 – 2132m

Log #3: Velocity Check Shot Survey

- from 15m to 2130m

After evaluation was completed the decision was made 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: 950 – 850mMDRT (not tagged)
- Plug #2: 550 – 422mMDRT (cement tagged at 422m with 20,000 lbs weight)
- Plug #3: 57 – 6mMDRT

After completing well abandonment operations, laying down the maintaining drillpipe, flushing the BOP with water and nipping down same, flushing the choke manifold, dumping & cleaning mud tanks, laying out the Kelly and cutting off the wellhead 1m below ground level the rig was released on February 3 2007 @18:00hrs. Rig 11 however remained on contract to Karoon until 1600 hrs on February 8, 2007 when the next operator agreed to allow the move to its location. During this period the rig equipment was prepared for the anticipated rig move and a rig wash-down conducted for the next operator (CO2CRC Pilot Project Limited).

The site has since been restored to landowner satisfaction.

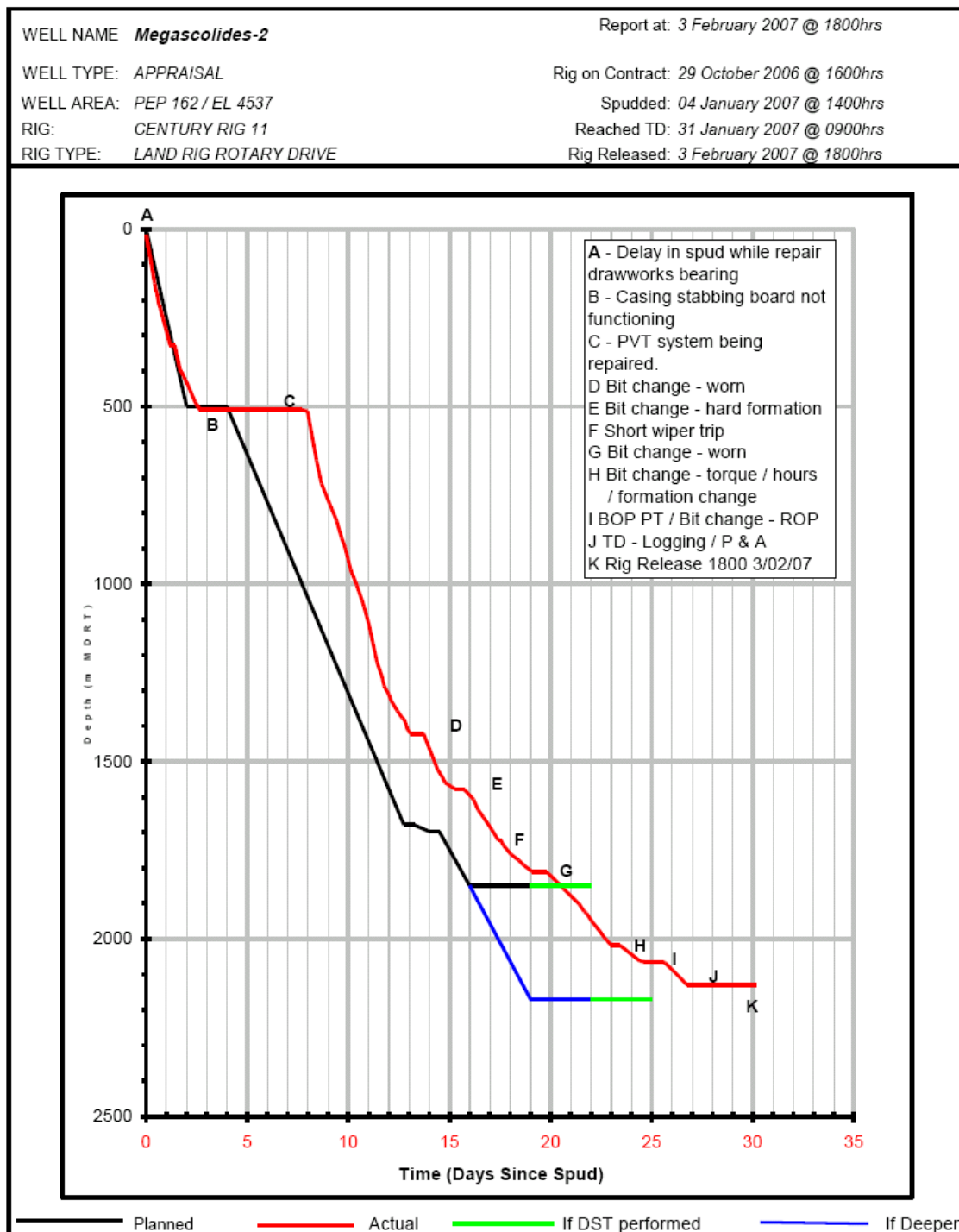
### **5.3 Health, Safety & Environmental Summary**

No major incidents were recorded during the Megascolidides-2 drilling and abandonment operations. One minor injury transpired when an electrician dropped a pocket knife which fell and cut his hand. Several near misses / equipment incidents were reported.

The following tests / drills were performed during the well operations: 66 alcohol and drug screenings, 62 pre-tour meetings, 1 trip / kick drill, 1 BOP test and 4 weekly safety meetings.

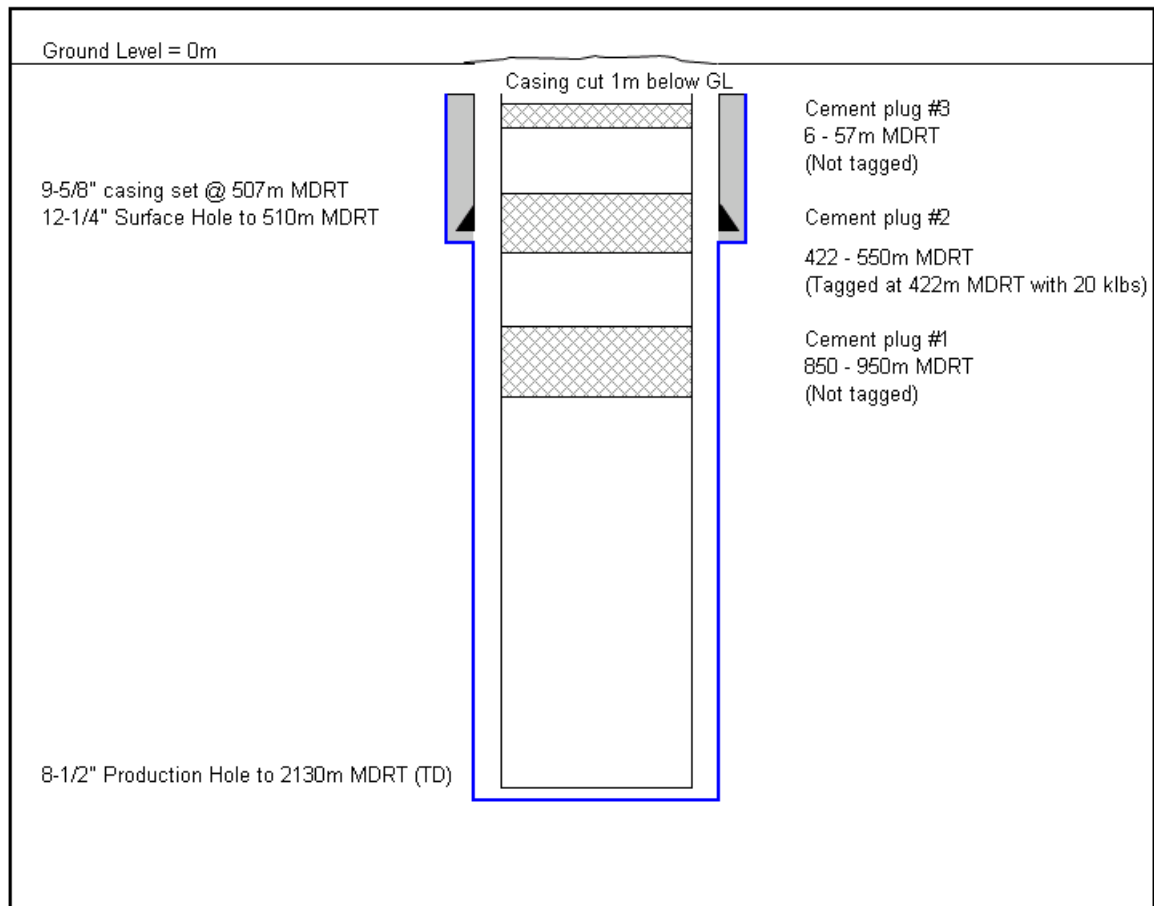
28 JSAs were recorded as having been conducted.

## 6 TIME -DEPTH CURVE



## 7 WELL SCHEMATICS

### 7.1 WELL SCHEMATIC AT END OF DRILLING OPERATIONS





## **ATTACHMENTS**

- Attachment 1 : Bit Record & Review**
- Attachment 2 : BHA Record**
- Attachment 3 : Mud Recap**
- Attachment 4 : Survey Reports**
- Attachment 5 : Location Survey Report**
- Attachment 6 : Activity Summary**
- Attachment 7 : Well Time Summary Graphs**
- Attachment 8 : Wellhead Information**
- Attachment 9 : Leak Off Test Report**
- Attachment 10 : Casing Report**
- Attachment 11 : Cementing Reports**
- Attachment 12 : Daily Drilling Reports**
- Attachment 13 : Rig Down Daily Reports**
- Attachment 14 : Rig Inventory**
- Attachment 15 : BHI Final Well Report**

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**ATTACHMENT 1 : BIT RECORD & REVIEW**



**Karooon Gas**

**Victoria**

Security DBS Drill Bit Performance Review

**Megascolides – 1 SE and 2**

Date: 20th February, 2007

Submitted by:

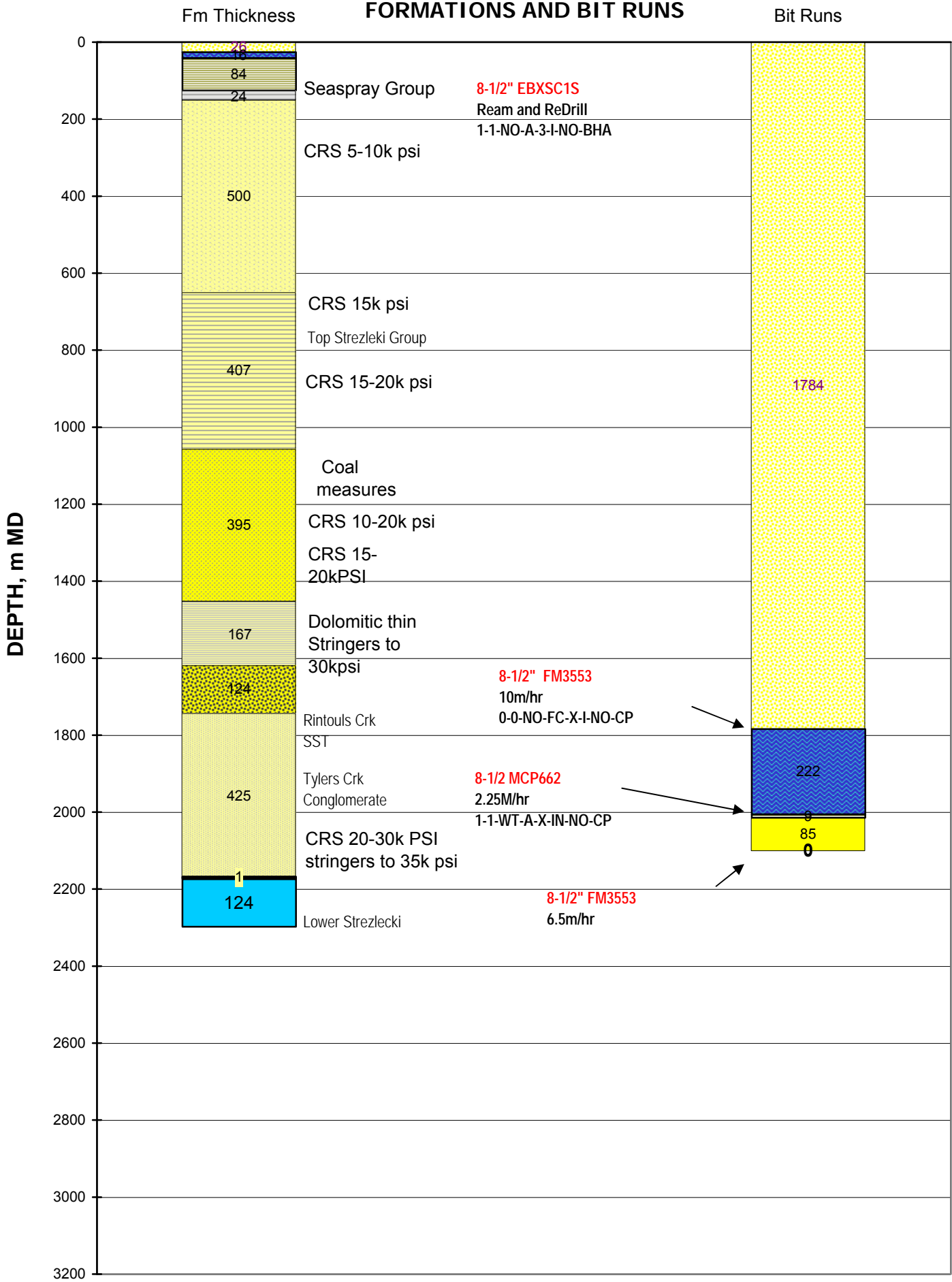
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Security DBS Halliburton.  
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**HALLIBURTON**

Karoon Gas

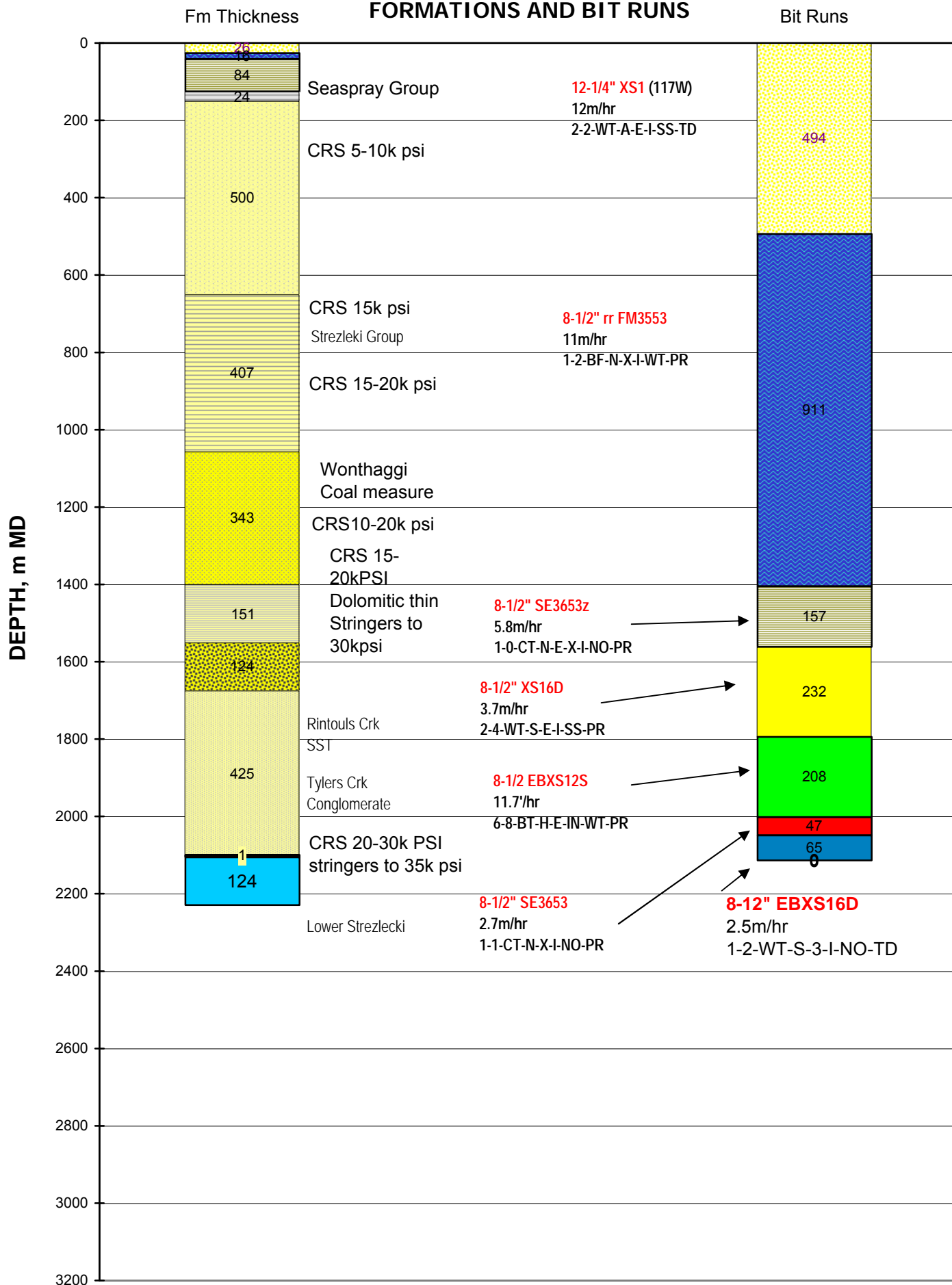
Megascolides-1

FORMATIONS AND BIT RUNS



# Karoon Gas

## Megascolides-2 FORMATIONS AND BIT RUNS



20<sup>th</sup> February 2007

Karoo 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. (NO 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 1/2" 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:				



Location	Address	Phone	Fax
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Adelaide	3 Graham Street, Export Park	5959, 08 8150 1219	fx08 8150 1299
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Moomba	Moomba Camp, Cooper Basin	08 8675 6611	08 8675 6662
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Ballera	Ballera, Cooper Basin	08 8675 6611	08 8675 6662
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Roma	Mitchell Road, Roma	4455, 07 4622 4588	07 4622 3674
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Brisbane	555 Coronation Drive, Toowong	4066, 07 3721 6555	07 3721 6500
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Perth	Level 2/256 St Georges Tce, Perth	6000, 08 6424 4600	
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Canning Vale	53 Bannister Road, Canning Vale	6155, 08 9455 8300	08 9455 5300
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Darwin	1863 Pruen Road, Berrimah	0828, 08 8947 2142	08 8984 3897
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Sale	6 Drew Court, Sale	3850, 03 5143 1307	03 9583 7588
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Melbourne	90 Talinga Road, Cheltenham	3192, 03 9583 7522	03 9583 7588
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Dampier	Supply Base, Dampier	08 9144 2160	08 9144 2469
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**HALLIBURTON**

## Bit Records for Megascolides-2

Rig : Century 11

Spud : 04 Jan 2007 / 14:00

Rig Release : 03 Feb 2007 / 18:00

### Bit Record

Bit#	Date In/Out	IADC	Size (in)	Serial No.	Make	Type	Jets	TFA (mm2)	In (m)	Out (m)	Mtrge (m)	Hrs O/B	ROP (m/hr)	SPP (psi)	Flow (gpm)	WOB (klb)	RPM	RPM (DH)	MW (ppg)	Bitwear I-O1-D-L-B-G-O2-R
1	04 Jan 2007 / 07 Jan 2007	116	12.25	10826043	Securit...	XS/S	3 x 20	0.92	16	510	494	42	11.76	1075	594	16	113	113	9.01	2-2-WT-A-E-I-SS-TD
	Bit Run Comment:							Bit Daily Comment							Bit Wear Comment:					
1RR1	07 Jan 2007 / 08 Jan 2007	116	12.25	10826043	Securit...	XS/S	3 x 20	0.92	510	510		0		925	537.5	15	80	80	9.10	2-2-WT-A-E-I-SS-TD
	Bit Run Comment:							Bit Daily Comment							Bit Wear Comment:					
2	10 Jan 2007 / 17 Jan 2007		8.50	10881881	Securit...	FM3553	5 x 11	0.46	510	1421	911	85	10.72	1083	450	13	105	105	8.65	1-2-BF-N-X-I-WT-PR
	Bit Run Comment:Rerun Bit from Megascolides # 1well							Bit Daily Comment							Bit Wear Comment: Bit also suffered "DL" Cutter Delamination					
3	17 Jan 2007 / 20 Jan 2007		8.50	10825011	Securit...	SE3653Z	6 x 11	0.56	1421	1578	157	27	5.81	1100	450	12	120	120	8.95	1-0-CT-N-X-I-NO-PR
	Bit Run Comment:							Bit Daily Comment							Bit Wear Comment:					
4	20 Jan 2007 / 23 Jan 2007	447X	8.50	743418	Securit...	XS16D	3 x 13	0.39	1578	1810	232	61	3.80	1678	448.75	30	74	74	9.08	2-4-WT-S-E-I-SS-PR
	Bit Run Comment:							Bit Daily Comment							Bit Wear Comment:					
5	23 Jan 2007 / 27 Jan 2007	437	8.50	10850552	Securit...	DBXS12DS	2 x 14 1 x 13	0.43	1810	2018	208	64	3.25	1675	450	31	64	64	9.24	2-3-WT-S-3-I-NO-TQ
	Bit Run Comment:							Bit Daily Comment							Bit Wear Comment:					
3RR1	27 Jan 2007 / 29 Jan 2007		8.50	10825011	Securit...	SE3653	6 x 11		2018	2065	47	17	2.76	2250	300	18	70	70	9.27	1-1-CT-N-X-I-NO-PR
	Bit Run Comment:Run earlier this well							Bit Daily Comment							Bit Wear Comment:					
6	29 Jan 2007 / 31 Jan 2007	447	8.50	10851000	Securit...	EBXS16D	3 x 13		2065	2130	65	26	2.50	2150	445	30	68	68	9.38	1-2-WT-S-3-I-NO-TD
	Bit Run Comment:							Bit Daily Comment							Bit Wear Comment:					

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**ATTACHMENT 2 : BHA RECORD**

## BHA Record for Megascolides-2

Rig : Century 11

Spud : 04 Jan 2007 / 14:00

Rig Release : 03 Feb 2007 / 18:00

### BHA No.: 1

Parameters		BHA Detail						
Date In/ Date Out	04 Jan 2007 / 07 Jan 2007	Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Depth In/ Depth Out (m)	16/510	Bit	0.30	1	12.25			
Length (m)	223	Bit Sub	0.73	1	7.94	2.88		
Weight (Dry/ Wet) (klb)	/ 51.00	8" DC	9.50	1	8.00	3.00		
Weight Blw/Jar (Dry/Wet) (klb)	/ 49.00	8" DC	9.50	1	8.00	3.00		
String Weight (Avg) (klb)	69	String Stabiliser	1.90	1	12.25	3.00		
Pick-Up Weight (Avg) (klb)	69	X/Over	0.70	1	7.50	2.88		
Slack-Off Weight (Avg) (klb)	69	Drill Collar	108.49	1	6.25	3.00		
Torque Max (Avg) (ft-lbs)	2063	Drilling Jars	9.58	1	6.25	3.00	HOFCO	
Torque on Bottom (Avg) (ft-lbs)	1303	Drill Collar	26.76	1	6.25	3.00		
Torque off Bottom (Avg) (ft-lbs)	829	HWDP	56.10	1	6.25	2.94		
BHA Description: 12.25" top hole								
BHA Run Comment:								

### BHA No.: 2

Parameters		BHA Detail						
Date In/ Date Out	07 Jan 2007 / 08 Jan 2007	Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Depth In/ Depth Out (m)	510/510	Bit	0.30	1	12.25			
Length (m)	203	Bit Sub	0.73	1	7.94	2.88		
Weight (Dry/ Wet) (klb)	/	X/Over	0.70	1	7.50	2.88		
Weight Blw/Jar (Dry/Wet) (klb)	/	Drill Collar	108.49	1	6.25	3.00		
String Weight (Avg) (klb)	NaN	Drilling Jars	9.58	1	6.25	3.00	HOFCO	
Pick-Up Weight (Avg) (klb)	NaN	Drill Collar	26.76	1	6.25	3.00		
Slack-Off Weight (Avg) (klb)	NaN	HWDP	56.10	1	6.25	2.94		
Torque Max (Avg) (ft-lbs)	NaN							
Torque on Bottom (Avg) (ft-lbs)	NaN							
Torque off Bottom (Avg) (ft-lbs)	NaN							
BHA Description:								
BHA Run Comment: Clean out run after delay								



## BHA Record for Megascolides-2

Rig : Century 11

Spud : 04 Jan 2007 / 14:00

Rig Release : 03 Feb 2007 / 18:00

### BHA No.: 3

Parameters		BHA Detail						
Date In/ Date Out	10 Jan 2007 / 17 Jan 2007	Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Depth In/ Depth Out (m)	510/1421	Bit	0.23	1	8.50		10881881	
Length (m)	218	Near Bit Stab	1.61	1	8.50	2.94	S6527	
Weight (Dry/ Wet) (klb)	/ 41.00	Pony DC	3.06	1	6.25	2.88	6510-3	
Weight Blw/Jar (Dry/Wet) (klb)	/ 37.00	String Stabiliser	1.44	1	8.50	2.81	6527	
String Weight (Avg) (klb)	NaN	NMDC	9.32	1	6.75	2.81	H362	
Pick-Up Weight (Avg) (klb)	NaN	Drill Collar	9.23	1	6.50	3.00	E 436	
Slack-Off Weight (Avg) (klb)	NaN	String Stabiliser	1.48	1	8.50	2.81	S 65	
Torque Max (Avg) (ft-lbs)	NaN	Drill Collar	9.02	11	6.25	3.00		
Torque on Bottom (Avg) (ft-lbs)	NaN	Drilling Jars	9.58	1	6.25	3.00		
Torque off Bottom (Avg) (ft-lbs)	NaN	Drill Collar	9.01	3	6.25	3.00		
BHA Description:		HWDP	9.35	6	4.50	2.94		
BHA Run Comment:								

### BHA No.: 4

Parameters		BHA Detail						
Date In/ Date Out	17 Jan 2007 / 20 Jan 2007	Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Depth In/ Depth Out (m)	1421/1578	Bit	0.23	1	8.50		10881881	
Length (m)	218	Near Bit Stab	1.61	1	8.50	2.94	S6527	
Weight (Dry/ Wet) (klb)	/ 41.00	Pony DC	3.06	1	6.25	2.88	6510-3	
Weight Blw/Jar (Dry/Wet) (klb)	/ 37.00	String Stabiliser	1.44	1	8.50	2.81	6527	
String Weight (Avg) (klb)	132	NMDC	9.32	1	6.75	2.81	H362	
Pick-Up Weight (Avg) (klb)	134	Drill Collar	9.23	1	6.50	3.00	E 436	
Slack-Off Weight (Avg) (klb)	125	String Stabiliser	1.48	1	8.50	2.81	S 65	
Torque Max (Avg) (ft-lbs)	78	Drill Collar	9.02	11	6.25	3.00		
Torque on Bottom (Avg) (ft-lbs)	58	Drilling Jars	9.58	1	6.25	3.00		
Torque off Bottom (Avg) (ft-lbs)	9	Drill Collar	9.01	3	6.25	3.00		
BHA Description:		HWDP	9.35	6	4.50	2.94		
BHA Run Comment:								

## BHA Record for Megascolides-2

Rig : Century 11

Spud : 04 Jan 2007 / 14:00

Rig Release : 03 Feb 2007 / 18:00

### BHA No.: 5

Parameters		BHA Detail						
Date In/ Date Out	20 Jan 2007 / 23 Jan 2007	Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Depth In/ Depth Out (m)	1578/1810	Bit	0.23	1	8.50		10881881	
Length (m)	218	Near Bit Stab	1.61	1	8.50	2.94	S6527	
Weight (Dry/ Wet) (klb)	/ 41.00	Pony DC	3.06	1	6.25	2.88	6510-3	
Weight Blw/Jar (Dry/Wet) (klb)	/ 37.00	String Stabiliser	1.44	1	8.50	2.81	6527	
String Weight (Avg) (klb)	141	NMDC	9.32	1	6.75	2.81	H362	
Pick-Up Weight (Avg) (klb)	146	Drill Collar	9.23	1	6.50	3.00	E 436	
Slack-Off Weight (Avg) (klb)	133	String Stabiliser	1.48	1	8.50	2.81	S 65	
Torque Max (Avg) (ft-lbs)	90	Drill Collar	9.02	11	6.25	3.00		
Torque on Bottom (Avg) (ft-lbs)	58	Drilling Jars	9.58	1	6.25	3.00		
Torque off Bottom (Avg) (ft-lbs)	6	Drill Collar	9.01	3	6.25	3.00		
BHA Description:		HWDP	9.35	6	4.50	2.94		
BHA Run Comment:								

### BHA No.: 6

Parameters		BHA Detail						
Date In/ Date Out	23 Jan 2007 / 27 Jan 2007	Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Depth In/ Depth Out (m)	1810/2018	Bit	0.23	1	8.50		10851000	
Length (m)	245	Near Bit Stab	1.61	1	8.50	2.94	S6527	
Weight (Dry/ Wet) (klb)	57.00 / 49.00	Pony DC	3.06	1	6.25	2.88	6510-3	
Weight Blw/Jar (Dry/Wet) (klb)	40.00 / 35.00	String Stabiliser	1.44	1	8.50	2.81	6527	
String Weight (Avg) (klb)	159	NMDC	9.32	1	6.75	2.81	H362	
Pick-Up Weight (Avg) (klb)	165	Drill Collar	9.23	1	6.50	3.00	E 436	
Slack-Off Weight (Avg) (klb)	151	String Stabiliser	1.48	1	8.50	2.81	S 65	
Torque Max (Avg) (ft-lbs)	118	Drill Collar	9.02	14	6.25	3.00		
Torque on Bottom (Avg) (ft-lbs)	96	Drilling Jars	9.58	1	6.25	3.00		
Torque off Bottom (Avg) (ft-lbs)	36	Drill Collar	9.01	3	6.25	3.00		
BHA Description:		HWDP	9.35	6	4.50	2.94		
BHA Run Comment:								

## BHA Record for Megascolides-2

Rig : Century 11

Spud : 04 Jan 2007 / 14:00

Rig Release : 03 Feb 2007 / 18:00

### BHA No.: 7

Parameters		BHA Detail						
Date In/ Date Out	27 Jan 2007 / 29 Jan 2007	Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Depth In/ Depth Out (m)	2018/2065	Bit	0.23	1	8.50		10851000	
Length (m)	245	Near Bit Stab	1.61	1	8.50	2.94	S6527	
Weight (Dry/ Wet) (klb)	57.00 / 49.00	Pony DC	3.06	1	6.25	2.88	6510-3	
Weight Blw/Jar (Dry/Wet) (klb)	40.00 / 35.00	String Stabiliser	1.44	1	8.50	2.81	6527	
String Weight (Avg) (klb)	167	NMDC	9.32	1	6.75	2.81	H362	
Pick-Up Weight (Avg) (klb)	175	Drill Collar	9.23	1	6.50	3.00	E 436	
Slack-Off Weight (Avg) (klb)	160	String Stabiliser	1.48	1	8.50	2.81	S 65	
Torque Max (Avg) (ft-lbs)	183	Drill Collar	9.02	14	6.25	3.00		
Torque on Bottom (Avg) (ft-lbs)	100	Drilling Jars	9.58	1	6.25	3.00		
Torque off Bottom (Avg) (ft-lbs)	60	Drill Collar	9.01	3	6.25	3.00		
BHA Description:		HWDP	9.35	6	4.50	2.94		
BHA Run Comment:								

### BHA No.: 8

Parameters		BHA Detail						
Date In/ Date Out	29 Jan 2007 / 31 Jan 2007	Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #	Comment
Depth In/ Depth Out (m)	2065/2130	Bit	0.23	1	8.50		10851000	
Length (m)	245	Near Bit Stab	1.61	1	8.50	2.94	S6527	
Weight (Dry/ Wet) (klb)	57.00 / 49.00	Pony DC	3.06	1	6.25	2.88	6510-3	
Weight Blw/Jar (Dry/Wet) (klb)	40.00 / 35.00	String Stabiliser	1.44	1	8.50	2.81	6527	
String Weight (Avg) (klb)	NaN	NMDC	9.32	1	6.75	2.81	H362	
Pick-Up Weight (Avg) (klb)	NaN	Drill Collar	9.23	1	6.50	3.00	E 436	
Slack-Off Weight (Avg) (klb)	NaN	String Stabiliser	1.48	1	8.50	2.81	S 65	
Torque Max (Avg) (ft-lbs)	NaN	Drill Collar	9.02	14	6.25	3.00		
Torque on Bottom (Avg) (ft-lbs)	NaN	Drilling Jars	9.58	1	6.25	3.00		
Torque off Bottom (Avg) (ft-lbs)	NaN	Drill Collar	9.01	3	6.25	3.00		
BHA Description:		HWDP	9.35	6	4.50	2.94		
BHA Run Comment:								

## BHA Record for Megascalides-2

Rig : Century 11

Spud : 04 Jan 2007 / 14:00

Rig Release : 03 Feb 2007 / 18:00

### BHA No.: 9

Parameters		BHA Detail					
Date In/ Date Out	02 Feb 2007 / 03 Feb 2007	Equipment	Length (m)	Total Joints	OD (in)	ID (in)	Serial #
Depth In/ Depth Out (m)	2130/2130						Comment
Length (m)	96	Tubing	9.51	10	3.50		
Weight (Dry/ Wet) (klb)	/	X/O	1.00		6.25	1.88	
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:							
BHA Run Comment:							

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**ATTACHMENT 3 : MUD RECAP**



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Email; nsantarelli@imdex.com.au

**Clay Study**  
**For**  
**Karooon Gas**  
**Megascolides #1 Re-Entry**  
**Side Track #1**

**Prepared by:**  
**Sandeep Alphonso**  
**Nick Santarelli**  
**January 2007**



## **Introduction**

Washed shale samples from the Megascollides #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<sup>+</sup> 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<sup>+</sup> 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<sup>+</sup> 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<sup>+</sup> 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.



# *R M N* Drilling Fluids

## Photo Results

Sample #1

BEFORE  
TESTING



AFTER TESTING





# *R M N* Drilling Fluids

Sample #2

BEFORE  
TESTING



AFTER  
TESTING





# R M N Drilling Fluids

Sample #3

BEFORE  
TESTING



AFTER  
TESTING







# R M N Drilling Fluids

Sample #4

BEFORE  
TESTING



AFTER  
TESTING





# *R M N* Drilling Fluids

Sample #5

**SAMPLE 5**

**BEFORE  
TESTING**



**AFTER  
TESTING**





# *R M N* Drilling Fluids

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



**DRILLING FLUID SUMMARY**

**FOR : KAROON GAS**

**WELL : MEGASCOLIDES # 2**

**GIPPSLAND BASIN**

**VICTORIA**

Prepared by : Peter Aronetz  
Andre Skujins

Date : January 2007

Operator : Karoon Gas  
Well : Megascoides # 2  
Rig : Century Rig 11  
Spud : 4<sup>th</sup> January 2007



## CONTENTS

1. Summary of Operations
  2. Observations, Recommendations & Well Analysis
  3. Material Costs & Consumption Analysis
  4. Mud Materials Reconciliation
  5. Fluid Properties Summary
  6. Mud Volume Reconciliation
  7. Graphs
  8. Bit & Hydraulics Record
  9. Calliper Data
  10. Daily Mud Reports
- Appendix A

Operator : Karoon Gas  
 Well : Megascollides # 2  
 Rig : Century Rig 11  
 Spud : 4<sup>th</sup> January 2007



## 1. WELL DATA & SUMMARY

### WELL DATA:

Operator:	<b>KAROON Gas - UPSTREAM Petroleum</b>	
Contractor:	<b>CENTURY</b>	<b>Rig 11</b>
Well type:	<b>Appraisal</b>	<b>PEP 162 EL 4537</b>
Eng. Arrival Date:	<b>2 January 2007</b>	<b>20:00 hrs</b>
Spud Date:	<b>4 January 2007</b>	<b>14:00 hrs</b>
TD Date:	<b>31 January 2006</b>	<b>09:00 hrs</b>
Rig Release Date:	<b>3 February 2007</b>	<b>18:00 hrs</b>
Eng. Release Date:	<b>5 February 2007</b>	<b>07:00 hrs</b>
Total Days on Well:	<b>35</b>	

Interval		Hole Depth (m)	Casing Size (inch)	Interv. Depth (m)	Mud Wt. (lb/gal)	Mud Type
<b>12¼" Hole</b>		<b>510</b>	<b>9 5/8"</b>	<b>495</b>	<b>9.1</b>	<b>Gel/Native Clays</b>
<b>8½" Hole</b>		<b>2130</b>	<b>NONE</b>	<b>1620</b>	<b>9.4</b>	<b>KCl / PHPA / Polymer</b>
				<b>Total</b>	<b>Chemicals:</b>	<b>\$ 60,335.75</b>

Operator : Karoon Gas  
Well : Megascolides # 2  
Rig : Century Rig 11  
Spud : 4<sup>th</sup> January 2007



## SUMMARY:

After the move from MEGASCOLIDES 1 and with rig-up and repairs completed, the well was spudded at 14:00 hrs on the 4th of January 2007, utilising Century Rig 11.

Fluid left in the sump at the MEGASCOLIDES 1 location had been reclaimed, trucked to this site and re-cycled. Average properties of this fluid were as follows:

pH	:	8.0
Pf/Mf	:	0.0 / 0.95
Chlorides	:	4700 mg/l
Hardness	:	600 mg/l

Drill water was pumped from a small lake, located across from Hunters Road. The initial supply found in the day tank, prior to the start of well operations, had the following properties:

pH	:	7.0
Chloride	:	375 mg/l
Pf/Mf	:	0.0 / 0.1
Total Hardness	:	120 mg/l

The 12¼" surface hole was drilled to 510 m and 9-5/8" casing set and cemented at 506 m. 8½" hole was drilled to 2130 m and logs run at that depth. Proceeded to plug and abandon well.

The rig was released on the 3rd of February 2007.

Operator : Karoon Gas  
Well : Megascolides # 2  
Rig : Century Rig 11  
Spud : 4<sup>th</sup> January 2007



**HOLE SIZE** : 12 1/4"  
**MUD TYPE** : Bentonite & Native Clays  
**INTERVAL** : 0 – 510 metres  
**CASING** : 9-5/8" @ 506 metres

The decision had been made to re-use as much of the fluid left behind in the sump at MEGASCOLIDES-1 site as possible. The fluid was transferred by using vacuum disposal tankers and the mud tanks were filled to the trough line, 20" below capacity.

During the rig-up phase some Bentonite was added to the recycled fluid in the suction tank. As this fluid contained some 4000 mg/l of chloride ion, this procedure had only limited results. This mixture was used to drill the rat and mouse holes and the socks were installed. The fluid remained in the Suction tank. A 45 bbl batch of 20 ppb Bentonite was pre-hydrated in the pill tank and added to the reclaimed fluid in the Solids control tank, to impart some viscosity to the recycled fluid there. A further batch of pre-hydrated Gel-mud was prepared and left in the pill tank to be on hand for spudding.

During the final phase of the rig up, a 12¼" SECURITY milled tooth bit, type XS15, SN 10826043, with 3x20 jets installed (0.917in<sup>2</sup> TFA) was made up to a bit sub and Kelly in readiness for the well spud.

This happened at 14:00 hrs on the 4<sup>th</sup> of January 2007. Drilled while picking up the BHA. This consisted of 2x8" DC, a string stabiliser, 12x6¼" DC, jars and three more 6¼" drill collars, the entire BHA having a length of 222.8m.

The following deviation surveys were run on the way to casing point at 510m:

Drilled Depth	Survey Depth	Reading
79m	67m	0°
178m	166m	1¼°
216m	204m	1°
328m	316m	½°
431m	419m	¾°
510m	503m	1°

During the initial phase of drilling this interval, extra Bentonite was pre-hydrated in the pill tank and added to the system to increase the rheology and carrying capacity of the fluid. But in due course, there were some mud making clays penetrated and after the first 114 sx of Gel, no further Bentonite additions were required to maintain good rheological properties. The fluid was however treated with Caustic Soda and Biocide, the latter to forestall any bacterial activity.

The solids control equipment was used right from the start; the DFE Linear Motion shale shakers had been fitted with 3x84 mesh screens each and the hydro-cyclone solids removal appliances used from the first circulation on. They worked well and

Operator : Karoon Gas  
Well : Megascolides # 2  
Rig : Century Rig 11  
Spud : 4<sup>th</sup> January 2007



discarded for most of the time an underflow weighing in excess of 10.0 ppg and on occasion 12.0 ppg plus.

Surface volume was maintained with further deliveries of fluid re-claimed from the sump at MEGASCOLIDES-1. This fluid exhibited a surprisingly low pH (around 8.0), the Chloride ion count had dropped to ~4400 mg/l and the Total Hardness level to 500 mg/l.

Drilling progressed with relatively low ROP's to the planned casing point of 510 m. At this depth 25 bbls of a 0.4 ppb XTRA-SWEEP pill was circulated around to check on the hole cleaning. No extra cuttings were brought up during that procedure. Mixed and pumped a Barite-based heavy pill and POOH to surface. Laid down the 12¼" string stabiliser and 8" drill collars.

Rigged up for running casing, but incomplete running gear and problems with the stabbing board prevented the casing from being run at this time. Made up a new BHA, excluding the 2x8" DC and 12¼" stabiliser and RIH to 483 m. Reamed and washed to bottom, then circulated, while waiting for the missing items and while adjustments were made to the stabbing board.

Once all the casing running gear had become available and was rigged up, 43 lengths of 9-5/8" casing were run in the hole without problems, the landing joint was washed down as a precautionary measure. Circulated hole clean, while rigging up HALLIBURTON.

Pumped 15 bbls water spacer and pressure test lines. A further 5 bbls water were then pumped. Cemented casing with 103 bbls of 12.5 ppg Lead CMT and 30 bbls of 15.8 ppg tail-in. Dropped plug and displaced cement with 124 bbls water. Bumped plug and pressure tested OK. Cement was not returned to surface, only cement contaminated water was seen on the flow-line. Returns were lost before displacement was completed. Prepared for and carried out cement top-up job.

Rigged down HALLIBURTON and waited on cement to set WOC.

During this interval a total of 1050 bbls of fluid had been reclaimed from the M – 1 sump, resulting in a saving on disposal costs at \$0.15 per litre of \$25,042. No fluid was re-used from the sump on site.

Operator : Karoon Gas  
Well : Megascolides # 2  
Rig : Century Rig 11  
Spud : 4<sup>th</sup> January 2007



**HOLE SIZE** : 8 1/2"  
**MUD TYPE** : KCI / PHPA / POLYMER  
**INTERVAL** : 510 – 2130 metres  
**CASING** : Not run

After waiting for the cement to set, cut the 16" conductor, installed Bradenhead and nipped up BOP. Prepared for and carried out function and pressure tests. This was followed by a detailed calibrating and fine-tuning of the two electronic Pit Volume Totaliser systems available on the rig: The rigs own AOI system and the BHI Mud-logging Unit installation.

With these activities in progress, the 8½" BHA was made up. For this a SECURITY PDC bit, type FM3553, S/N 10881881, with 5 x 11 jets installed (TFA 0.463in<sup>2</sup>) was made up to a NB stabiliser and a 3 m, 6½" Pony DC. A second stabiliser with a TOTCO ring installed and the MONEL DC were next.

11 conventional 6¼" Drill Collars were run, before the jars were made up, followed by 3 x 6¼" DC. These were followed by the usual 6 lengths of 4½" HWDP. The total length of the entire BHA came to 218.3m

RIH to tag the top of the cement, which was found at 490 m. Slipped and cut drilling line. At this stage continued with calibration of the PVT systems. The stated aim of this exercise was to have both systems operate at an accuracy of better than 95%.

Once that had been achieved, a casing pressure test to 2500 psi was carried out successfully. Drilled out shoe track with water, using a short system incorporating only the pill tank and made new hole to 513 m. Displaced well to 1.3% KCI/PHPA/ POLYMER fluid. Circulated hole clean and carried out a Formation Integrity test with 8.55 ppg fluid in the hole. Leak-off pressure was established at 1100 psi, giving a calculated fracture rating of the CSG seat of 21.3 ppg equivalent fluid density. Resumed drilling.

The drilling fluid used for this interval was initially based on fluid reclaimed from the sump at the site of MEGASCOLIDES -1. This had been left behind only two weeks earlier, after the re-entry and sidetracking of the original well, drilled two years ago.

Fluid from that source had already been used for the drilling of the surface hole, but that volume was dumped after the completion of the cementing job. The mud-tanks were refilled with 480 bbls of recycled fluid, to which 50 bbls of lease water were added. The resulting volume was treated with Biocide and the following mud chemicals added:



Operator : Karoon Gas  
Well : Megascollides # 2  
Rig : Century Rig 11  
Spud : 4<sup>th</sup> January 2007



KCl : 18 sacks  
Pac-R : 6 sacks  
Xanthan Gum : 3 sacks  
PHPA : 2 sacks

This fluid was used for the FIT and after drilling resumed. At this point SODIUM SULPHITE was phased in to act as oxygen scavenger and assist with corrosion control.

The first step of the subsequent treatment was to increase the PHPA concentration. The 1.0 ppb mark was passed at about 700 m. Additions were scaled back after a level of 2.0 ppb had been reached at around 900 m. The next step was to reduce the filtrate, which was achieved by adding PAC-R to the system. XANTHAN Gum was used to raise the low-end rheology and carrying capacity of the fluid.

The interval had been started with 2 x 140 mesh and 1 x 84 mesh screens installed on each shaker. At a depth of 900 m, this configuration was upgraded to 2 x 175 mesh and 1 x 140 mesh. Generally the cuttings discharge from the shakers was allowed to be relatively wet, to reduce the amount of time the cuttings spent on the screens. The fluid so discharged was allowed to drop much of its solids content in the sump, from where it was also recycled, to maintain surface volume. This method greatly assisted solids control, the mainstay of which - besides the shale shakers - was provided by the desander and desilter.

The KCl content was maintained in close consultation with the well-site geologist and was not allowed to substantially exceed 1.5%.

The same consultations also resulted in 40 micron Calcium Carbonate being ordered and delivered to the location. This was intended to be available for control of lost circulation in fractures, but also as a high-density material to be used for heavy pills. The main advantage of this material is that it can be acidised if and when the need arises. With its relatively coarse grain size, it is relatively easily removed from the system by the solids control equipment and this will prevent an unwanted increase in fluid density after repeated applications. In the event, it proved quite easy to maintain a given fluid density.

At a depth of 1330 m instructions were received to slightly increase the fluid density from 8.7 to 8.9 ppg, to counteract observed hole instability. However, increasing the KCl concentration beyond 1.5% was not an option. At this time an increased depletion of the K<sup>+</sup> ion was observed, so extra KCl addition did become necessary. Also a marginally accelerated build-up of reactive clay fines was observed. For the rest of the required gain in density, the hydro-cyclone solids control equipment was selectively and intermittently taken off line. By 1380 m the fluid density had increased to the requested 8.9 ppg level.

Operator : Karoon Gas  
Well : Megascoldes # 2  
Rig : Century Rig 11  
Spud : 4<sup>th</sup> January 2007



At a depth of 1421 m the decision was made to pull the bit. Mixed a heavy pill, using the newly supplied 40 micron Calcium Carbonate ( $\text{CaCO}_3$ ). Circulated hole clean, checked for flow, pumped heavy pill and POOH.

Picked up NB3, an 8½" DBS PDC bit, type SE 3653Z, S/N 1082 5011, with 6 x 11 jets installed, with a resulting TFA of 0.555 in<sup>2</sup>. The remainder of the BHA was left unchanged and RIH on 4½" DP to 1399 m. Reamed washed to bottom and resumed drilling at 1421 m.

The rate of penetration with this bit never did reach satisfactory levels and at a depth of 1578 m the decision was made to terminate this bit run. Mixed a Calcium Carbonate-based heavy pill, circulated bottoms up and checked for flow, with the well being static. Pumped heavy pill and POOH to surface, with clear hole conditions.

In view of the need to be more easily able to pin-point the upcoming core point, a tri-cone insert bit was chosen to continue the drilling process. This was a previously used SEC/DBS tri-cone insert bit, Type XS16D, IADC code 447X, SN 743418, with 3 x 13 jets installed and a resulting TFA of 0.388 in<sup>2</sup>. This was run in the hole on the otherwise unchanged BHA to 1568 m. Picked up Kelly to ream and wash to bottom, bedded in the bit and resumed drilling.

Past the 1600 m mark, the geological observations indicated that tectonically stressed formation layers were being penetrated and that extra fluid density would be advantageous to the overall hole condition. Thus the decision was made to incrementally raise that parameter and by 1630 m a mud weight of 9.0 ppg had been achieved throughout the entire system. 40 micron Calcium Carbonate was the weighting material used. Besides providing the required density, that size material did also aid the closing off of thin fractures which had frequently been encountered, although most of them so far had been Calcite-filled.

Drilled to 1722 m when the decision was made to carry out a check trip. Circulated hole clean, ran a W/L deviation survey and POOH to 1530 m with good hole conditions. Ran back in the hole to 1701 m and picked up Kelley. Found and tagged 1m fill, washed to bottom at 1722 m and resumed drilling. Further Calcium Carbonate was added to the system to increase the fluid density marginally to 9.2 ppg. This was assisted by the addition of KCl which had become necessary, as the KCl concentration had dropped below the specified 1.5%.

The drilling rate remained slow and at a depth of 1810 m it was decided to terminate this bit run. Mixed a heavy pill, using  $\text{CaCO}_3$ , circulated hole clean and dropped survey barrel. Pumped heavy pill and POOH to surface. Hole conditions were good, no over-pull was recorded.

Made up NB5, a SECURITY/DBS tri-cone insert bit, Type EBXS12DS, IADC Code 437, SN 1085 0552, with 1 x 13 and 2 x 14 jets installed and a resulting TFA of 0.429 in<sup>2</sup>. Extended BHA, by picking up three additional 6¼" DC, making the new

Operator : Karoon Gas  
Well : Megascalides # 2  
Rig : Century Rig 11  
Spud : 4<sup>th</sup> January 2007



BHA length 245.4m. RIH on 4½" DP to casing shoe to slip and cut 138 ft drilling line. Continue RIH to 1000 m and broke circulation

Continued in the hole to 1784 m, picked up Kelly and washed to bottom. Resumed drilling at 1810 m and continued to 2018 m. By this depth the bit started to show some increased and erratic torque and it was decided to terminate the bit run. Circulated out, mixed and pumped heavy, Calcium Carbonate-based pill, dropped DS barrel and POOH to SFC.

Made up the previously used 8½" DBS PDC bit, Type SE3653Z, SN 1082 5011, 6 x 11 jets, to an otherwise unchanged BHA and RIH to 488 m. Slipped 33 ft drilling line and continued in the hole. Broke circulation at 1000 and 1500 m. The string took weight between 1598 and 1607 m and was briefly stuck at this depth. Worked string and jarred free with one blow.

Worked string and then continued RIH to bottom at 2018 m, without finding any fill. Picked up Kelley and on resumption of drilling recorded excess standpipe pressures. Calculations showed, that as many as 4 of the 6 jets could be plugged. However drilling was resumed, but very slow rates of penetration were recorded. The pump rate was restricted to 300 GPM, because of the excess pressures generated, when attempting to raise the pump rate to the desired 450 GPM.

At a depth of 2065 m the rate of penetration was deemed to have become unsatisfactory and the decision was made to pull the bit. Mixed and pumped a Calcium Carbonate-based heavy pill and pulled the drill string from the hole. The recovered bit had 4 out of its 6 size 11 jets plugged, but was otherwise in good condition.

During these last two bit-runs, the fluid system proved to be quite stable. Fluid reclaimed from the sump at Megascalides 1 had been exclusively used to make up 40 bbls batches of polymer pre-mix starting from the time 8½" hole was drilled until about 1400 m. At this time it became necessary to use for this purpose fluid from the local sump, as very wet weather conditions had contributed to an appreciable rise of the fluid level there.

The reclaimed fluid had for most of the time a density of 8.5 ppg. By the time a depth of 1900 m had been reached, the continuous influx of water into the sump – which had well exceeded the volume of fluid reclaimed – gave rise to concern and the decision was made to transfer some volume to the sump on the proposed next location (Raniformus) for re-use. On orders from town, this destination was changed to the sump at location Megascalides 1 and 1680 bbls were transferred there on the 26<sup>th</sup> of January.

After this operation, it was no longer possible to recycle fluid from the local sump, as the remaining volume there was too solids-contaminated to be of any real use. The main constituents of the drilling fluid were Xanthan Gum and PAC-R for rheology and fluid-loss control, CaCO<sub>3</sub> for density and curing of seepage losses. Caustic Soda and Soda Ash were applied for pH and Total Hardness control.

**Operator** : Karoon Gas  
**Well** : Megascoldes # 2  
**Rig** : Century Rig 11  
**Spud** : 4<sup>th</sup> January 2007



Biocide G (Gluter-Aldehyde) provided protection against bacterial degradation and AMC Defoamer assisted the operations of the mud pumps, with keeping air-entrapment to a minimum. Finally additions of Sodium Sulphite helped to keep the oxygen content of the fluid low and so reduce the corrosivity of the mud.

At a depth of 2065 m a new 8½" SECURITY tri-cone insert bit, type EBXS16DS, IADC Code 447 with 3x13 jets installed, SN 1085 1000, was made up to the otherwise unchanged BHA and ran back in the hole to 2049 m. Picked up kelly, reamed and washed to bottom and resumed drilling. Nearly immediately tight hole was encountered and the decision was made to raise the fluid density to 9.4 ppg.

This alleviated the hole problems and drilling continued with a penetration rate of between 1 and 3 m/hr. At a depth of 2130 m orders came through for the drilling to be halted and TD to be called. The hole was circulated clean, a heavy Calcium Carbonate-based heavy pill mixed and pumped and the drill string pulled.

The first 5 stands were pulled slowly, the remainder of the string to 1250 m at regular tripping speed. Ran back to 2129 m and found 1 m fill. Washed to bottom, mixed and pumped 25 bbls of XTRA-SWEEP and circulated out. There was no indication of insufficient hole cleaning. Mixed and pumped a Calcium Carbonate-based heavy pill and strapped out of the hole for E-logs.

Deviation surveys had been carried out at the following depths on the way to the proposed coring point at ~1700 m. This core point did however not eventuate and drilling continued to the final depth of 2130 m. These surveys were taken at:

Drilled Depth	Survey Depth	Reading
604m	592m	Misrun
642m	630m	Misrun
651m	639m	Misrun
717m	705m	3°
887m	875m	Misrun
896m	884m	3°N5W
999m	987m	4°N15W
1102m	1093m	4½°N25W
1206m	1194m	5¾°N35W
1306m	1296m	4¾°N15W
1411m	1399m	4°N20W
1505m	1493m	4½°N22W
1722m	1710m	3°N35E
1810m	1798m	Misrun – double exposure
1833m	1810m	2¼°N56E
1927m	1912m	3¾°N84E
2065m	2055m	8½°N75E

Operator : Karoon Gas  
Well : Megascoides # 2  
Rig : Century Rig 11  
Spud : 4<sup>th</sup> January 2007



Rigged up PRECISION LOGGING and commenced logging program with a Super-combo run. The logging tools went to bottom, registering a maximum depth of 2132 m. The hole gauge record showed the hole to be generally in reasonable gauge, however in those sections where tectonic stresses had already been observed while drilling, hole enlargement was in evidence. There are also clear indications, that the hole cross sections of these enlarged intervals are oval, rather than round.

The first logging run was followed by a High Resolution tool run from TD to 950 m and the logging suite was concluded with a velocity survey. At the completion of the logging program, confirmation was received to plug and abandon this well.

The abandonment program included three cement plugs, which were set as follows, (All utilising 15.8 ppg cement):

Plug 1	925m	to	825m	33.6 bbls	
Plug 2	550m	to	437m	37.0 bbls	Tested w/- 20K lbs
Plug 3	55m	to	SFC	12.0 bbls	

15 bbls of XANTHAN-Gum based HiVis pills were spotted prior to the setting of each cement plug, to discourage inversion of the cement.

Nipped down BOPs, cut casing and welded cover plate in place.

The rig was released at 18:00 hrs, on the 3<sup>rd</sup> of February 2007.

Operator : Karoon Gas  
Well : Megascolides # 2  
Rig : Century Rig 11  
Spud : 4<sup>th</sup> January 2007



## 2. OBSERVATIONS, RECOMMENDATIONS AND WELL ANALYSIS

This well was drilled as programmed, no major deviations from the program were necessary. E-logs reached TD with out problems.

One divergence from the original fluid program should be noted, and that was the use of Calcium Carbonate as weight material. This was chosen after on- and off-site discussions, when it became clear, that higher fluid densities were required.  $\text{CaCO}_3$  was chosen, as it could be acidized if required and its grain size (40 micron) made it eminently suitable to close off small fractures, which had been taking fluid all along. In fact down-hole fluid losses reduced markedly, after this component had been added to the fluid system.

The density of the fluid at the end of the well (9.4 ppg) was as requested by the geology department, to counteract the tectonic stresses experienced. Had it not been for that component, a much lower fluid density would have been possible – in contrast to MEGASCOLIDES 1, which reached TD with a density of 9.9 ppg.

The shale shakers worked well, like for the previous well, a combination of 2x175 + 1x140 mesh screens were used with good effect below 900m. Assisting the solids control was the way the shale shakers were operated. Allowing for a relatively wet cuttings discharge from the screens, 'Surface equipment' mud losses were incurred. However a good part of the fluid so discharged was allowed to drop its drilled solids and was then re-cycled and used for the preparation of premixed polymers. A total of 1300 bbls of fluid were thus recycled from the sump on location.

Replacement cones for the de-silter became available just before the well reached TD. As several of the existing cones were badly washed, the efficiency of the desilter was somewhat impaired prior to the new cones being installed.

In the main, the tank system and the associated equipment worked at an acceptable level. The passage area on the solids-control tank would benefit from the relocation of the 6" line, which supplies the desander. It does constitute a real obstacle.

One problem, that still requires urgent rectification is the skimmer-equaliser in the solids-control tank. The current arrangement does not permit the skimmer to be completely raised and thus fully isolate the Solids-control tank from the Suction/Premix/Pill tank combination. A position that is required, when a shortened system is to be used, which needs isolation from the remaining tank system . On one occasion the riser had been – with a lot of effort - lifted to its highest possible position (still not high enough), it then proved near impossible to lower it again.

The answer would appear to be the addition of a 45° elbow to the movable skimmer pipe, thus raising the overflow level of the skimmer and secondly a re-



Operator : Karoon Gas  
Well : Megascalides # 2  
Rig : Century Rig 11  
Spud : 4<sup>th</sup> January 2007



design of the raising/lowering winch and associated cabling. Thirdly servicing of the rotational joint of the skimmer may make moving it to and from its extreme positions much easier.

### **Sump Fluid Retrieval**

Up to and including the make-up of the drilling fluid for the 8½" interval a total of 1530 bbls of fluid had been reclaimed from the sump at the M-1 site. A further 400 bbls were reclaimed while drilling 8½" hole to 1420 m. At a stated cost of \$0.15 per litre, this has resulted in a cost saving of \$46,000 on disposal fees alone. Handling and transportation costs have not been considered, as they would have been incurred regardless.

After the 17th of January and below 1420 m it became imperative to re-use fluid from the sump on site as the fluid level there had increased substantially. Because of ongoing heavy rains, overflowing of the sump had become a distinct possibility. On the 26<sup>th</sup> of January 268 m<sup>3</sup> or 1685 bbls of fluid were transferred from the sump on location to the sump on the site of Megascalides-1.

From this point onward it was no longer possible to re-use fluid from the sump for drilling fluid purposes, as the recoverable fluid there had become laden with solids and weighed 9.2 to 9.4 ppg. A total of 1270 bbls of fluid had been recycled locally. Below 1980 m drill water was used to prepare pre-mixed Polymer volume.

### **Hole Gauge**

Hole gauge was poor on the originally drilled Megascalides # 1. This well was drilled with a fresh water gel based drilling fluid. As a consequence of the poor gauge, a KCl based fluid was used on the re-entry and sidetracking of Megascalides # 1. Unfortunately, hole gauge was also relatively poor on the sidetracked section despite using KCl.

A series of Laboratory tests were conducted just prior to this well being drilled. (See Appendix 1 for the Test Results – the same results were added to the end of the Megascalides # 1RE ST1 Mud Recap, but has also been appended on to this recap for quick reference if required.) These tests determined that a KCl based mud with a high level of PHPA would best reduce the dispersive characteristics of the formations that were prone to washing out.

It was felt by the Wellsite Geologist that gauge was fairly good on this well, with some areas of washout corresponding to areas where formations appeared to be tectonically stressed. Consequently, it is now felt that the KCl PHPA based fluid used on this well is optimal for the area.



### 3. INTERVAL COSTS

Product			12-1/4" Surface Hole			8-1/2" Production Hole			Total Well Consumption		
	Interval :		0 - 510 m			510 m - 2130 m			0 - 2130 m (TD)		
	Cost	Unit Size	Used	Cost	%Cost	Used	Cost	%Cost	Used	Cost	%Cost
AMC Biocide G	\$ 188.33	25 lt	3	\$564.99	19.5%	14	\$2,636.62	4.6%	17	\$3,201.61	5.3%
AMC Defoamer	\$ 146.40	25 lt				12	\$1,756.80	3.1%	12	\$1,756.80	2.9%
AMC Pac-R	\$ 162.49	25 kg				47	\$7,637.03	13.3%	47	\$7,637.03	12.7%
AMC PHPA	\$ 120.61	25 kg				92	\$11,096.12	19.3%	92	\$11,096.12	18.4%
Aus-Gel	\$ 12.19	25 kg	114	\$1,389.66	48.0%	1	\$12.19	0.0%	115	\$1,401.85	2.3%
Baryte	\$ 9.95	25 kg	68	\$676.60	23.4%	10	\$99.50	0.2%	78	\$776.10	1.3%
Calcium Carbonate - 40µ	\$ 11.65	25 kg				1086	\$12,651.90	22.0%	1086	\$12,651.90	21.0%
Caustic Soda	\$ 50.73	18.2 kg	3	\$152.19	5.3%	11	\$558.03	1.0%	14	\$710.22	1.2%
Citric Acid	\$ 73.25	18.2 kg				1	\$73.25	0.1%	1	\$73.25	0.1%
Kwikseal C	\$ 58.63	25 kg				2	\$117.26	0.2%	2	\$117.26	0.2%
Lime	\$ 9.35	25 kg				1	\$9.35	0.0%	1	\$9.35	0.0%
Potassium Chloride (TG)	\$ 20.12	25 kg				222	\$4,466.64	7.8%	222	\$4,466.64	7.4%
Soda Ash	\$ 18.30	200 lt				32	\$585.60	1.0%	32	\$585.60	1.0%
Sodium Sulphite	\$ 37.68	25 kg				50	\$1,884.00	3.3%	50	\$1,884.00	3.1%
Xanthan Gum	\$ 362.19	12 lb				38	\$13,763.22	24.0%	38	\$13,763.22	22.8%
Xtra - Sweep	\$ 112.40		1	\$112.40	3.9%	1	\$112.40	0.2%	2	\$224.80	0.4%
<b>Totals :</b>				<b>\$2,895.84</b>	<b>100.0%</b>		<b>\$57,459.91</b>	<b>100.0%</b>		<b>\$60,355.75</b>	<b>100.0%</b>
<b>Cost per Metre :</b>				<b>\$5.68</b>			<b>\$35.47</b>			<b>\$28.34</b>	





### 3.2 COST ANALYSIS by INTERVAL

INTERVAL	12¼"HOLE	8½" HOLE	WELL TOTAL
	SFC- 510m	510-2130m	
<b>CASING</b>	<b>9 5/8" 36#</b>	<b>7" 23#</b>	
<b>Set</b>	<b>507m</b>	<b>NOT RUN</b>	
<b>Total Cost - Interval</b>	<b>\$2,895.84</b>	<b>\$57,459.91</b>	<b>\$60,355.75</b>
<b>Interval days</b>	<b>6</b>	<b>25</b>	<b>31</b>
<b>Metres drilled</b>	<b>510.0 m</b>	<b>1620.0 m</b>	<b>2130.0 m</b>
<b>Mud mixed</b>	<b>1140 bbls</b>	<b>2450 bbls</b>	<b>3590 bbls</b>
<b>Cost per day</b>	<b>\$482.64</b>	<b>\$2,298.40</b>	<b>\$1,946.96</b>
<b>Cost per metre</b>	<b>\$5.68</b>	<b>\$35.47</b>	<b>\$28.34</b>
<b>Drilling fluid mixed per m hole drilled</b>			
	<b>2.24 bbls</b>	<b>1.51 bbls</b>	<b>1.69 bbls</b>
<b>Cost per bbl</b>	<b>\$2.54</b>	<b>\$23.45</b>	<b>\$16.81</b>



## 4. MATERIALS RECONCILIATION

### MEGASCOLIDES 2

TRANSFERRED TO:

CRC # 1

PRODUCT	Cost	lbs per UNIT	MEGA SCOLIDES 1-RE	Starting Balance	Written off Damage	TOTAL Received	TOTAL Used	FINAL BALANCE
AMC Biocide G	\$188.33	50	16	16		32	17	15
AMC Defoamer	\$146.40	55	3	3		30	12	18
AMC PAC-R	\$162.49	55	71	71		103	47	56
AMC PHPA	\$120.61	55	60	60		110	92	18
AUS-BEN		55						
AUS-DEX	\$58.79	55	96	96				
AUS-GEL	\$12.19	55	366	366		366	115	251
Baryte	\$9.95	55	524	524		524	78	446
Calcium Carbonate - 40µ	\$11.65	55				1440	1086	354
Caustic Soda	\$50.73	55	21	21		21	14	7
Citric Acid	\$73.25	55	38	38		38	1	37
Class A Cement		88						
KWIKSEAL - C	\$58.63	40	32	32		32	2	30
KWIKSEAL - F	\$58.63	40	32	32		32		32
KWIKSEAL - M	\$58.63	40	32	32		32		32
Lime	\$9.35	44	11	11		11	1	10
Potassium Chloride (TG)	\$20.12	55	420	420		420	222	198
ROD-FREE 205Lt	\$1,023.75	450	1	1		1		1
ROD-FREE 25Lt	\$124.85	55						
Salt	\$10.09	55						
SAPP	\$73.46	55						
Soda Ash	\$18.30	55	8	8		48	32	16
Sodium Sulphite	\$37.68	55	20	20		62	50	12
Xanthan Gum	\$362.19	55	16	16		62	38	24
XTRA - Sweep	\$112.40	12	5	5		9	2	7

<b>Total Weight Kg</b>	<b>38,337</b>
<b>Value of Stock on hand</b>	<b>\$52,254</b>



## 5. FLUID PROPERTIES SUMMARY

Date	Mud Type	Temp	Depth	Weight	Vis	PV	YP	Gels		Filtrate		Solids				pH	Pf	Mf	Pm	Cl-	Ca++	SO3=	K+	KCl
								10 sec	10 min	API	Cake	Solids	Water	Sand	MBT									
4-Jan-07	Recycled fro Mega # 1	28	44	8.70	35	4	3	0	1	18.5	1	2.3	97.7	0.2	6.0	8.0	0.00	0.00	0.28	4,000	280	0		0.0
5-Jan-07	Recycled fro Mega # 1	34.5	142	8.90	46	8	13	8	9	17.0	1	3.8	96.2	0.2	16.0	8.3	0.32	0.05	0.42	3,400	420	0		0.0
	Recycled fro Mega # 1	46.1	253	8.95	40	8	12	13	14	19.0	2	4.1	95.9	0.3	15.0	8.0	0.28	0.00	0.33	3,500	320	0		0.0
6-Jan-07	Recycled fro Mega # 1	51.1	355	8.95	40	7	12	16	19	21.5	2	4.1	95.9	0.1	16.0	8.0	0.28	0.00	0.40	4,200	400	0		0.0
	Recycled fro Mega # 1	52.3	415	9.00	40	5	11	16	20	22.5	2	4.4	95.6	0.2	17.0	8.0	0.23	0.00	0.45	4,100	560	0		0.0
7-Jan-07	Recycled fro Mega # 1	53.5	475	9.10	37	5	13	20	22	27.5	3	5.1	94.9	0.1	18.0	8.0	0.15	0.00	0.52	4,400	680	0		0.0
	Recycled fro Mega # 1	--	510	9.10	36	4	10	10	11	25.8	3	5.0	95.0	0.1	18.0	8.0	0.15	0.00	0.55	4,700	660	0		0.0
8-Jan-07	Recycled fro Mega # 1	38.5	510	9.10	36	4	9	11	16	23.5	3	4.8	95.2	0	16.0	8.0	0.10	0	0.52	4,600	660	0		0.0
9-Jan-07	Recycled fro Mega # 1	--	510	8.50	30	5	4	0	0	12.5	1	0.9	99.1	0	1.5	9.0	0.15	0.15	1.90	6,400	320	0	3,800	0.7
10-Jan-07	KCl PHPA Polymer	--	510	8.55	52	10	10	0	1	10.6	1	1.2	98.8	0	1.5	10.0	0.33	0.10	0.75	8,200	280	0		6,800 1.3
11-Jan-07	KCl PHPA Polymer	--	510	8.50	51	10	10	0	1	10.6	1	0.8	99.2	0	1.5	10.0	0.35	0.12	0.75	8,100	300	0		7,000 1.3
12-Jan-07	KCl PHPA Polymer	30.9	550	8.50	46	9	9	1	1	10.2	1	0.8	99.2	0.4	3.0	10.5	0.50	0.15	1.05	8,600	240	200		6,500 1.2
13-Jan-07	KCl PHPA Polymer	35.5	640	8.60	42	8	9	1	1	8.8	1	1.5	98.5	0.5	3.5	10.2	0.46	0.12	1.25	8,900	300	180		7,600 1.4
	KCl PHPA Polymer	39.2	740	8.65	41	9	7	0	1	7.5	1	1.8	98.2	0.4	3.0	10.0	0.42	0.11	1.20	8,800	320	150		8,100 1.5
14-Jan-07	KCl PHPA Polymer	41.3	810	8.60	49	13	14	1	2	8.4	1	1.5	98.5	0.2	3.0	10.0	0.28	0.12	1.55	8,400	240	250		7,600 1.4
	KCl PHPA Polymer	43.5	897	8.65	49	14	15	1	2	8.5	1	1.9	98.1	0.2	3.0	10.0	0.45	0.11	1.32	8,300	200	120		5,400 1.0
15-Jan-07	KCl PHPA Polymer	45	999	8.60	51	15	18	2	3	8.0	1	1.6	98.4	0.1	3.0	9.5	0.24	0.08	1.48	8,300	160	200		5,400 1.0
	KCl PHPA Polymer	47.3	1083	8.70	49	14	16	2	2	8.6	1	2.3	97.7	0.1	4.0	9.0	0.23	0.05	1.05	8,200	300	100		3,800 0.7
16-Jan-07	KCl PHPA Polymer	48.3	1206	8.65	50	16	18	2	3	7.8	1	1.9	98.1	0.2	3.5	9.2	0.18	0.10	1.10	8,500	280	150		4,300 0.8
	KCl PHPA Polymer	49.3	1300	8.70	58	19	25	4	5	7.8	1	2.3	97.7	0.2	4.5	9.8	0.32	0.10	0.95	9,200	180	250		5,900 1.1
17-Jan-07	KCl PHPA Polymer	49.6	1356	8.80	55	18	24	3	4	7.4	1	2.8	97.2	0.2	5.5	10.0	0.46	0.10	1.00	10,500	100	200		9,200 1.7
	KCl PHPA Polymer	51.5	1404	8.85	54	20	23	3	4	7.6	1	3.1	96.9	0.2	5.0	9.5	0.35	0.09	0.95	12,000	120	100		9,700 1.8
18-Jan-07	KCl PHPA Polymer	53.2	1422	8.90	55	19	24	3	4	7.3	1	3.5	96.5	0.2	4.5	10.0	0.43	0.10	1.00	12,000	200	250		9,700 1.8
	KCl PHPA Polymer	46.2	1433	8.85	55	18	21	2	3	7.4	1	3.2	96.8	0.2	5.0	10.0	0.38	0.12	0.88	11,000	240	120		9,200 1.7
19-Jan-07	KCl PHPA Polymer	49.2	1519	8.95	57	21	24	3	4	7.2	1	3.9	96.1	0.3	5.5	9.8	0.35	0.06	0.90	11,000	180	250		9,200 1.7
	KCl PHPA Polymer	52.3	1561	8.90	55	20	22	2	3	6.9	1	3.6	96.4	0.2	5.0	10.5	0.58	0.21	1.42	10,500	100	200		8,100 1.5
20-Jan-07	KCl PHPA Polymer	53.8	1578	8.90	54	20	21	3	3	7.0	1	3.6	96.4	0.2	4.5	10.5	0.53	0.15	1.25	9,800	80	250		7,600 1.4
	KCl PHPA Polymer	49.3	1587	8.90	54	20	20	2	3	7.0	1	3.6	96.4	0.2	4.5	10.5	0.55	0.14	1.30	10,800	60	250		8,100 1.5
21-Jan-07	KCl PHPA Polymer	54.1	1630	9.00	51	19	19	2	3	6.8	1	4.3	95.7	0.3	5.0	10.0	0.44	0.13	1.18	11,000	160	200		8,600 1.6
	KCl PHPA Polymer	54	1671	9.05	51	20	18	2	3	6.8	1	4.6	95.4	0.3	5.0	9.5	0.45	0.05	0.85	10,000	120	120		8,100 1.5
22-Jan-07	KCl PHPA Polymer	53.6	1713	8.95	48	18	15	2	2	6.5	1	4.0	96.0	0.2	4.5	9.3	0.33	0.03	0.80	9,600	80	250		7,600 1.4
	KCl PHPA Polymer	54.7	1750	9.10	56	21	27	3	5	6.2	1	5.1	94.9	0.4	5.0	9.5	0.40	0.10	0.85	9,400	60	100		5,900 1.1
23-Jan-07	KCl PHPA Polymer	57.6	1776	9.15	56	23	25	3	4	6.0	1	5.3	94.7	0.3	6.0	10.2	0.53	0.15	1.05	11,800	80	200		9,700 1.8
	KCl PHPA Polymer	58.2	1802	9.15	56	21	23	3	4	5.8	1	5.3	94.7	0.3	5.5	9.8	0.45	0.10	0.90	11,000	60	250		9,700 1.8
24-Jan-07	KCl PHPA Polymer	59.6	1810	9.20	56	20	25	4	5	5.8	1	5.7	94.3	0.3	5.5	9.8	0.43	0.08	0.93	10,900	60	220		9,200 1.7
	KCl PHPA Polymer	50.9	1812	9.30	56	20	23	3	4	5.6	1	6.4	93.6	0.3	5.0	9.8	0.45	0.10	0.92	11,200	80	120		9,200 1.7
25-Jan-07	KCl PHPA Polymer	56.9	1840	9.25	54	19	23	2	3	5.5	1	6.0	94.0	0.3	5.0	9.0	0.26	0.03	0.75	11,000	160	200		8,600 1.6
	KCl PHPA Polymer	58.5	1870	9.20	56	19	22	3	4	5.4	1	5.7	94.3	0.3	5.5	10.5	0.55	0.17	1.15	11,300	70	200		9,200 1.7
26-Jan-07	KCl PHPA Polymer	59	1897	9.20	55	19	21	3	3	5.7	1	5.7	94.3	0.3	5.5	10.0	0.43	0.10	0.90	11,400	100	150		9,200 1.7
	KCl PHPA Polymer	58.4	1932	9.25	55	19	23	3	4	5.8	1	6.0	94.0	0.3	5.5	10.3	0.52	0.10	1.00	11,200	80	250		9,200 1.7
27-Jan-07	KCl PHPA Polymer	59.2	1973	9.30	56	20	22	4	5	5.6	1	6.4	93.6	0.3	5.0	9.8	0.39	0.08	0.85	11,000	80	100		9,200 1.7
	KCl PHPA Polymer	58.5	2008	9.30	57	19	24	4	5	5.6	1	6.4	93.6	0.3	5.0	9.5	0.34	0.05	0.95	10,700	180	80		9,200 1.7
28-Jan-07	KCl PHPA Polymer	59.1	2018	9.25	55	19	23	4	5	5.6	1	6.0	94.0	0.25	5.00	10.5	0.60	0.18	1.20	10,500	140	80		9,200 1.7
	KCl PHPA Polymer	49.5	2022	9.30	60	18	25	4	5	5.6	1	6.4	93.6	0.2	4.5	9.5	0.35	0.05	0.88	10,000	160	120		8,600 1.6
29-Jan-07	KCl PHPA Polymer	54.3	2058	9.30	58	19	26	4	6	5.8	1	6.4	93.6	0.3	5.0	10.0	0.44	0.12	1.22	10,000	100	250		8,100 1.5
	KCl PHPA Polymer	55.6	2065	9.25	55	19	23	3	4	5.8	1	6.0	94.0	0.3	5.0	9.5	0.32	0.05	0.80	9,800	140	200		8,600 1.6
30-Jan-07	KCl PHPA Polymer	57.4	2077	9.35	60	18	29	6	8	5.5	1	6.8	93.2	0.2	5.0	10.5	0.55	0.18	1.40	9,500	60	100		7,600 1.4
	KCl PHPA Polymer	59.8	2105	9.45	58	18	28	4	7	5.6	1	7.5	92.5	0.2	5.0	10.0	0.44	0.14	1.35	10,700	100	80		8,100 1.5
31-Jan-07	KCl PHPA Polymer	59.2	2130	9.45	63	19	31	6	10	5.6	1	7.4	92.6	0.2	5.0	9.8	0.55	0.16	1.50	11,500	120	250		9,700 1.8
1-Feb-07	KCl PHPA Polymer	--	2130	9.45	63	19	31	6	10	5.6	1	7.4	92.6	0.2	5.0	9.8	0.55	0.16	1.50	11,500	120	250		9,700 1.8
2-Feb-07	KCl PHPA Polymer	--	2130	9.45	63	19	31	6	10	5.6	1	7.4	92.6	0.2	5.0	9.8	0.55	0.16	1.50	11,500	120	250		9,700 1.8

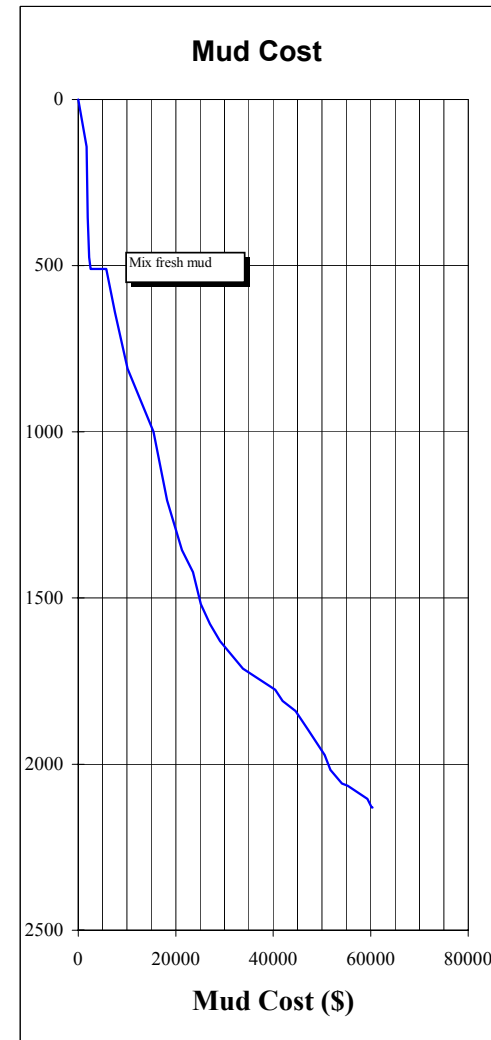
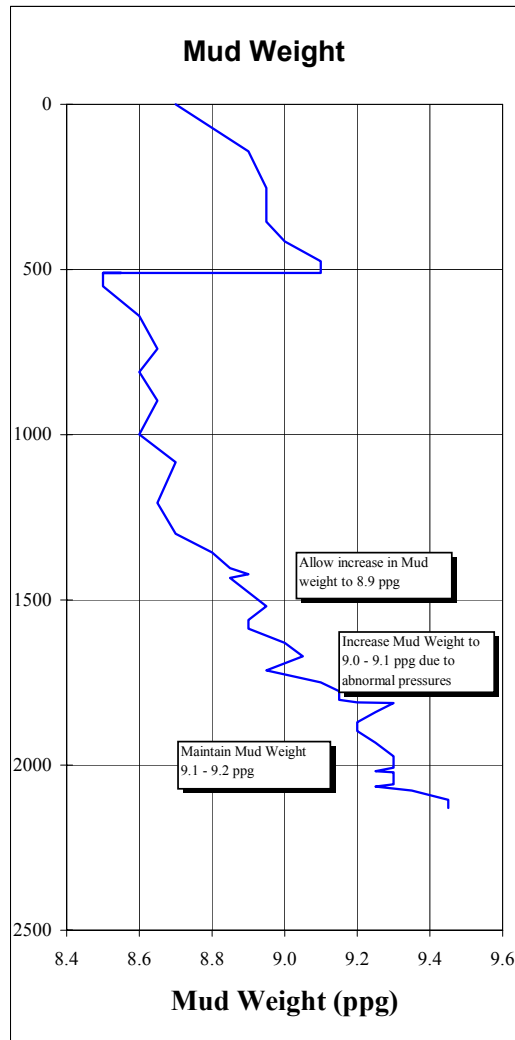
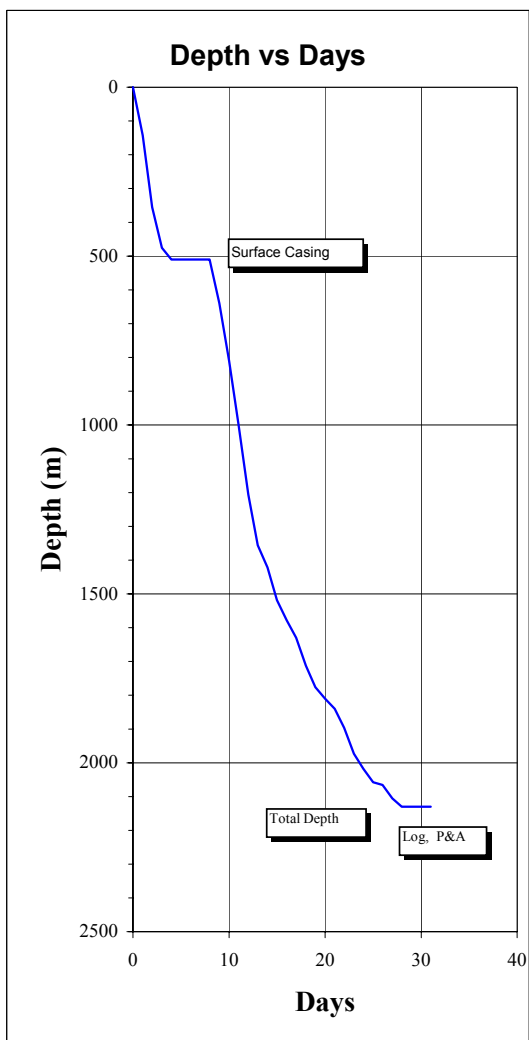


## 6. Mud Volume Analysis

Date	Hole Size	Interval		Mud Type	Fluid Built & Received					Fluid Disposed						Summary			
		From	To		Fresh Premix	Sump Premix	Direct Recirc	Water	Other	De-sander	De-silter	Surface Losses	Down-hole	Dumped	Other	Initial	Received	Disposed	Final
4-Jan-07	12-1/4"	0 m	151 m	Spud Mud				80	450	6	6		23	40		0	530	75	455
5-Jan-07	12-1/4"	151 m	363 m	Spud Mud					450	77	65		18	30		455	450	190	715
6-Jan-07	12-1/4"	363 m	487 m	Spud Mud				10	150	36	45		19	30		715	160	131	744
7-Jan-07	12-1/4"	487 m	510 m	Spud Mud						11	21		18	15		744	0	65	678
8-Jan-07	12-1/4"	510 m	510 m	Spud Mud						11	18		10	35		678	0	73	605
9-Jan-07	12-1/4"	510 m	510 m	Spud Mud				50	480	0	0		0	481		605	530	481	654
<b>Sub Total</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>140</b>	<b>1530</b>	<b>142</b>	<b>155</b>	<b>0</b>	<b>89</b>	<b>631</b>	<b>0</b>		<b>1670</b>	<b>1016</b>	
10-Jan-07	8-1/2"	510 m	510 m	KCl Polymer						0	0	6	0			654	0	6	648
11-Jan-07	8-1/2"	510 m	510 m	KCl Polymer						0	0	10	0	16		648	0	26	621
12-Jan-07	8-1/2"	510 m	651 m	KCl Polymer		30			150	5	4	100	11	30		621	180	149	652
13-Jan-07	8-1/2"	651 m	821 m	KCl Polymer		140		20		27	8		6	10		652	160	51	761
14-Jan-07	8-1/2"	821 m	1003 m	KCl Polymer		80		10	100	13	24	80	4	20		761	190	140	811
15-Jan-07	8-1/2"	1003 m	1221 m	KCl Polymer		180		10		27	28	80	34	20		811	190	190	811
16-Jan-07	8-1/2"	1221 m	1357 m	KCl Polymer		40		20	100	29	34	40	20	20		811	160	143	828
17-Jan-07	8-1/2"	1357 m	1421 m	KCl Polymer		120			50	3	4	30	22	20		828	170	79	919
18-Jan-07	8-1/2"	1421 m	1524 m	KCl Polymer		80				2	2	60	18	15		919	80	97	903
19-Jan-07	8-1/2"	1524 m	1578 m	KCl Polymer		120				2	2	90	19	20		903	120	134	889
20-Jan-07	8-1/2"	1578 m	1636 m	KCl Polymer		100		20		3	3	40	16	10		889	120	72	937
21-Jan-07	8-1/2"	1636 m	1722 m	KCl Polymer		120		60		2	2	25	9	10		937	180	49	1069
22-Jan-07	8-1/2"	1722 m	1778 m	KCl Polymer				10		3	4	60	3	20		1069	10	89	990
23-Jan-07	8-1/2"	1778 m	1810 m	KCl Polymer		40				4	4	30	2	10		990	40	50	980
24-Jan-07	8-1/2"	1810 m	1845 m	KCl Polymer		40				2	3	35	3	20		980	40	63	957
25-Jan-07	8-1/2"	1845 m	1902 m	KCl Polymer		80		15		4	3	35	3	15		957	95	61	991
26-Jan-07	8-1/2"	1902 m	1977 m	KCl Polymer		100		20		11	10	45	3	15		991	120	84	1027
27-Jan-07	8-1/2"	1977 m	2018 m	KCl Polymer	45					18	16	28	2	10		1027	45	74	998
28-Jan-07	8-1/2"	2018 m	2062 m	KCl Polymer	120					24	20	35	3	20		998	120	102	1016
29-Jan-07	8-1/2"	2062 m	2065 m	KCl Polymer				25		8	7	10	3	5		1016	25	32	1008
30-Jan-07	8-1/2"	2065 m	2110 m	KCl Polymer	50	30		10		13	6	18	2	10		1008	90	49	1049
31-Jan-07	8-1/2"	2110 m	2130 m	KCl Polymer						2	0	35	3	10		1049	0	50	998
1-Feb-07	8-1/2"	2130 m	2130 m	KCl Polymer						0	0		0	5		998	0	5	993
2-Feb-07	8-1/2"	2130 m	2130 m	KCl Polymer					71	0	0		371			993	71	371	693
3-Feb-07	8-1/2"	2130 m	2130 m	KCl Polymer						0	0		0	693		693	0	693	0
<b>Sub Total</b>					<b>215</b>	<b>1300</b>	<b>0</b>	<b>220</b>	<b>471</b>	<b>201</b>	<b>185</b>	<b>892</b>	<b>558</b>	<b>1024</b>	<b>0</b>		<b>2206</b>	<b>2860</b>	
<b>Well Total</b>					<b>215</b>	<b>1300</b>	<b>0</b>	<b>360</b>	<b>2001</b>	<b>342</b>	<b>340</b>	<b>892</b>	<b>646</b>	<b>1655</b>	<b>0</b>		<b>3876</b>	<b>3876</b>	

Dilution Factors			
	Interval Length	Dilution Vol	Dilution Factor
12¼" Surface Hole	510 m	1220 bbls	2.4 bbls/m
8½" Hole	1620 m	1681 bbls	1.0 bbls/m

## 7. Graphs



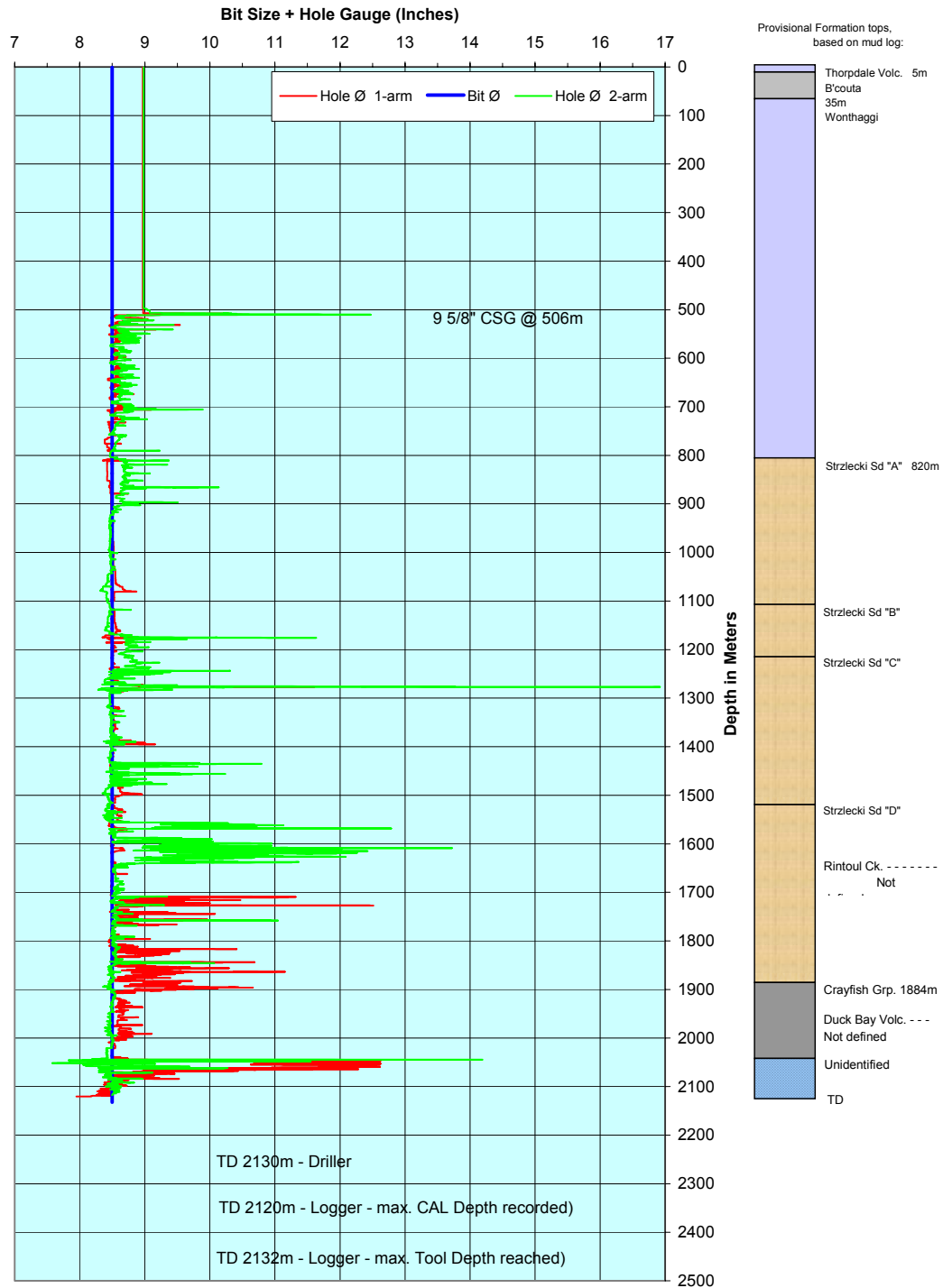


## 8. Bit & Hydraulics Record

Bit #	Size	Make	Type	Jets						Depth Out	Depth Drilled	Hours	Cumm Hours	WOB	RPM	GPM	Mud Wt	Jet Vel	HHPb/sq"	Impact Force
NB1	12 1/4"	SEC/DBS	XS15	20	20	20				510	510	55	55	15	110	630	9.1	219	144	651
NB1	12 1/4"	SEC/DBS	XS15	20	20	20				510		55	55	15	110	630	9.1	219	144	651
RR2	8 1/2"	SEC/DBS	FM3553Z	11	11	11	11	11		1421	911	115	170	15	120	450	8.9	310	202	644
NB3	8 1/2"	SEC/DBS	SE3653Z	11	11	11	11	11	11	1587	166	36	206	12	120	450	8.9	259	140	537
RR4	8 1/2"	SEC/DBS	XS16D	13	13	13				1810	223	74	280	30	70	450	9.2	370	298	794
NB5	8 1/2"	SEC/DBS	XS12DS	13	14	14				2018	208	74	354	30	60	450	9.3	335	246	726
RR6	8 1/2"	SEC/DBS	SE3653Z	11	11	11	11	11	11	2065	47	21	375	18	70	300	9.3	172	43	249
NB7	8 1/2"	SEC/DBS	XS16D	13	13	13				2130	65	29	404	30	60	450	9.4	370	304	812




## 9. Calliper





## **10. DAILY DRILLING FLUIDS REPORTS**





DRILLING FLUID

REPORT

Report #1

Date : 4-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 15 to 151 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Bruce PILAT

REPORT FOR

Steve YOUNG

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

12.25

TYPE

SEC-XS15

JET SIZE

20 20 20

CASING

16

CONDUCTOR

49

ft

SET @

15

M

MUD VOLUME (BBL)

HOLE

59

PITS

227

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION PRESSURE

650

DRILL PIPE

SIZE 4.5

TYPE

16.6 #

Length

0

Mtrs

DRILL PIPE

SIZE 4.50

TYPE

HW

Length

0.0

Mtrs

D/Collars

6.25

D/Collars

8.00

Length

131.0

Mtrs

21.7

MUD TYPE

RECYCLED FLUID fm M-1 RE

PUMP MODEL

GD PZ-7

ASSUMED EFF

97 %

BBL/STK@ 100%

0.0514

STK / MIN

230

BBL/MIN

11.47

GAL / MIN

482

ANN VEL.

91

DP

106

DCs

137

SAMPLE FROM

TIME SAMPLE TAKEN

DEPTH (ft) - (m)

FLOWLINE TEMPERATURE

WEIGHT

FUNNEL VISCOSITY (sec/qt) API @

PLASTIC VISCOSITY cP @

YIELD POINT (lb/100ft<sup>2</sup>)

GEL STRENGTHS (lb/100ft<sup>2</sup>) 10 sec/10 min

RHEOLOGY

RHEOLOGY

RHEOLOGY

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

CAKE THICKNESS API : HPHT (32nd in)

SOLIDS CONTENT (% by Volume)

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCl (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

Suction

17:00

Suction

23:10

MUD PROPERTY SPECIFICATIONS

Mud Weight

MIN

API Filtrate

NC

HPHT Filtrate

--

Plastic Vis

MIN

Yield Point

pH

9.0 - 10.0

KCI

NIL

PHPA

NIL

Sulphites

NIL

OBSERVATIONS

Used fluid reclaimed from MEGASCOLIDES-1 sump+treated with Caustic, Biocide and pre-hydrated Bentonite.

All solids control equipment running from spud.

OPERATIONS SUMMARY

Spud well @ 14:00 hrs, using a 12½" SEC XS15 milled tooth bit, 3x20, S/N 10826043. P/U BHA, consisting of 2x8" DC, str.stab and 6¼" DC. Jar between DC #14+15. Bit at 153m @ 24:00 hrs.

Mud Accounting (bbls)

FLUID BUILT & RECEIVED

Premix (drill water)

Premix (recirc from sump)

Drill Water

80

Direct Recirc Sump

Other (Recycled from M-1 RE)

450

TOTAL RECEIVED

530

FLUID DISPOSED

Desander

6

Desilter

6

Downhole

23

Dumped

40

Surface

TOTAL LOST

75

SUMMARY

INITIAL VOLUME

0

+ FLUID RECEIVED

530

- FLUID LOST

75

FLUID in STORAGE

169

FINAL VOLUME

455

Solids Control Equipment

Type

Hrs

Cones

Hrs

Size

Hrs

Centrifuge

N/A

Desander

2

10

Shaker #1

3x84

10

Degasser

Po'Boy

0

Desilter

10

10

Shaker #2

3x84

10

Overflow (ppg)

Underflow (ppg)

Output (Gal/Min.)

Desander

8.8

10.2

0.40

Desilter

8.8

11.2

0.45

Solids Analysis

% Vol

PPB

High Grav solids

Total LGS

3.8

35.9

Bentonite equiv.

1.5

13.9

Drilled Solids

2.3

20.6

Salt

0.2

2.0

n @ 23:10 Hrs

0.47

K @ 23:10 Hrs

5.89

Bit Hydraulics & Pressure Data

Jet Velocity

168 ft/sec

Impact force

372 lbs

HHP

63

HHP/in²

0.5

Bit Press. Loss

225 psi

CSG Seat Frac Press.

Equiv. Mud Wt.

ECD

8.98 ppg

Max Pressure @ Shoe :

DAILY COST

\$1,679.45

CUMULATIVE COST

\$1,679.45

RMN ENGINEER

Peter ARONETZ

CITY

Adelaide Office

TELEPHONE

08 8338 7266

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# DRILLING FLUID REPORT

Report #	2	Date :	5-Jan-2007
Rig No	11	Spud :	4-Jan-2007
Depth	151	to	363 Metres

OPERATOR	KAROON Gas / UPSTREAM Petroleum	CONTRACTOR	CENTURY Resources	
REPORT FOR	Chris DANN	REPORT FOR	Steve YOUNG	
WELL NAME AND No	MEGASCOLIDES 2	FIELD PEP 162 / EL 4567	LOCATION GIPPSLAND	STATE VICTORIA

DRILLING ASSEMBLY				JET SIZE			CASING			MUD VOLUME (BBL)			CIRCULATION DATA						
BIT SIZE 12.25	TYPE SEC-XS15	20	20	20	16	CONDUCTOR SET @	49	ft	HOLE 154	PITS 217	PUMP SIZE		CIRCULATION						
							5.5	x 7			Inches	PRESSURE	1200 psi						
DRILL PIPE SIZE 4.5	TYPE 16.6 #	Length 141 Mtrs				INTERMEDIATE SET @	ft M		TOTAL CIRCULATING VOL. 371		PUMP MODEL GD PZ-7		ASSUMED EFF 97 %		BOTTOMS UP 12 min				
DRILL PIPE SIZE 4.50	TYPE HW	Length 56.1 Mtrs				PRODUCTION/ LINER Set @	ft M		IN STORAGE 344		BBL/STK@ 100% 0.0514		STK / MIN 210		TOTAL CIRC. TIME 68 min				
D/Collars 6.25	D/Collars 8.00	Length 134.5	31.5	Mtrs	MUD TYPE RECYCLED FLUID fm M-1 RE					BBL/MIN 10.47		GAL / MIN 440		ANN VEL. (ft/min)	DP DCs	83 97	125		

		MUD PROPERTIES		MUD PROPERTY SPECIFICATIONS					
SAMPLE FROM		Suction	Suction	Mud Weight	MIN	API Filtrate	NC	HPHT Filtrate	--
TIME SAMPLE TAKEN		09:40	22:55	Plastic Vis	MIN	Yield Point		pH	9.0 - 10.0
DEPTH (ft) - (m)	Metres	253	355	KCl	NIL	PHPA	NIL	Sulphites	NIL

FLOWLINE TEMPERATURE	°C	°F	46	116	51	125	<u><b>OBSERVATIONS</b></u> Reclaim a further 450bbls of fluid from the sump @ M-1 site. Fluid treatment with Biocide and Caustic Soda only. All solids control equipment on line.
WEIGHT	ppg	SG	8.95	1.074	8.95	1.073	
FUNNEL VISCOSITY (sec/qt) API @	51	°C	40		40		
PLASTIC VISCOSITY cP @	45	°C	8		7		
YIELD POINT (lb/100ft²)			12		12		
GEL STRENGTHS (lb/100ft²) 10 sec/10 min			13	14	16	19	
RHEOLOGY	θ 600	θ 300	28	20	26	19	
RHEOLOGY	θ 200	θ 100	17	14	16	14	
RHEOLOGY	θ 6	θ 3	10	8	11	10	
FILTRATE API (cc's/30 min)			19.0		21.5		
HPHT FILTRATE (cc's/30 min) @	--	°F	--		--		
CAKE THICKNESS API : HPHT (32nd in)			2	--	2	--	
SOLIDS CONTENT (% by Volume)			4.1		4.1		

LIQUID CONTENT (% by Volume) OIL/WATER	0	95.9	0	95.9	<b>OPERATIONS SUMMARY</b>  Drill to 178m, DS @ 166m - 1¼°; drill to 216m, DS @ 204m - 1° Drill to 328m, DS @ 316m - ½°. Drill to 363m at 24:00 hrs.
SAND CONTENT (% by Vol.)	0.25		0.10		
METHYLENE BLUE CAPACITY (ppb equiv.)	15.0		16.0		
pH	8.0		8.0		
ALKALINITY MUD (Pm)	0.28		0.28		
ALKALINITY FILTRATE (Pf / Mf)	0.00	0.33	0.00	0.40	
CHLORIDE (mg/L)	3,500		4,200		
TOTAL HARDNESS AS CALCIUM (mg/L)	320		400		
SULPHITE (mg/L)	0		0		
K+ (mg/L)					
KCl (% by Wt.)	0.0		0.0		
PHPA (ppb)					

Mud Accounting (bbbls)						Solids Control Equipment								
FLUID BUILT & RECEIVED		FLUID DISPOSED		SUMMARY		Type	Hrs		Cones	Hrs		Size	Hrs	
Premix (drill water)		Desander	77	INITIAL VOLUME	455	Centrifuge	N/A		Desander	2	24	Shaker #1	3x84	24
Premix (recirc from sump)		Desilter	65			Degasser	Po'Boy	0	Desilter	10	24	Shaker #2	3x84	24
Drill Water		Downhole	18	+ FLUID RECEIVED	450									
Direct Recirc Sump		Dumped	30	- FLUID LOST	190									
Other (Recycled from M-1 RE)	450	Surface		FLUID in STORAGE	344									
TOTAL RECEIVED	450	TOTAL LOST	190	FINAL VOLUME	715	Desander	8.9		9.9		2.26			
						Desilter	8.9		10.6		1.89			

[illegible]

							DAILY COST	CUMULATIVE COST
							\$239.06	\$1,918.51
RMN ENGINEER	Peter ARONETZ	CITY	Adelaide Office	TELEPHONE	08 8338 7266			

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# DRILLING FLUID REPORT

Report #	3	Date :	6-Jan-2007
Rig No	11	Spud :	4-Jan-2007
Depth	363	to	487 Metres

OPERATOR	KAROON Gas / UPSTREAM Petroleum	CONTRACTOR	CENTURY Resources	
REPORT FOR	Chris DANN	REPORT FOR	Steve YOUNG	
WELL NAME AND No	MEGASCOLIDES 2	FIELD PEP 162 / EL 4567	LOCATION GIPPSLAND	STATE VICTORIA

DRILLING ASSEMBLY				JET SIZE			CASING			MUD VOLUME (BBL)			CIRCULATION DATA						
BIT SIZE		TYPE		20	20	20	16	CONDUCTOR SET @		49	ft	HOLE		PITS		PUMP SIZE		CIRCULATION PRESSURE	
12.25		SEC-XS15								15	M		211	235		5.5 X 7		1200 psi	
DRILL PIPE SIZE		TYPE		Length			INTERMEDIATE SET @			ft	TOTAL CIRCULATING VOL.	PUMP MODEL		ASSUMED EFF		BOTTOMS UP			
4.5		16.6 #		265 Mtrs						M		446	GD PZ-7		97 %		18 min		
DRILL PIPE SIZE		TYPE		Length			PRODUCTION/ LINER Set @			ft	IN STORAGE	BBL/STK@ 100%		STK / MIN		TOTAL CIRC. TIME			
4.50		HW		56.1 Mtrs						M		298	0.0514		210		71 min		
D/Collars		D/Collars		Length			MUD TYPE					BBL / MIN		GAL / MIN		ANN VEL.		DP	
6.25		8.00		134.5   31.5 Mtrs			RECYCLED FLUID fm M-1 RE					10.47		440		(ft/min)		DCs 97 125	

		MUD PROPERTIES		MUD PROPERTY SPECIFICATIONS						
SAMPLE FROM		Suction	Suction	Mud Weight	MIN	API Filtrate	NC	HPHT Filtrate	--	
TIME SAMPLE TAKEN		10:25	21:45	Plastic Vis	MIN	Yield Point		pH	9.0 - 10.0	
DEPTH	(ft) - (m)	Metres	415	475	KCl	NIL	PHPA	NIL	Sulphites	NIL

FLOWLINE TEMPERATURE	°C	°F	52	127	54	129	OBSERVATIONS			
WEIGHT	ppg	SG	9.00	1.080	9.10	1.091		Reclaim a further 150bbls of fluid from the sump @ M-1 site.		
FUNNEL VISCOSITY (sec/qt) API @	54 °C		40		37			Fluid treatment with Biocide.		
PLASTIC VISCOSITY cP @	50 °C		5		5			All solids control equipment on line.		
YIELD POINT (lb/100ft²)			11		13			Prepare 30bbls XTRA-SWEEP to be used when well @ CSG depth.		
GEL STRENGTHS (lb/100ft²) 10 sec/10 min			16 20		20 22					
RHEOLOGY			ø 600	ø 300	21	16			23	18
RHEOLOGY			ø 200	ø 100	14	12			16	15
RHEOLOGY			ø 6	ø 3	9	8			13	12
FILTRATE API (cc's/30 min)			22.5		27.5					
HPHT FILTRATE (cc's/30 min) @			-- °F	--	--					
CAKE THICKNESS API : HPHT (32nd in)			2	--	3	--				
SOLIDS CONTENT (% by Volume)			4.4		5.1					

LIQUID CONTENT (% by Volume) OIL/WATER	0	95.6	0	94.9	<div>OPERATIONS SUMMARY</div> <div>Drill to 431m, DS @ 419 - ¾°</div> <div>Drill to 487m @ 24:00 hrs.</div>
SAND CONTENT (% by Vol.)	0.15		0.10		
METHYLENE BLUE CAPACITY (ppb equiv.)	17.0		18.0		
pH	8.0		8.0		
ALKALINITY MUD (Pm)	0.23		0.15		
ALKALINITY FILTRATE (Pf / Mf)	0.00	0.45	0.00	0.52	
CHLORIDE (mg/L)	4,100		4,400		
TOTAL HARDNESS AS CALCIUM (mg/L)	560		680		
SULPHITE (mg/L)	0		0		
K+ (mg/L)					
KCl (% by Wt.)	0.0		0.0		
PHPA (ppb)					

Mud Accounting (bbbls)						Solids Control Equipment								
FLUID BUILT & RECEIVED		FLUID DISPOSED		SUMMARY		Type	Hrs		Cones	Hrs		Size	Hrs	
Premix (drill water)		Desander	36	INITIAL VOLUME	715	Centrifuge	N/A		Desander	2	24	Shaker #1	3x84	24
Premix (recirc from sump)		Desilter	45			Degasser	Po'Boy	0	Desilter	10	24	Shaker #2	3x84	24
Drill Water	10	Downhole	19	+ FLUID RECEIVED	160									
Direct Recirc Sump		Dumped	30	- FLUID LOST	131									
Other (Recycled from M-1 RE)	150	Surface		FLUID in STORAGE	298									
TOTAL RECEIVED	160	TOTAL LOST	131	FINAL VOLUME	744	Desander	9.0		13.3		1.06			
						Desilter	9.0		11.4		1.32			

Product	Price	Start	Received	Used	Close	Cost	Solids Analysis			Bit Hydraulics & Pressure Data	
AMC Biocide G	\$ 188.33	14		1	13	\$ 188.33		% Vol	PPB	Jet Velocity	153 ft/sec
XTRA - Sweep	\$ 112.40	5		1	4	\$ 112.40	High Grav solids			Impact force	317 lbs
							Total LGS	5.1	48.7	HHP	49
							Bentonite equiv.	1.6	14.6	HHP/in²	0.4
							Drilled Solids	3.5	32.1	Bit Press. Loss	191 psi
							Salt	0.3	2.5	CSG Seat Frac Press.	
							n @ 21:45 Hrs	0.35		Equiv. Mud Wt.	
							K @ 21:45 Hrs	10.15		ECD	9.17 ppg
										Max Pressure @ Shoe :	
							DAILY COST			CUMULATIVE COST	
							\$300.73			\$2,219.24	
RMN ENGINEER	Peter ARONETZ		CITY		Adelaide Office		TELEPHONE			08 8338 7266	

# DRILLING FLUID REPORT

Report #	4	Date :	7-Jan-2007
Rig No	11	Spud :	4-Jan-2007
Depth	487	to	510 Metres

OPERATOR	KAROON Gas / UPSTREAM Petroleum	CONTRACTOR	CENTURY Resources	
REPORT FOR	Chris DANN	REPORT FOR	Steve YOUNG	
WELL NAME AND No	MEGASCOLIDES 2	FIELD	LOCATION	STATE
		PEP 162 / EL 4567	GIPPSLAND	VICTORIA

DRILLING ASSEMBLY				JET SIZE			CASING			MUD VOLUME (BBL)			CIRCULATION DATA					
BIT SIZE		TYPE				16	CONDUCTOR SET @	49 ft 15 M	HOLE	PITS 226	PUMP SIZE		CIRCULATION					
12.25		SEC-XS15									5.5 X 7	Inches	PRESSURE	600 psi				
DRILL PIPE SIZE		TYPE	Length			INTERMEDIATE SET @	ft M	TOTAL CIRCULATING VOL. 439	PUMP MODEL		ASSUMED EFF		BOTTOMS UP					
4.5		16.6 #	319 Mtrs						GD PZ-7	97 %	19 min							
DRILL PIPE SIZE		TYPE	Length			PRODUCTION/ LINER Set @	ft M	IN STORAGE 239			BBL/STK@ 100%		STK / MIN		TOTAL CIRC.			
4.50		HW	56.1 Mtrs						0.0514	220	TIME		62 min					
D/Collars		D/Collars		Length		MUD TYPE					BBL/MIN		GAL / MIN		ANN VEL. DP			
6.25		8.00		134.5		0 Mtrs		RECYCLED FLUID fm M-1 RE				10.97		461		(ft/min) DCs 102 131		

				MUD PROPERTIES				MUD PROPERTY SPECIFICATIONS						
SAMPLE FROM				Suction		Suction		Mud Weight	MIN	API Filtrate	NC	HPHT Filtrate	--	
TIME SAMPLE TAKEN						22:00		Plastic Vis	MIN	Yield Point		pH	9.0 - 10.0	
DEPTH (ft) - (m)				Metres		510		KCI	NIL	PHPA	NIL	Sulphites	NIL	
FLOWLINE TEMPERATURE				°C	°F		--	<b>OBSERVATIONS</b>						
WEIGHT				ppg	SG		9.10							1.091
FUNNEL VISCOSITY (sec/qt) API @				--	°C		36		Prepare 25bbbs Barite-based heavy pill, pump before POOH					
PLASTIC VISCOSITY cP @				50	°C		4							
YIELD POINT (lb/100ft²)						10								
GEL STRENGTHS (lb/100ft²) 10 sec/10 min						10   11								
RHEOLOGY				ø 600	ø 300		18	14						
RHEOLOGY				ø 200	ø 100		12	10						
RHEOLOGY				ø 6	ø 3		9	8						
FILTRATE API (cc's/30 min)						25.8								
HPHT FILTRATE (cc's/30 min) @				--	°F		--							
CAKE THICKNESS API : HPHT (32nd in)					--		3	--						
SOLIDS CONTENT (% by Volume)						5.0								
LIQUID CONTENT (% by Volume) OIL/WATER							0	95.0						
SAND CONTENT (% by Vol.)						0.10		<b>OPERATIONS SUMMARY</b>  Drill to 510m, pump 25bbbs 0.4ppb XTRA-SWEEP + CO. Hole clean. Mix and pump Barite-based heavy pill, POOH-laying down 8"DC Rig for running 9 5/8"CSG, Problems w/- stabbing board+Tong-jaws. Decision to make wiper-trip, P/U BHA w/out 8"DC, RIH to 483m @ 24:00 hrs						
METHYLENE BLUE CAPACITY (ppb equiv.)						18.0								
pH						8.0								
ALKALINITY MUD (Pm)						0.15								
ALKALINITY FILTRATE (Pf / Mf)							0.00							0.55
CHLORIDE (mg/L)						4,700								
TOTAL HARDNESS AS CALCIUM (mg/L)						660								
SULPHITE (mg/L)						0								
K+ (mg/L)														
KCI (% by Wt.)						0.0								
PHPA (ppb)														

[illegible]



DRILLING FLUID

REPORT

Report #5Date :8-Jan-2007

Rig No11Spud :4-Jan-2007

Depth510to510Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Chris DANN

REPORT FOR

Steve YOUNG

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

12.25

TYPE

JET SIZE

CASING

16

CONDUCTOR

49

ft

SET @

15

M

MUD VOLUME (BBL)

HOLE

227

PITS

231

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION PRESSURE

psi

DRILL PIPE

SIZE 4.5

TYPE 16.6 #

Length

Mtrs

INTERMEDIATE SET @

ft

M

TOTAL CIRCULATING VOL.

458

PUMP MODEL

GD PZ-7

ASSUMED EFF

97 %

BOTTOMS UP

min

DRILL PIPE

SIZE 4.50

TYPE HW

Length

Mtrs

PRODUCTION/ LINER Set @

ft

M

IN STORAGE

147

BBL/STK@ 100%

0.0514

STK / MIN

TOTAL CIRC. TIME

min

D/Collars

6.25

CSG run

9.63

Length

488.0 Mtrs

MUD TYPE

RECYCLED FLUID fm M-1 RE

BBL/MIN

GAL / MIN

ANN VEL. (ft/min)

DP DCs

SAMPLE FROM

Below Shaker

TIME SAMPLE TAKEN

12:00

DEPTH (ft) - (m)

Metres

FLOWLINE TEMPERATURE

° C ° F

WEIGHT

ppg SG

FUNNEL VISCOSITY (sec/qt) API @

39 ° C

PLASTIC VISCOSITY cP @

50 ° C

YIELD POINT (lb/100ft²)

GEL STRENGTHS (lb/100ft²) 10 sec/10 min

RHEOLOGY

θ 600 θ 300

RHEOLOGY

θ 200 θ 100

RHEOLOGY

θ 6 θ 3

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

-- ° F

CAKE THICKNESS API : HPHT (32nd in)

--

SOLIDS CONTENT (% by Volume)

0.2

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCl (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

Below Shaker

MUD PROPERTY SPECIFICATIONS

Mud Weight

MIN

API Filtrate

NC

HPHT Filtrate

--

Plastic Vis

MIN

Yield Point

pH

9.0 - 10.0

KCl

NIL

PHPA

NIL

Sulphites

NIL

OBSERVATIONS

Prepare 30bbbls Barite-based heavy pill, pump before POOH

OPERATIONS SUMMARY

Pick up kelly, ream and wash to bottom and circulate there, while waiting on equipment. Mix and pump Barite-based heavy pill, POOH, bit graded as: 2-2-WT-A-E-I-SS-TD.

Rig for running 9 5/8"CSG. Run 43 jts to 500.5m @ 24:00 hrs

Mud Accounting (bbls)

FLUID BUILT & RECEIVED

FLUID DISPOSED

SUMMARY

Premix (drill water)

Desander

11

INITIAL VOLUME

678

Premix (recirc from sump)

Desilter

18

Drill Water

Downhole

10

+ FLUID RECEIVED

Direct Recirc Sump

Dumped

35

- FLUID LOST

73

Other (Recycled from M-1 RE)

Surface

FLUID in STORAGE

147

TOTAL RECEIVED

TOTAL LOST

73

FINAL VOLUME

605

Solids Control Equipment

Type

Hrs

Cones

Hrs

Size

Hrs

Centrifuge

N/A

Desander

2

11

Shaker #1

3x84

18

Degasser

Po'Boy

0

Desilter

10

11

Shaker #2

3x84

18

Overflow (ppg)

Underflow (ppg)

Output (Gal/Min.)

Desander

9.0

12.5

0.68

Desilter

9.0

11.0

1.12

Product

Price

Start

Received

Used

Close

Cost

Baryte

\$ 9.95

494

38

456

\$ 378.10

Solids Analysis

% Vol

PPB

High Grav solids

0.4

5.16

Total LGS

4.5

42.5

Bentonite equiv.

1.4

13.1

Drilled Solids

3.0

27.7

Salt

0.3

2.7

n @ 12:00 Hrs

0.39

K @ 12:00 Hrs

5.95

Bit Hydraulics & Pressure Data

Jet Velocity

Impact force

HHP

HHP/in²

Bit Press. Loss

CSG Seat Frac Press.

Equiv. Mud Wt.

ECD

Max Pressure @ Shoe :

DAILY COST

\$378.10

CUMULATIVE COST

\$2,895.84

RMN ENGINEER

Peter ARONETZ

CITY

Adelaide Office

TELEPHONE

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DRILLING FLUID

REPORT

Report # 9

Date : 12-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 510 to 651 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Chris DANN

REPORT FOR

Agus NUGROHO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

8.50

TYPE

SEC-FM3553Z

JET SIZE

11

11

11

CASING

16

CONDUCTOR

49

ft

SET @

15

M

MUD VOLUME (BBL)

HOLE

136

ACTIVE PITS

512

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION PRESSURE

1000 psi

DRILL PIPE

SIZE 4.5

TYPE

16.6 #

Length

438 Mtrs

DRILL PIPE

SIZE 4.50

TYPE

HW

Length

56.1 Mtrs

9 5/8

INTERMEDIATE

1662

ft

SET @

507

M

TOTAL CIRCULATING VOL.

648

IN STORAGE

4

PUMP MODEL

GD PZ-7

ASSUMED EFF

97 %

BOTTOMS UP

10 min

TOTAL CIRC. TIME

61 min

D/Collars

6.25

Tools

6.25

Length

135.4 | 21.8 Mtrs

MUD TYPE

KCl/PHPA/POLYMER

BBL/MIN

10.67

GAL / MIN

448

ANN VEL. (ft/min)

211

DP DCs

331 | 331

SAMPLE FROM

Below Shaker

TIME SAMPLE TAKEN

16:00

DEPTH (ft) - (m)

Metres

FLOWLINE TEMPERATURE

°C | °F

WEIGHT

ppg | SG

FUNNEL VISCOSITY (sec/qt) API @

36 °C

PLASTIC VISCOSITY cP @

50 °C

YIELD POINT (lb/100ft²)

GEL STRENGTHS (lb/100ft²) 10 sec/10 min

RHEOLOGY

θ 600 | θ 300

RHEOLOGY

θ 200 | θ 100

RHEOLOGY

θ 6 | θ 3

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

-- °F

CAKE THICKNESS API : HPHT (32nd in)

SOLIDS CONTENT (% by Volume)

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCl (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

Below Shaker

Below Shaker

Mud Weight

< 9.0

API Filtrate

< 10

HPHT Filtrate

--

Plastic Vis

MIN

Yield Point

12-25

pH

9.0 - 10.0

KCl

NIL

PHPA

0.5 - 1.5

Sulphites

> 80

OBSERVATIONS

Reclaim a further 150bbls of fluid from M-1 sump, density slowly increasing at that source. Last load check: 8.8ppg.

Treatment with KCl+PHPA, also phase in Sodium Sulphite.

Occasional run-off over shaker after PHPA additions.

Aiming to raise PHPA concentration further, to compensate for lower KCl concentration.

With resumption of drilling de-sander+de-silter on line and working well.

OPERATIONS SUMMARY

Finalise PVT Calibrations, Drill out shoe track w/- water and make new hole to 513m. Displace to KCL/PHPA/POLYMER fluid;

Conduct formation integrity test w/- 8.55ppg fluid in hole. Leak-off at 1100psi, CSG seat fracture rating equ. MW: 21.3 ppg (To be confirmed).

Resume drilling 8½"hole. Attempt DS at drilled depths of 604 + 642m, both return misruns. Drill to 651m @ 24:00 hrs.

Mud Accounting (bbls)

FLUID BUILT & RECEIVED

Premix (drill water)

Premix (recirc from sump)

30

Drill Water

Direct Recirc Sump

Other (Recycled from M-1 RE)

150

TOTAL RECEIVED

180

FLUID DISPOSED

Desander

5

Desilter

4

Downhole

11

Dumped

30

Surface

100

TOTAL LOST

149

SUMMARY

INITIAL VOLUME

621

+ FLUID RECEIVED

180

- FLUID LOST

149

FLUID in STORAGE

4

FINAL VOLUME

652

Solids Control Equipment

Centrifuge

N/A

Degasser

Po'Boy

0

Desander

2

8

Desilter

10

8

Shaker #1

2x140;1x84

15

Shaker #2

2x140;1x84

15

Overflow (ppg)

8.6

Underflow (ppg)

10.3

Output (Gal/Min.)

0.40

Desander

8.6

Desilter

8.6

11.8

0.36

Product

Price

Start

Received

Used

Close

Cost

AMC Biocide G

\$ 188.33

12

1

11

\$ 188.33

AMC Defoamer

\$ 146.40

3

1

2

\$ 146.40

AMC PHPA

\$ 120.61

58

10

48

\$ 1,206.10

AUS-GEL

\$ 12.19

252

1

251

\$ 12.19

Potassium Chloride (

\$ 20.12

402

12

390

\$ 241.44

Solids Analysis

% Vol

PPB

High Grav solids

Total LGS

1.5

14.0

Bentonite equiv.

0.3

2.3

Drilled Solids

1.2

11.2

Salt

0.5

5.2

n @ 22:30 Hrs

0.56

K @ 22:30 Hrs

2.71

Bit Hydraulics & Pressure Data

Jet Velocity

309 ft/sec

Impact force

618 lbs

HHP

193

HHP/in²

3.4

Bit Press. Loss

739 psi

CSG Seat Frac Press.

1100 psi

Equiv. Mud Wt.

>20.0

ECD

8.82 ppg

Max Pressure @ Shoe :

DAILY COST

\$1,794.46

CUMULATIVE COST

\$7,543.52

RMN ENGINEER

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DRILLING FLUID

REPORT

Report #10Date :13-Jan-2007

Rig No11Spud :4-Jan-2007

Depth651to821Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Chris DANN

REPORT FOR

Agus NUGROHO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

8.50

TYPE

SEC-FM3553Z

JET SIZE

11

11

11

CASING

16

CONDUCTOR

49

ft

SET @

15

M

MUD VOLUME (BBL)

HOLE

172

ACTIVE PITS

585

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION PRESSURE

1000 psi

DRILL PIPE

SIZE 4.5

TYPE

16.6 #

Length

608 Mtrs

DRILL PIPE

SIZE 4.50

TYPE

HW

Length

56.1 Mtrs

9 5/8

INTERMEDIATE

1662

ft

SET @

507

M

TOTAL CIRCULATING VOL.

757

IN STORAGE

4

PUMP MODEL

GD PZ-7

ASSUMED EFF

97 %

BOTTOMS UP

13 min

TOTAL CIRC. TIME

71 min

DRILL PIPE

SIZE 4.50

TYPE

HW

Length

56.1 Mtrs

D/Collars

6.25

Tools

6.25

Length

135.4

21.8 Mtrs

MUD TYPE

KCI/PHPA/POLYMER

BBL/MIN

10.67

GAL / MIN

448

ANN VEL. (ft/min)

211

DP DCs

331

331

SAMPLE FROM

TIME SAMPLE TAKEN

DEPTH (ft) - (m)

FLOWLINE TEMPERATURE

WEIGHT

FUNNEL VISCOSITY (sec/qt) API @

PLASTIC VISCOSITY cP @

YIELD POINT (lb/100ft<sup>2</sup>)

GEL STRENGTHS (lb/100ft<sup>2</sup>) 10 sec/10 min

RHEOLOGY

RHEOLOGY

RHEOLOGY

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

CAKE THICKNESS API : HPHT (32nd in)

SOLIDS CONTENT (% by Volume)

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCI (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

Below Shaker

Below Shaker

740

810

39

104

41

107

8.65

1.038

8.60

1.031

41

49

9

13

7

14

0

1

1

25

16

40

27

12

8

21

14

1

1

2

1

7.5

8.4

--

--

1

--

1

--

1.8

1.5

0

98.2

0

98.5

0.40

0.15

3.0

3.0

10.0

10.0

0.42

0.28

0

1.20

0.12

1.55

8,800

8,400

320

240

150

250

7,900

7,400

1.5

1.4

1.37

1.80

MUD PROPERTY SPECIFICATIONS

Mud Weight

< 9.0

API Filtrate

< 10

HPHT Filtrate

--

Plastic Vis

MIN

Yield Point

12-25

pH

9.0 - 10.0

KCI

NIL

PHPA

0.5 - 1.5

Sulphites

> 80

OBSERVATIONS

Re-cycling 140bbbls of fluid from sump on location.

Phase in XANTHAN GUM to improve low-end rheology.

Still building up PHPA concentration.

Sodium Sulphite - 3 sx used yesterday, but not costed.

OPERATIONS SUMMARY

DS @ drilled depth of 651m - misrun, Drill to 717m, DS @ 705m N5°W.

Drill to 821m @ 24:00 hrs.

Mud Accounting (bbbls)

FLUID BUILT & RECEIVED

FLUID DISPOSED

SUMMARY

Premix (drill water)

Desander

27

INITIAL VOLUME

652

Premix (recirc from sump)

140

Desilter

8

Drill Water

20

Downhole

6

+ FLUID RECEIVED

160

Direct Recirc Sump

Dumped

10

- FLUID LOST

51

Other (Recycled from M-1 RE)

Surface

FLUID in STORAGE

4

TOTAL RECEIVED

160

TOTAL LOST

51

FINAL VOLUME

761

Solids Control Equipment

Type

Hrs

Cones

Hrs

Size

Hrs

Centrifuge

N/A

Desander

2

24

Shaker #1

2x140;1x84

24

Degasser

Po'Boy

0

Desilter

10

24

Shaker #2

2x140;1x84

24

Overflow (ppg)

Underflow (ppg)

Output (Gal/Min.)

Desander

8.6

9.5

0.79

Desilter

8.6

11.9

0.22

Product

Price

Start

Received

Used

Close

Cost

AMC Biocide G

\$ 188.33

11

1

10

\$ 188.33

AMC Defoamer

\$ 146.40

2

1

1

\$ 146.40

AMC PHPA

\$ 120.61

48

15

33

\$ 1,809.15

Potassium Chloride (

\$ 20.12

390

12

378

\$ 241.44

Sodium Sulphite

\$ 37.68

20

5

15

\$ 188.40

Solids Analysis

% Vol

PPB

High Grav solids

1.5

14.0

Total LGS

0.2

1.7

Bentonite equiv.

1.3

11.7

Drilled Solids

0.5

4.9

Salt

n @ 22:30 Hrs

0.57

K @ 22:30 Hrs

4.03

Bit Hydraulics & Pressure Data

Jet Velocity

309 ft/sec

Impact force

618 lbs

HHP

193

HHP/in<sup>2</sup>

3.4

Bit Press. Loss

739 psi

CSG Seat Frac Press.

1100 psi

Equiv. Mud Wt.

21.30 ppg

ECD

8.88 ppg

DAILY COST

\$2,573.72

CUMULATIVE COST

\$10,117.24

RMN ENGINEER

Peter ARONETZ

CITY


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DRILLING FLUID

REPORT

Report # 12

Date : 15-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 1003 to 1221 Metres

OPERATOR					KAROON Gas / UPSTREAM Petroleum					CONTRACTOR					CENTURY Resources				
REPORT FOR					Chris DANN					REPORT FOR					Agus NUGROHO				
WELL NAME AND No					MEGASCOLIDES 2					FIELD					PEP 162 / EL 4567				
										LOCATION					GIPPSLAND				
															STATE				
															VICTORIA				

DRILLING ASSEMBLY			JET SIZE			CASING			MUD VOLUME (BBL)			CIRCULATION DATA					
BIT SIZE	TYPE	11	11	11	16	CONDUCTOR SET @	49	ft	HOLE	257	ACTIVE PITS	PUMP SIZE			CIRCULATION		
8.50	SEC-FM3553Z						15	M				5.5	X	7	1100 psi		
DRILL PIPE	TYPE	Length	1008 Mtrs			9 5/8	INTERMEDIATE SET @	1662	ft	TOTAL CIRCULATING VOL.			PUMP MODEL	ASSUMED EFF	BOTTOMS		
SIZE 4.5	16.6 #							507	M	807			GD PZ-7	97 %	UP		
DRILL PIPE	TYPE	Length	56.1 Mtrs			PRODUCTION/ LINER Set @			ft	IN STORAGE			BBL/STK@ 100%	STK / MIN	TOTAL CIRC.		
SIZE 4.50	HW								M	4			0.0514	217	TIME		
D/Collars	Tools	Length	21.8 Mtrs			MUD TYPE			KCI/PHPA/POLYMER			BBL/MIN	GAL / MIN	ANN VEL.	DP	214	
6.25	6.25	135.4										10.82	455	(ft/min)	DCs	336 336	

SAMPLE FROM				MUD PROPERTIES				MUD PROPERTY SPECIFICATIONS			
TIME SAMPLE TAKEN				Below Shaker				Below Shaker			
				10:20				22:45			
DEPTH (ft) - (m)				Metres				1,083			
				47				118			
FLOWLINE TEMPERATURE				°C				°F			
				47				118			
WEIGHT				ppg				SG			
				8.70				1.044			
FUNNEL VISCOSITY (sec/qt) API @				48 °C				49			
								50			
PLASTIC VISCOSITY cP @				50 °C				14			
								16			
YIELD POINT (lb/100ft²)								16			
								18			
GEL STRENGTHS (lb/100ft²) 10 sec/10 min								2			
								2			
RHEOLOGY				ø 600 ø 300				44			
								30			
RHEOLOGY				ø 200 ø 100				24			
								16			
RHEOLOGY				ø 6 ø 3				3			
								2			
FILTRATE API (cc's/30 min)								8.6			
								7.8			
HPHT FILTRATE (cc's/30 min) @				° F				--			
								--			
CAKE THICKNESS API : HPHT (32nd in)								1			
								--			
SOLIDS CONTENT (% by Volume)								2.3			
								1.9			
LIQUID CONTENT (% by Volume) OIL/WATER								0			
								97.7			
SAND CONTENT (% by Vol.)								0.10			
								0.20			
METHYLENE BLUE CAPACITY (ppb equiv.)								4.0			
								3.5			
pH								9.0			
								9.2			
ALKALINITY MUD (Pm)								0.23			
								0.18			
ALKALINITY FILTRATE (Pf / Mf)								0			
								1.05			
CHLORIDE (mg/L)								8,200			
								8,500			
TOTAL HARDNESS AS CALCIUM (mg/L)								300			
								280			
SULPHITE (mg/L)								100			
								150			
K+ (mg/L)								3,700			
								4,200			
KCI (% by Wt.)								0.7			
								0.8			
PHPA (ppb)								1.95			
								1.93			

Mud Accounting (bbls)				Solids Control Equipment			
FLUID BUILT & RECEIVED		FLUID DISPOSED		SUMMARY			
Premix (drill water)		Desander	27	INITIAL VOLUME	811	Centrifuge	Type
Premix (recirc from sump)	180	Desilter	28				Hrs
Drill Water	10	Downhole	34	+ FLUID RECEIVED	190	Desander	Cones
Direct Recirc Sump		Dumped	20	- FLUID LOST	190	Desilter	Hrs
Other (Recycled from M-1 RE)		Surface	80	FLUID in STORAGE	4		Size
							Hrs
TOTAL RECEIVED	190	TOTAL LOST	190	FINAL VOLUME	811		

Product		Price	Start	Received	Used	Close	Cost	Solids Analysis		Bit Hydraulics & Pressure Data	
AMC Biocide G	\$	188.33	9		1	8	\$	188.33	% Vol	PPB	Jet Velocity
AMC PAC-R	\$	162.49	60		4	56	\$	649.96			313 ft/sec
AMC PHPA	\$	120.61	23		5	18	\$	603.05	High Grav solids		Impact force
AUS-DEX	\$	58.79	96	-96	0	0	\$	0.00	Total LGS	1.9	639 lbs
Caustic Soda	\$	50.73	18		1	17	\$	50.73	Bentonite equiv.	0.2	203
Potassium Chloride	\$	20.12	368		18	350	\$	362.16	Drilled Solids	1.8	HHP/in²
Soda Ash	\$	18.30		40	4	36	\$	73.20	Salt	0.5	764 psi
Sodium Sulphite	\$	37.68	12	42	2	52	\$	75.36	n @ 22:45 Hrs	0.56	CSG Seat Frac Press.
Xanthan Gum	\$	362.19	6	30	2	34	\$	724.38	K @ 22:45 Hrs	5.42	1100 psi

DAILY COST		CUMULATIVE COST	
\$2,727.17		\$18,193.66	

RMN ENGINEER

Peter ARONETZ


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DRILLING FLUID

REPORT

Report # 13

Date : 16-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 1221 to 1357 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Chris DANN

REPORT FOR

Agus NUGROHO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

8.50

TYPE

SEC-FM3553Z

JET SIZE

11

11

11

CASING

16

CONDUCTOR

49

ft

SET @

15

M

MUD VOLUME (BBL)

HOLE

286

ACTIVE PITS

538

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION PRESSURE

1200

psi

DRILL PIPE

SIZE 4.5

TYPE 16.6 #

Length 1144 Mtrs

9 5/8

INTERMEDIATE

1662

ft

SET @

507

M

DRILL PIPE

SIZE 4.50

TYPE HW

Length 56.1 Mtrs

PRODUCTION/ LINER Set @

M

IN STORAGE

4

D/Collars

6.25

Tools

6.25

Length 135.4

21.8 Mtrs

MUD TYPE

KCI/PHPA/POLYMER

BBL/MIN

10.82

GAL / MIN

455

ANN VEL.

214

(ft/min)

DP

336

DCs

SAMPLE FROM

Below Shaker

Below Shaker

TIME SAMPLE TAKEN

10:45

22:50

DEPTH (ft) - (m)

1,300

1,356

FLOWLINE TEMPERATURE

49

122

50

122

WEIGHT

8.70

1.044

8.80

1.055

FUNNEL VISCOSITY (sec/qt) API @ 50 °C

58

55

PLASTIC VISCOSITY cP @ 50 °C

19

18

YIELD POINT (lb/100ft<sup>2</sup>)

25

24

GEL STRENGTHS (lb/100ft<sup>2</sup>) 10 sec/10 min

4

5

RHEOLOGY

63

44

60

42

RHEOLOGY

35

24

34

23

RHEOLOGY

5

4

5

3

FILTRATE API (cc's/30 min)

7.8

7.4

HPHT FILTRATE (cc's/30 min) @ -- °F

--

--

CAKE THICKNESS API : HPHT (32nd in)

1

--

1

--

SOLIDS CONTENT (% by Volume)

2.3

2.8

LIQUID CONTENT (% by Volume) OIL/WATER

0

97.7

0

97.2

SAND CONTENT (% by Vol.)

0.15

0.15

METHYLENE BLUE CAPACITY (ppb equiv.)

4.5

5.5

pH

9.8

10.0

ALKALINITY MUD (Pm)

0.32

0.46

ALKALINITY FILTRATE (Pf / Mf)

0

0.95

0.10

1.00

CHLORIDE (mg/L)

9,200

10,500

TOTAL HARDNESS AS CALCIUM (mg/L)

180

100

SULPHITE (mg/L)

250

200

K+ (mg/L)

5,800

8,900

KCI (% by Wt.)

1.1

1.7

PHPA (ppb)

1.87

1.83

MUD PROPERTIES

Below Shaker

Below Shaker

TIME SAMPLE TAKEN

10:45

22:50

DEPTH (ft) - (m)

1,300

1,356

FLOWLINE TEMPERATURE

49

122

50

122

WEIGHT

8.70

1.044

8.80

1.055

FUNNEL VISCOSITY (sec/qt) API @ 50 °C

58

55

PLASTIC VISCOSITY cP @ 50 °C

19

18

YIELD POINT (lb/100ft<sup>2</sup>)

25

24

GEL STRENGTHS (lb/100ft<sup>2</sup>) 10 sec/10 min

4

5

RHEOLOGY

63

44

60

42

RHEOLOGY

35

24

34

23

RHEOLOGY

5

4

5

3

FILTRATE API (cc's/30 min)

7.8

7.4

HPHT FILTRATE (cc's/30 min) @ -- °F

--

--

CAKE THICKNESS API : HPHT (32nd in)

1

--

1

--

SOLIDS CONTENT (% by Volume)

2.3

2.8

LIQUID CONTENT (% by Volume) OIL/WATER

0

97.7

0

97.2

SAND CONTENT (% by Vol.)

0.15

0.15

METHYLENE BLUE CAPACITY (ppb equiv.)

4.5

5.5

pH

9.8

10.0

ALKALINITY MUD (Pm)

0.32

0.46

ALKALINITY FILTRATE (Pf / Mf)

0

0.95

0.10

1.00

CHLORIDE (mg/L)

9,200

10,500

TOTAL HARDNESS AS CALCIUM (mg/L)

180

100

SULPHITE (mg/L)

250

200

K+ (mg/L)

5,800

8,900

KCI (% by Wt.)

1.1

1.7

PHPA (ppb)

1.87

1.83

MUD PROPERTY SPECIFICATIONS

Mud Weight < 9.0

API Filtrate < 10

HPHT Filtrate --

Plastic Vis MIN

Yield Point 12-25

pH 9.0 - 10.0

KCI <1.5

PHPA 0.5 - 1.5

Sulphites > 80

OBSERVATIONS

Re-cycling 40bbls of fluid from sump on location.

Reclaim a further 100bbls of fluid from sump @ M-1 site.

Treat fluid to maintain parameters.

Receive instructions to increase fluid density, reduce running hrs of de-sander+de-silter. Target: 8.9ppg.

Penetrating more reactive shales, K+ ion depletes faster, MBT on the increase. Ramp up KCl additions to make up for increased depletion and requirement for extra MW, but still trying to stay close to 1.5%.

Receive supplies of 40µ CaCO3, PHPA, Biocide+Defoamer and XTRA SWEEP.

AMC D/T: 06571, UNIMIN D/T 130725; GST C/N 14538, -981;

OPERATIONS SUMMARY

Drill to 1308m, DS @ 1296m - 4¼° N15W

Drill to 1357m @ 24:00 hrs.

Mud Accounting (bbls)

FLUID BUILT & RECEIVED

Premix (drill water)

Premix (recirc from sump)

40

Drill Water

20

Direct Recirc Sump

Other (Recycled from M-1 RE)

100

TOTAL RECEIVED

160

FLUID DISPOSED

Desander

29

Desilter

34

Downhole

20

Dumped

20

Surface

40

TOTAL LOST

143

SUMMARY

INITIAL VOLUME

811

+ FLUID RECEIVED

160

- FLUID LOST

143

FLUID in STORAGE

4

FINAL VOLUME

828

Solids Control Equipment

Centrifuge

N/A

Desander

2

22

Shaker #1 2x175, 1x14

24

Degasser

Po'Boy

0

Desilter

10

18

Shaker #2 2x175, 1x14

24

Overflow (ppg)

Underflow (ppg)

Output (Gal/Min.)

Desander

8.7

8.9

0.92

Desilter

8.7

8.9

1.32

Solids Analysis

High Grav solids

2.8

26.7

Total LGS

0.3

3.1

Bentonite equiv.

2.5

22.6

Drilled Solids

0.6

6.1

Salt

n @ 22:50 Hrs

0.51

K @ 22:50 Hrs

8.69

Bit Hydraulics & Pressure Data

Jet Velocity

313 ft/sec

Impact force

650 lbs

HHP

206

HHP/in²

3.6

Bit Press. Loss

778 psi

CSG Seat Frac Press.

1100 psi

Equiv. Mud Wt.

21.30 ppg

ECD

9.26 ppg

DAILY COST

\$3,075.17

CUMULATIVE COST

\$21,268.83

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DRILLING FLUID

REPORT

Report #14

Date : 17-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 1357 to 1421 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Chris DANN/Brian ASSELS

REPORT FOR

Agus NUGROHO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

8.50

TYPE

DBS SE3653Z

JET SIZE

11

11

11

CASING

16

CONDUCTOR

49

ft

SET @

15

M

MUD VOLUME (BBL)

HOLE

339

ACTIVE PITS

389

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION PRESSURE

1200

psi

DRILL PIPE

SIZE 4.5

TYPE 16.6 #

Length 1208 Mtrs

9 5/8

INTERMEDIATE

1662

ft

SET @

507

M

TOTAL CIRCULATING VOL.

728

PUMP MODEL

GD PZ-7

ASSUMED EFF

97

%

DRILL PIPE

SIZE 4.50

TYPE HW

Length 56.1 Mtrs

PRODUCTION/ LINER Set @

M

IN STORAGE

191

BBL/STK@ 100%

0.0514

STK / MIN

214

TOTAL CIRC. TIME

86

min

BBL/MIN

10.67

GAL / MIN

448

ANN VEL.

211

DP

331

D/Collars

6.25

Tools

6.25

Length

135.4

Length

21.8

MUD TYPE

KCI/PHPA/POLYMER

SAMPLE FROM

TIME SAMPLE TAKEN

DEPTH (ft) - (m)

FLOWLINE TEMPERATURE

WEIGHT

FUNNEL VISCOSITY (sec/qt) API @

PLASTIC VISCOSITY cP @

YIELD POINT (lb/100ft<sup>2</sup>)

GEL STRENGTHS (lb/100ft<sup>2</sup>) 10 sec/10 min

RHEOLOGY

RHEOLOGY

RHEOLOGY

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

CAKE THICKNESS API : HPHT (32nd in)

SOLIDS CONTENT (% by Volume)

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCI (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

Below Shaker

Below Shaker

MUD PROPERTY SPECIFICATIONS

Mud Weight

< 9.0

API Filtrate

< 10

HPHT Filtrate

--

Plastic Vis

MIN

Yield Point

12-25

pH

9.0 - 10.0

KCI

<1.5

PHPA

0.5 - 1.5

Sulphites

> 80

OBSERVATIONS

Re-cycling 120bbbls of fluid from sump on location.

Reclaim a further 50bbbls of fluid from sump @ M-1 site.

Treat fluid to maintain parameters.

Mix heavy Pill, using 24sx 40µ Calcium Carbonate.

Mud volumes reported w/- bit @ SFC.

OPERATIONS SUMMARY

Drill to 1411m, DS @ 1399m - 4° N20W

Drill to 1421m, CO, Flow-check, Pump heavy, CaCO3 based pill,

POOH to SFC - W/trip+Bit check.

M/U NB3, DBS SE3653Z, 6x11 (TFA 0.555 in<sup>2</sup>) , SN 1082 5011,

BHA otherwise unchanged, Bit @ 40m @ 24:00 hrs.

Mud Accounting (bbbls)

FLUID BUILT & RECEIVED

FLUID DISPOSED

SUMMARY

Premix (drill water)

Desander

3

INITIAL VOLUME

828

Premix (recirc from sump)

120

Desilter

4

Drill Water

Downhole

22

+ FLUID RECEIVED

170

Direct Recirc Sump

Dumped

20

- FLUID LOST

79

Other (Recycled from M-1 RE)

50

Surface

30

FLUID in STORAGE

191

TOTAL RECEIVED

170

TOTAL LOST

79

FINAL VOLUME

919

Solids Control Equipment

Type

Hrs

Cones

Hrs

Size

Hrs

Centrifuge

N/A

Desander

2

2

Shaker #1 2x175, 1x14

14

Degasser

Po'Boy

0

Desilter

10

2

Shaker #2 2x175, 1x14

14

Overflow (ppg)

Underflow (ppg)

Output (Gal/Min.)

Desander

8.8

9.0

0.92

Desilter

8.8

9.2

1.45

Product

Price

Start

Received

Used

Close

Cost

AMC PAC-R

\$ 162.49

48

4

44

\$ 649.96

AMC PHPA

\$ 120.61

44

2

42

\$ 241.22

Calcium Carbonate -

\$ 11.65

720

24

696

\$ 279.60

Caustic Soda

\$ 50.73

17

1

16

\$ 50.73

Potassium Chloride (

\$ 20.12

308

12

296

\$ 241.44

Sodium Sulphite

\$ 37.68

49

2

47

\$ 75.36

Xanthan Gum

\$ 362.19

34

2

32

\$ 724.38

Solids Analysis

% Vol

PPB

High Grav solids

Total LGS

3.5

33.2

Bentonite equiv.

0.1

1.1

Drilled Solids

3.4

30.7

Salt

0.7

6.9

n @ 17:00 Hrs

0.53

K @ 17:00 Hrs

8.18

Bit Hydraulics & Pressure Data

Jet Velocity

258 ft/sec

Impact force

533 lbs

HHP

139

HHP/in<sup>2</sup>

2.4

Bit Press. Loss

531 psi

CSG Seat Frac Press.

1100 psi

Equiv. Mud Wt.

21.30 ppg

ECD

9.35 ppg

DAILY COST

\$2,262.69

CUMULATIVE COST

\$23,531.52

RMN ENGINEER

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DRILLING FLUID

REPORT

Report #15

Date : 18-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 1421 to 1524 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Chris DANN/Brian ASSELS

REPORT FOR

Agus NUGROHO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

8.50

TYPE

DBS SE3653Z

11

11

11

JET SIZE

11

11

11

CASING

16

CONDUCTOR

49

ft

SET @

15

M

MUD VOLUME (BBL)

HOLE

322

ACTIVE PITS

564

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION PRESSURE

1100

psi

DRILL PIPE

SIZE 4.5

TYPE

16.6 #

Length

1311

Mtrs

9 5/8

INTERMEDIATE

1662

ft

SET @

507

M

TOTAL CIRCULATING VOL.

886

PUMP MODEL

GD PZ-7

ASSUMED EFF

97

%

BOTTOMS UP

26

min

DRILL PIPE

SIZE 4.50

TYPE

HW

Length

56.1

Mtrs

PRODUCTION/ LINER Set @

M

IN STORAGE

17

BBL/STK@ 100%

0.0514

STK / MIN

214

TOTAL CIRC. TIME

85

min

D/Collars

6.25

Tools

6.25

Length

135.4

21.8

Mtrs

MUD TYPE

KCI/PHPA/POLYMER

BBL/MIN

10.67

GAL / MIN

448

ANN VEL. (ft/min)

211

DP DCs

331

331

SAMPLE FROM

TIME SAMPLE TAKEN

DEPTH (ft) - (m)

FLOWLINE TEMPERATURE

WEIGHT

FUNNEL VISCOSITY (sec/qt) API @

PLASTIC VISCOSITY cP @

YIELD POINT (lb/100ft<sup>2</sup>)

GEL STRENGTHS (lb/100ft<sup>2</sup>) 10 sec/10 min

RHEOLOGY

RHEOLOGY

RHEOLOGY

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

CAKE THICKNESS API : HPHT (32nd in)

SOLIDS CONTENT (% by Volume)

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCI (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

Below Shaker

Below Shaker

MUD PROPERTY SPECIFICATIONS

Mud Weight

< 9.0

API Filtrate

< 10

HPHT Filtrate

--

Plastic Vis

MIN

Yield Point

12-25

pH

9.0 - 10.0

KCI

<1.5

PHPA

0.5 - 1.5

Sulphites

> 80

OBSERVATIONS

Re-cycling 80bbbs of fluid from sump on location.

Treat fluid to maintain parameters.

Adding 24sx CaCO3 to system, to maintain fluid density at 8.9-9.0ppg

OPERATIONS SUMMARY

RIH BHA on 4½"DP to CSG shoe, slip 33' drilling line. RIH to 1006m.

fill string, break circulation. RIH to 1399m, P/U kelly, ream+wash to 1421m, resume drilling. Drill to 1505m, DS @ 1493m - 4½° N22W.

Drill to 1524m @ 24:00 hrs.

Mud Accounting (bbbs)

FLUID BUILT & RECEIVED

FLUID DISPOSED

SUMMARY

Premix (drill water)

Desander

2

INITIAL VOLUME

919

Premix (recirc from sump)

80

Desilter

2

Drill Water

Downhole

18

+ FLUID RECEIVED

80

Direct Recirc Sump

Dumped

15

- FLUID LOST

97

Other (Recycled from M-1 RE)

Surface

60

FLUID in STORAGE

17

TOTAL RECEIVED

80

TOTAL LOST

97

FINAL VOLUME

903

Solids Control Equipment

Type

Hrs

Cones

Hrs

Size

Hrs

Centrifuge

N/A

Degasser

Po'Boy

0

Overflow (ppg)

Underflow (ppg)

Output (Gal/Min.)

Desander

8.9

9.7

0.62

Desilter

8.9

9.4

0.62

Product

Price

Start

Received

Used

Close

Cost

AMC Biocide G

\$ 188.33

23

1

22

\$ 188.33

AMC PAC-R

\$ 162.49

44

5

39

\$ 812.45

AMC PHPA

\$ 120.61

42

2

40

\$ 241.22

Calcium Carbonate -

\$ 11.65

696

24

672

\$ 279.60

Sodium Sulphite

\$ 37.68

47

2

45

\$ 75.36

Solids Analysis

Bit Hydraulics & Pressure Data

% Vol

PPB

Jet Velocity

258 ft/sec

High Grav solids

Impact force

536 lbs

Total LGS

3.9

36.8

HHP

140

Bentonite equiv.

0.2

1.8

HHP/in²

2.5

Drilled Solids

3.7

33.5

Bit Press. Loss

534 psi

Salt

0.7

6.4

CSG Seat Frac Press.

1100 psi

Calcium Carbonate

2.8

Equiv. Mud Wt.

21.30 ppg

n @ 22:20 Hrs

0.55

ECD

9.41 ppg

K @ 22:20 Hrs

7.35

DAILY COST

CUMULATIVE COST

\$1,596.96

\$25,128.48

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DRILLING FLUID

REPORT

Report # 16

Date : 19-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 1524 to 1578 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Chris DANN/Brian ASSELS

REPORT FOR

Agus NUGROHO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

8.50

TYPE

DBS SE3653Z

JET SIZE

11

11

11

CASING

16

CONDUCTOR

49

ft

SET @

15

M

MUD VOLUME (BBL)

HOLE

333

ACTIVE PITS

492

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION PRESSURE

1100

psi

DRILL PIPE

SIZE 4.5

TYPE 16.6 #

Length 1365 Mtrs

9 5/8

INTERMEDIATE

1662

ft

SET @

507

M

TOTAL CIRCULATING VOL.

825

PUMP MODEL

GD PZ-7

ASSUMED EFF

97

%

DRILL PIPE

SIZE 4.50

TYPE HW

Length 56.1 Mtrs

PRODUCTION/ LINER Set @

M

IN STORAGE

64

BBL/STK@ 100%

0.0514

STK / MIN

214

TOTAL CIRC. TIME

83

min

BBL/MIN

10.67

GAL / MIN

448

ANN VEL.

211

DP

331

D/Collars

6.25

Tools

6.25

Length

135.4

21.8

Mtrs

MUD TYPE

KCI/PHPA/POLYMER

SAMPLE FROM

TIME SAMPLE TAKEN

DEPTH (ft) - (m)

FLOWLINE TEMPERATURE

WEIGHT

FUNNEL VISCOSITY (sec/qt) API @

PLASTIC VISCOSITY cP @

YIELD POINT (lb/100ft<sup>2</sup>)

GEL STRENGTHS (lb/100ft<sup>2</sup>) 10 sec/10 min

RHEOLOGY

RHEOLOGY

RHEOLOGY

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

CAKE THICKNESS API : HPHT (32nd in)

SOLIDS CONTENT (% by Volume)

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCI (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

Below Shaker

Below Shaker

MUD PROPERTY SPECIFICATIONS

Mud Weight

< 9.0

API Filtrate

< 10

HPHT Filtrate

--

Plastic Vis

MIN

Yield Point

12-25

pH

9.0 - 10.0

KCI

<1.5

PHPA

0.5 - 1.5

Sulphites

> 80

OBSERVATIONS

Re-cycling 120bbbls of fluid from sump on location.

Treat fluid to maintain parameters.

Running hydro-cyclone solids control equipment <10% of the time, to prevent system WT from dropping below the requested 8.9ppg.

Pit levels recorded prior to POOH.

OPERATIONS SUMMARY

Drill to 1578m, ROP unsatisfactory, decision to pull bit. Mix+pump heavy pill, check for flow, POOH - bit @ 447m @ 24:00hrs.

Mud Accounting (bbbls)

FLUID BUILT & RECEIVED

FLUID DISPOSED

SUMMARY

Premix (drill water)

Desander

2

INITIAL VOLUME

903

Premix (recirc from sump)

120

Desilter

2

Drill Water

Downhole

19

+ FLUID RECEIVED

120

Direct Recirc Sump

Dumped

20

- FLUID LOST

134

Other (Recycled from M-1 RE)

Surface

90

FLUID in STORAGE

64

TOTAL RECEIVED

120

TOTAL LOST

134

FINAL VOLUME

889

Solids Control Equipment

Type

Hrs

Cones

Hrs

Size

Hrs

Centrifuge

N/A

Desander

2

2

Shaker #1 2x175, 1x14

21

Degasser

Po'Boy

0

Desilter

10

2

Shaker #2 2x175, 1x14

21

Overflow (ppg)

Underflow (ppg)

Output (Gal/Min.)

Desander

8.9

9.7

0.75

Desilter

8.9

9.4

0.83

Solids Analysis

% Vol

PPB

High Grav solids

Total LGS

3.6

34.2

Bentonite equiv.

0.1

1.0

Drilled Solids

3.5

31.9

Salt

0.6

5.7

Calcium Carbonate

4.4

n @ 20:45 Hrs

0.57

K @ 20:45 Hrs

5.89

Bit Hydraulics & Pressure Data

Jet Velocity

258 ft/sec

Impact force

533 lbs

HHP

139

HHP/in<sup>2</sup>

2.4

Bit Press. Loss

531 psi

CSG Seat Frac Press.

1100 psi

Equiv. Mud Wt.

21.30 ppg

ECD

9.30 ppg

DAILY COST

\$1,877.25

CUMULATIVE COST

\$27,005.73

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# DRILLING FLUID REPORT

Report #	17	Date :	20-Jan-2007
Rig No	11	Spud :	4-Jan-2007
Depth	1578	to	1636 Metres


OPERATOR	KAROON Gas / UPSTREAM Petroleum	CONTRACTOR	CENTURY Resources	
REPORT FOR	Chris DANN/Brian ASSELS	REPORT FOR	Agus NUGROHO	
WELL NAME AND No	MEGASCOLIDES 2	FIELD	LOCATION	STATE
		PEP 162 / EL 4567	GIPPSLAND	VICTORIA

DRILLING ASSEMBLY				JET SIZE			CASING			MUD VOLUME (BBL)			CIRCULATION DATA						
BIT SIZE	TYPE	13	13	13	16	CONDUCTOR	49	ft	HOLE	ACTIVE PITS	PUMP SIZE		CIRCULATION						
8.50	SEC - XS16D					SET @	15	M	345	582	5.5	X	7	Inches	PRESSURE	1500	psi		
DRILL PIPE	TYPE	Length			9 5/8	INTERMEDIATE	1662	ft	TOTAL CIRCULATING VOL.			PUMP MODEL		ASSUMED EFF		BOTTOMS			
SIZE 4.5	16.6 #	1423			Mtrs	SET @	507	M	927			GD PZ-7		97		%	UP		
DRILL PIPE	TYPE	Length				PRODUCTION/		ft	IN STORAGE			BBL/STK@ 100%		STK / MIN		TOTAL CIRC.			
SIZE 4.50	HW	56.1			Mtrs	LINER Set @		M	10			0.0514		214		TIME			
D/Collars	Tools	Length			MUD TYPE					BBL/MIN		GAL / MIN		ANN VEL.		DP	211		
6.25	6.25	135.4	21.8			KCI/PHPA/POLYMER					10.67		448		(ft/min)		DCs	331	331

				MUD PROPERTIES				MUD PROPERTY SPECIFICATIONS							
SAMPLE FROM				Below Shaker		Below Shaker		Mud Weight	< 9.0	API Filtrate	< 10	HPHT Filtrate	--		
TIME SAMPLE TAKEN				10:30		22:45		Plastic Vis	MIN	Yield Point	12-25	pH	9.0 - 10.0		
DEPTH (ft) - (m)				Metres		1,587		1,630		KCl	<1.5	PHPA	0.5 - 1.5	Sulphites	> 80
FLOWLINE TEMPERATURE				°C	°F	49	122	54	130	<div>OBSERVATIONS</div> <div>Re-cycling 100bbls of fluid from sump on location. Add KCl to bring concentration back to 1.5%, also add CaCO3 to maintain WT at or above 8.9ppg. Add a further pallet (48sx) of CaCO3 to raise WT to 9.0ppg. Formations exhibit signs of being tectonically stressed. Leave orders to ensure, recycled pre-mix is weighted to 9.1ppg, (CaCO3 only) before being added to system.</div>					
WEIGHT				ppg	SG	8.90	1.068	9.00	1.079						
FUNNEL VISCOSITY (sec/qt) API @				54 °C		54	51								
PLASTIC VISCOSITY cP @				50 °C		20	19								
YIELD POINT (lb/100ft²)						20	19								
GEL STRENGTHS (lb/100ft²) 10 sec/10 min						2 3	2 3								
RHEOLOGY				ø 600	ø 300	60	40	57	38						
RHEOLOGY				ø 200	ø 100	32	21	30	20						
RHEOLOGY				ø 6	ø 3	4	2	3	2						
FILTRATE API (cc's/30 min)						7.0		6.8							
HPHT FILTRATE (cc's/30 min) @				-- °F		--		--							
CAKE THICKNESS API : HPHT (32nd in)						1	--	1	--						
SOLIDS CONTENT (% by Volume)						3.6		4.3							
LIQUID CONTENT (% by Volume) OIL/WATER						0	96.4	0	95.7						
SAND CONTENT (% by Vol.)						0.15		0.25							
METHYLENE BLUE CAPACITY (ppb equiv.)						4.5		5.0							
pH						10.5		10.0							
ALKALINITY MUD (Pm)						0.55		0.44							
ALKALINITY FILTRATE (Pf / Mf)						0	1.30	0.13	1.18						
CHLORIDE (mg/L)						10,800		11,000							
TOTAL HARDNESS AS CALCIUM (mg/L)						60		160							
SULPHITE (mg/L)						250		200							
K+ (mg/L)						7,900		8,400							
KCl (% by Wt.)						1.5		1.6							
PHPA (ppb)						1.89		1.88							

[illegible]

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DRILLING FLUID

REPORT

Report #18

Date : 21-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 1636 to 1722 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Chris DANN/Brian ASSELS

REPORT FOR

Agus NUGROHO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

8.50

TYPE

SEC - XS16D

JET SIZE

13

13

13

CASING

16

CONDUCTOR

49

ft

SET @

15

M

MUD VOLUME (BBL)

HOLE

364

ACTIVE PITS

635

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION

PRESSURE

1600 psi

DRILL PIPE

SIZE 4.5

TYPE

16.6 #

Length

1509 Mtrs

9 5/8

INTERMEDIATE

1662

ft

SET @

507

M

TOTAL CIRCULATING VOL.

999

DRILL PIPE

SIZE 4.50

TYPE

HW

Length

56.1 Mtrs

PRODUCTION/

LINER Set @

M

IN STORAGE

70

PUMP MODEL

GD PZ-7

ASSUMED EFF

97 %

BOTTOMS

UP

30 min

D/Collars

6.25

Tools

6.25

Length

135.4

21.8 Mtrs

MUD TYPE

KCI/PHPA/POLYMER

BBL/MIN

10.67

GAL / MIN

448

ANN VEL.

DP

211

331

SAMPLE FROM

TIME SAMPLE TAKEN

DEPTH (ft) - (m)

FLOWLINE TEMPERATURE

WEIGHT

FUNNEL VISCOSITY (sec/qt) API @

PLASTIC VISCOSITY cP @

YIELD POINT (lb/100ft<sup>2</sup>)

GEL STRENGTHS (lb/100ft<sup>2</sup>) 10 sec/10 min

RHEOLOGY

RHEOLOGY

RHEOLOGY

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

CAKE THICKNESS API : HPHT (32nd in)

SOLIDS CONTENT (% by Volume)

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCI (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

Below Shaker

Below Shaker

MUD PROPERTY SPECIFICATIONS

Mud Weight

< 9.0

API Filtrate

< 10

HPHT Filtrate

--

Plastic Vis

MIN

Yield Point

12-25

pH

9.0 - 10.0

KCI

<1.5

PHPA

0.5 - 1.5

Sulphites

> 80

OBSERVATIONS

Re-cycling 120bbbls of fluid from sump on location.

Giving preference to using fluid from local sump, as fluid level in there has increased significantly, partially on account of very wet wether.

Inadvertent addition of 60bbbls lease-water to system results in lower readings for main fluid parameters. Remedial action under way.

OPERATIONS SUMMARY

Work tight hole between 1627 and 1636m. Make conn.+resume drlg.

Drill to 1722m, decision to make check trip. Circulate hole clean, prepare heavy pill, using CaCO3.

Mud Accounting (bbbls)

FLUID BUILT & RECEIVED

FLUID DISPOSED

SUMMARY

Premix (drill water)

Desander

2

INITIAL VOLUME

937

Premix (recirc from sump)

120

Desilter

2

Drill Water

60

Downhole

9

+ FLUID RECEIVED

180

Direct Recirc Sump

Dumped

10

- FLUID LOST

49

Other (Recycled from M-1 RE)

Surface

25

FLUID in STORAGE

70

TOTAL RECEIVED

180

TOTAL LOST

49

FINAL VOLUME

1,069

Solids Control Equipment

Type

Hrs

Cones

Hrs

Screens

Hrs

Centrifuge

N/A

Desander

2

2

Shaker #1 2x175, 1x14

24

Degasser

Po'Boy

0

Desilter

10

2

Shaker #2 2x175, 1x14

24

Overflow (ppg)

Underflow (ppg)

Output (Gal/Min.)

Desander

9.0

9.5

0.75

Desilter

9.0

9.6

0.83

Product

Price

Start

Received

Used

Close

Cost

AMC Defoamer

\$ 146.40

1

1

\$ 146.40

AMC PAC-R

\$ 162.49

35

4

31

\$ 649.96

AMC PHPA

\$ 120.61

31

4

27

\$ 482.44

Calcium Carbonate -

\$ 11.65

576

192

384

\$ 2,236.80

Soda Ash

\$ 18.30

28

2

26

\$ 36.60

Sodium Sulphite

\$ 37.68

38

2

36

\$ 75.36

Xanthan Gum

\$ 362.19

32

3

29

\$ 1,086.57

Solids Analysis

% Vol

PPB

High Grav solids

Total LGS

4.0

37.6

Bentonite equiv.

0.1

0.6

Drilled Solids

3.9

35.5

Salt

0.6

5.6

Calcium Carbonate

6.3

n @ 22:00 Hrs

0.63

K @ 22:00 Hrs

3.37

Bit Hydraulics & Pressure Data

Jet Velocity

369 ft/sec

Impact force

767 lbs

HHP

286

HHP/in<sup>2</sup>

5.0

Bit Press. Loss

1095 psi

CSG Seat Frac Press.

1100 psi

Equiv. Mud Wt.

21.30 ppg

ECD

9.24 ppg

DAILY COST

\$4,714.13

CUMULATIVE COST

\$33,773.76

RMN ENGINEER

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DRILLING FLUID

REPORT

Report # 19

Date : 22-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 1722 to 1778 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Chris DANN/Brian ASSELS

REPORT FOR

Agus NUGROHO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

8.50

TYPE

SEC - XS16D

JET SIZE

13

13

13

CASING

16

CONDUCTOR

49

ft

SET @

15

M

MUD VOLUME (BBL)

HOLE

376

ACTIVE PITS

610

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION PRESSURE

1700

psi

DRILL PIPE

SIZE 4.5

TYPE 16.6 #

Length 1565 Mtrs

9 5/8

INTERMEDIATE

1662

ft

SET @

507

M

TOTAL CIRCULATING VOL.

986

PUMP MODEL

GD PZ-7

ASSUMED EFF

97

%

BOTTOMS UP

31

min

DRILL PIPE

SIZE 4.50

TYPE HW

Length 56.1 Mtrs

PRODUCTION/ LINER Set @

M

IN STORAGE

4

BBL/STK@ 100%

0.0514

STK / MIN

214

TOTAL CIRC. TIME

93

min

D/Collars

6.25

Tools

6.25

Length

135.4

21.8 Mtrs

MUD TYPE

KCI/PHPA/POLYMER

BBL/MIN

10.67

GAL / MIN

448

ANN VEL. (ft/min)

211

DP DCs

331

331

SAMPLE FROM

TIME SAMPLE TAKEN

DEPTH (ft) - (m)

FLOWLINE TEMPERATURE

WEIGHT

FUNNEL VISCOSITY (sec/qt) API @

PLASTIC VISCOSITY cP @

YIELD POINT (lb/100ft<sup>2</sup>)

GEL STRENGTHS (lb/100ft<sup>2</sup>) 10 sec/10 min

RHEOLOGY

RHEOLOGY

RHEOLOGY

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

CAKE THICKNESS API : HPHT (32nd in)

SOLIDS CONTENT (% by Volume)

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCI (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

Below Shaker

Below Shaker

MUD PROPERTY SPECIFICATIONS

Mud Weight

< 9.0

API Filtrate

< 10

HPHT Filtrate

--

Plastic Vis

MIN

Yield Point

12-25

pH

9.0 - 10.0

KCI

<1.5

PHPA

0.5 - 1.5

Sulphites

> 80

OBSERVATIONS

Treat system for water added and raise density to 9.1+ppg.

Higher clay content of formation accelates K+ ion depletion, carry out KCI addition to bring concentration back to ~1.5%.

Use CaCO3 to maintain density at 9.1 - 9.2ppg.

OPERATIONS SUMMARY

Run DS @ 1710m - 3°N35E. Pumpb heavy pill, make check trip to 1530m. Hole condition good. RIH to 1701m, P/U kelly, wash 1m fill. Resume drilling and reach 1778m at 24:00 hrs.

Mud Accounting (bbls)

FLUID BUILT & RECEIVED

FLUID DISPOSED

SUMMARY

Premix (drill water)

Desander

3

INITIAL VOLUME

1069

Premix (recirc from sump)

Desilter

4

Drill Water

10

Downhole

3

+ FLUID RECEIVED

10

Direct Recirc Sump

Dumped

20

- FLUID LOST

89

Other (Recycled from M-1 RE)

Surface

60

FLUID in STORAGE

4

TOTAL RECEIVED

10

TOTAL LOST

89

FINAL VOLUME

990

Solids Control Equipment

Type

Hrs

Cones

Hrs

Screens

Hrs

Centrifuge

N/A

Desander

2

2

Shaker #1 2x175, 1x14

24

Degasser

Po'Boy

0

Desilter

10

2

Shaker #2 2x175, 1x14

24

Overflow (ppg)

Underflow (ppg)

Output (Gal/Min.)

Desander

9.1

9.7

0.92

Desilter

9.1

9.8

1.32

Product

Price

Start

Received

Used

Close

Cost

AMC PAC-R

\$ 162.49

31

2

29

\$ 324.98

AMC PHPA

\$ 120.61

27

6

21

\$ 723.66

Calcium Carbonate -

\$ 11.65

384

192

192

\$ 2,236.80

Caustic Soda

\$ 50.73

15

1

14

\$ 50.73

Potassium Chloride (

\$ 20.12

282

66

216

\$ 1,327.92

Soda Ash

\$ 18.30

26

2

24

\$ 36.60

Sodium Sulphite

\$ 37.68

36

3

33

\$ 113.04

Xanthan Gum

\$ 362.19

29

5

24

\$ 1,810.95

Solids Analysis

% Vol

PPB

High Grav solids

Total LGS

5.3

49.9

Calcium Carbonate

26.7

Bentonite equiv.

0.1

0.8

Drilled Solids

5.2

47.2

Salt

0.7

6.8

n @ 22:30 Hrs

0.56

K @ 22:30 Hrs

7.26

Bit Hydraulics & Pressure Data

Jet Velocity

369 ft/sec

Impact force

784 lbs

HHP

293

HHP/in<sup>2</sup>

5.1

Bit Press. Loss

1120 psi

CSG Seat Frac Press.

1100 psi

Equiv. Mud Wt.

21.30 ppg

ECD

9.62 ppg

DAILY COST

\$6,624.68

CUMULATIVE COST

\$40,398.44

RMN ENGINEER

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# DRILLING FLUID REPORT

Report #	20	Date :	23-Jan-2007
Rig No	11	Spud :	4-Jan-2007
Depth	1778	to	1810 Metres

OPERATOR	KAROON Gas / UPSTREAM Petroleum	CONTRACTOR	CENTURY Resources	
REPORT FOR	Chris DANN/Brian ASSELS	REPORT FOR	Agus NUGROHO	
WELL NAME AND No	MEGASCOLIDES 2	FIELD	LOCATION	STATE
		PEP 162 / EL 4567	GIPPSLAND	VICTORIA

DRILLING ASSEMBLY				JET SIZE			CASING			MUD VOLUME (BBL)			CIRCULATION DATA						
BIT SIZE	TYPE	13	13	13	16	CONDUCTOR SET @	49 ft	HOLE	ACTIVE PITS	PUMP SIZE		CIRCULATION PRESSURE							
8.50	SEC - XS16D							429	512	5.5 X 7	Inches	1750 psi							
DRILL PIPE SIZE 4.5	TYPE 16.6 #	Length			9 5/8	INTERMEDIATE SET @	1662 ft	TOTAL CIRCULATING VOL.		PUMP MODEL GD PZ-7	ASSUMED EFF 97 %	BOTTOMS UP							
DRILL PIPE SIZE 4.50	TYPE HW	Length				PRODUCTION/ LINER Set @	ft	IN STORAGE		BBL/STK@ 100%	STK / MIN	TOTAL CIRC. TIME							
							M	39		0.0514	214	92 min							
D/Collars	Tools	Length			MUD TYPE					BBL/MIN	GAL / MIN	ANN VEL. (ft/min)	DP DCs	211 331					
6.25	6.25	135.4	21.8	Mtrs	KCI/PHPA/POLYMER					10.67	448								

				MUD PROPERTIES				MUD PROPERTY SPECIFICATIONS							
SAMPLE FROM				Below Shaker		Below Shaker		Mud Weight	9.2	API Filtrate	6 - 8	HPHT Filtrate	--		
TIME SAMPLE TAKEN				10:15		16:45		Plastic Vis	MIN	Yield Point	12-25	pH	9.0 - 10.0		
DEPTH (ft) - (m)				Metres		1,802		1,810		KCl	<1.5	PHPA	0.5 - 1.5	Sulphites	> 80
FLOWLINE TEMPERATURE				°C	°F	58	138	60	140	OBSERVATIONS					
WEIGHT				ppg	SG	9.15	1.098	9.20	1.103						
FUNNEL VISCOSITY (sec/qt) API @				60 °C		56		56		Recycle 40bbbs fluid from local sump and treat to current spec. Fluid system stable. Use hydro-cyclone SC equipment intermittently. With the flow-line temperature approaching 60°C and after checking w/- RMN management, rheology now being run at 60°C.					
PLASTIC VISCOSITY cP @				60 °C		21		20							
YIELD POINT (lb/100ft²)						23		25							
GEL STRENGTHS (lb/100ft²) 10 sec/10 min						3	4	4	5						
RHEOLOGY				θ 600	θ 300	65	44	65	45						
RHEOLOGY				θ 200	θ 100	35	24	36	25						
RHEOLOGY				θ 6	θ 3	5	3	5	4						
FILTRATE API (cc's/30 min)						5.8		5.8							
HPHT FILTRATE (cc's/30 min) @				-- °F		--		--							
CAKE THICKNESS API : HPHT (32nd in)						1	--	1	--						
SOLIDS CONTENT (% by Volume)						5.3		5.7							
LIQUID CONTENT (% by Volume) OIL/WATER						0	94.7	0	94.3						
SAND CONTENT (% by Vol.)						0.25		0.25							
METHYLENE BLUE CAPACITY (ppb equiv.)						5.5		5.5							
pH						9.8		9.8							
ALKALINITY MUD (Pm)						0.45		0.43							
ALKALINITY FILTRATE (Pf / Mf)						0.10	0.90	0.08	0.93						
CHLORIDE (mg/L)						11,000		10,900							
TOTAL HARDNESS AS CALCIUM (mg/L)						60		60							
SULPHITE (mg/L)						250		220							
K+ (mg/L)						9,500		8,900							
KCl (% by Wt.)						1.8		1.7							
PHPA (ppb)						2.20		2.21							

OPERATIONS SUMMARY			
Drill to 1810m, decision to pull bit. CO, mix+pump heavy CaCO3 pill, Drop DS, POOH to SFC. Hole condition good, no over-pull. Bit visually in good condition, grading TBA. M/U NB5, a SEC/DBS tri-cone insert bit, Type EBXS12DS, IADC code 437, SN 1085 0552, 1x13, 2x14 jets, TFA of 0.429in².			

[illegible]

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# DRILLING FLUID REPORT

Report #	21	Date :	24-Jan-2007
Rig No	11	Spud :	4-Jan-2007
Depth	1810	to	1845 Metres

OPERATOR	KAROON Gas / UPSTREAM Petroleum	CONTRACTOR	CENTURY Resources	
REPORT FOR	Chris DANN/Brian ASSELS	REPORT FOR	Agus NUGROHO	
WELL NAME AND No	MEGASCOLIDES 2	FIELD	LOCATION	STATE
		PEP 162 / EL 4567	GIPPSLAND	VICTORIA


DRILLING ASSEMBLY				JET SIZE			CASING			MUD VOLUME (BBL)			CIRCULATION DATA					
BIT SIZE	TYPE	13	14	14	16	CONDUCTOR SET @	49 ft	M	HOLE	ACTIVE PITS	PUMP SIZE		CIRCULATION					
8.50	SEC-XS12DS						15	ft	388	565	5.5	X	7	1600 psi				
DRILL PIPE SIZE	TYPE	Length			9 5/8	INTERMEDIATE SET @	1662 ft	M	TOTAL CIRCULATING VOL.			PUMP MODEL	ASSUMED EFF	BOTTOMS UP				
4.5	16.6 #	1605 Mtrs					507	M	953			GD PZ-7	97 %	32 min				
DRILL PIPE SIZE	TYPE	Length				PRODUCTION/ LINER Set @	ft	M	IN STORAGE			BBL/STK@ 100%	STK / MIN	TOTAL CIRC. TIME				
4.50	HW	56.1 Mtrs						M	4			0.0514	214	90 min				
D/Collars	Tools	Length			MUD TYPE					BBL/MIN		GAL / MIN		ANN VEL. (ft/min)	DP DCs	211	331	
6.25	6.25	162.6	21.8 Mtrs		KCI/PHPA/POLYMER					10.67		448						

				MUD PROPERTIES				MUD PROPERTY SPECIFICATIONS							
SAMPLE FROM				Below Shaker		Below Shaker		Mud Weight	9.2	API Filtrate	6 - 8	HPHT Filtrate	--		
TIME SAMPLE TAKEN				10:30		22:20		Plastic Vis	MIN	Yield Point	12-25	pH	9.0 - 10.0		
DEPTH (ft) - (m)				Metres		1,812		1,840		KCI	<1.5	PHPA	0.5 - 1.5	Sulphites	> 80
FLOWLINE TEMPERATURE				°C	°F	51	125	57	135	<b>OBSERVATIONS</b> Recycle a further 40bbls fluid from local sump and treat to current spec. MW after trip 9.3ppg, dropping back to 9.2+ppg during day. Pre-mix added un-weighted (8.6ppg).					
WEIGHT				ppg	SG	9.30	1.116	9.25	1.109						
FUNNEL VISCOSITY (sec/qt) API @				57 °C		56		54							
PLASTIC VISCOSITY cP @				60 °C		20		19							
YIELD POINT (lb/100ft²)						23		23							
GEL STRENGTHS (lb/100ft²) 10 sec/10 min						3.4		2.3							
RHEOLOGY				ø 600	ø 300	63	43	61	42						
RHEOLOGY				ø 200	ø 100	33	23	34	22						
RHEOLOGY				ø 6	ø 3	5	3	4	2						
FILTRATE API (cc's/30 min)						5.6		5.5							
HPHT FILTRATE (cc's/30 min) @				-- °F		--		--							
CAKE THICKNESS API : HPHT (32nd in)						1	--	1	--						
SOLIDS CONTENT (% by Volume)						6.4		6.0							
LIQUID CONTENT (% by Volume) OIL/WATER						0	93.6	0	94.0						
SAND CONTENT (% by Vol.)						0.25		0.25							
METHYLENE BLUE CAPACITY (ppb equiv.)						5.0		5.0							
pH						9.8		9.0							
ALKALINITY MUD (Pm)						0.45		0.26							
ALKALINITY FILTRATE (Pf / Mf)						0.10	0.92	0.03	0.75						
CHLORIDE (mg/L)						11,200		11,000							
TOTAL HARDNESS AS CALCIUM (mg/L)						80		160							
SULPHITE (mg/L)						120		200							
K+ (mg/L)						8,900		8,400							
KCI (% by Wt.)						1.7		1.6							
PHPA (ppb)						2.22		2.18							

[illegible]

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DRILLING FLUID

REPORT

Report # 22

Date : 25-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 1845 to 1902 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Chris DANN/Brian ASSELS

REPORT FOR

Cesar MIACO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

8.50

TYPE

SEC-XS12DS

13

14

14

JET SIZE

16

CONDUCTOR

49

ft

SET @

15

M

CASING

9 5/8

INTERMEDIATE

1662

ft

SET @

507

M

MUD VOLUME (BBL)

HOLE

400

ACTIVE PITS

580

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION

1700

psi

DRILL PIPE

SIZE 4.5

TYPE 16.6 #

Length 1662 Mtrs

DRILL PIPE

SIZE 4.50

TYPE HW

Length 56.1 Mtrs

D/Collars

6.25

Tools 6.25

Length 162.6 | 21.8 Mtrs

MUD TYPE

KCI/PHPA/POLYMER

SAMPLE FROM

TIME SAMPLE TAKEN

DEPTH (ft) - (m)

FLOWLINE TEMPERATURE

WEIGHT

FUNNEL VISCOSITY (sec/qt) API @

PLASTIC VISCOSITY cP @

YIELD POINT (lb/100ft<sup>2</sup>)

GEL STRENGTHS (lb/100ft<sup>2</sup>) 10 sec/10 min

RHEOLOGY

RHEOLOGY

RHEOLOGY

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

CAKE THICKNESS API : HPHT (32nd in)

SOLIDS CONTENT (% by Volume)

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCI (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

Below Shaker

Below Shaker

MUD PROPERTY SPECIFICATIONS

Mud Weight

API Filtrate

HPHT Filtrate

Plastic Vis

Yield Point

pH

KCI

Sulphites

OBSERVATIONS

Recycle 80bbls fluid from local sump and treat to current specifications.

Run de-sander to keep density at 9.2ppg. Pre-mix weighted to 9.1ppg.

OPERATIONS SUMMARY

Drill to 1902m @ 24:00 hrs

Mud Accounting (bbls)

FLUID BUILT & RECEIVED

FLUID DISPOSED

SUMMARY

Solids Control Equipment

Type

Hrs

Cones

Hrs

Screens

Hrs

Product

Price

Start

Received

Used

Close

Cost

Solids Analysis

Bit Hydraulics & Pressure Data

AMC Biocide G

\$ 188.33

20

1

19

\$ 188.33

AMC Defoamer

\$ 146.40

23

2

21

\$ 292.80

AMC PHPA

\$ 120.61

37

4

33

\$ 482.44

Calcium Carbonate -

\$ 11.65

876

60

816

\$ 699.00

Caustic Soda

\$ 50.73

14

2

12

\$ 101.46

Soda Ash

\$ 18.30

24

2

22

\$ 36.60

Sodium Sulphite

\$ 37.68

29

2

27

\$ 75.36

Xanthan Gum

\$ 362.19

35

2

33

\$ 724.38

High Grav Solids

NIL

NIL

Impact force

712 lbs

Total LGS

5.7

53.6

HHP

240

Calcium Carbonate

27.3

HHP/in<sup>2</sup>

4.2

Bentonite equiv.

0

0

Bit Press. Loss

919 psi

Drilled Solids

5.7

51.5

CSG Seat Frac Press.

1100 psi

Salt - based on Cl-

0.7

6.6

Equiv. Mud Wt.

21.30 ppg

n @ 22:15 Hrs

0.56

ECD

9.60 ppg

K @ 22:15 Hrs

6.21

DAILY COST

\$2,600.37

CUMULATIVE COST

\$47,171.99

RMN ENGINEER

Peter ARONETZ

CITY

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# DRILLING FLUID REPORT

Report #	25	Date :	28-Jan-2007
Rig No	11	Spud :	4-Jan-2007
Depth	2018	to	2062 Metres

OPERATOR	KAROON Gas / UPSTREAM Petroleum	CONTRACTOR	CENTURY Resources	
REPORT FOR	Bruce PILAT/Brian ASSELS	REPORT FOR	Cesar MIACO	
WELL NAME AND No	MEGASCOLIDES 2	FIELD PEP 162 / EL 4567	LOCATION GIPPSLAND	STATE VICTORIA

DRILLING ASSEMBLY			JET SIZE			CASING			MUD VOLUME (BBL)			CIRCULATION DATA					
BIT SIZE	TYPE		11	11	11	16	CONDUCTOR SET @	49	ft	HOLE	ACTIVE PITS	PUMP SIZE		CIRCULATION			
8.50	DBS SE3653Z		11	11	11		49	15	M	434	573	5.5	X 7	Inches	PRESSURE	2300 psi	
DRILL PIPE SIZE 4.5	TYPE 16.6 #	Length	1822 Mtrs			9 5/8	INTERMEDIATE SET @	1662	ft	TOTAL CIRCULATING VOL.		PUMP MODEL	ASSUMED EFF	BOTTOMS UP			
DRILL PIPE SIZE 4.50	TYPE HW	Length	56.1 Mtrs				PRODUCTION/ LINER Set @		ft	IN STORAGE		GD PZ-7	97	%	54 min		
									M	9		BBL/STK@ 100%	STK / MIN	TOTAL CIRC.			
												0.0514	140	TIME		145 min	
D/Collars	Tools	Length				MUD TYPE	KCI/PHPA/POLYMER					BBL/MIN	GAL / MIN	ANN VEL.	DP	138	
6.25	6.25	162.6	21.8	Mtrs	6.98							293	(ft/min)	DCs	217	217	

		MUD PROPERTIES		MUD PROPERTY SPECIFICATIONS					
SAMPLE FROM		Below Shaker	Below Shaker	Mud Weight	9.2	API Filtrate	6 - 8	HPHT Filtrate	-
TIME SAMPLE TAKEN		10:20	22:15	Plastic Vis	MIN	Yield Point	12-25	pH	9.0 - 10.0
DEPTH (ft) - (m)	Metres	2.022	2.058	KCl	<1.5	PHPA	0.5 - 1.5	Sulphites	> 80

FLOWLINE TEMPERATURE				°C	°F	49.5	122	54.3	131	OBSERVATIONS  Make up Polymer pre-mix with lease water, fluid from sump too contaminated with solids, weighing 9.2-9.4ppg.  Continue running de-sander + de-silter to maintain fluid density at or below 9.3ppg.
WEIGHT				ppg	SG	9.30	1.116	9.30	1.115	
FUNNEL VISCOSITY (sec/qt) API @				54 °C		60		58		
PLASTIC VISCOSITY cP @				60 °C		18		19		
YIELD POINT (lb/100ft²)						25		26		
GEL STRENGTHS (lb/100ft²) 10 sec/10 min						4	5	4	6	
RHEOLOGY				θ 600	θ 300	61	43	64	45	
RHEOLOGY				θ 200	θ 100	35	25	38	27	
RHEOLOGY				θ 6	θ 3	5	4	6	4	
FILTRATE API (cc's/30 min)						5.6		5.8		
HPHT FILTRATE (cc's/30 min) @				-- °F		--		--		
CAKE THICKNESS API : HPHT (32nd in)						1	--	1	--	
SOLIDS CONTENT (% by Volume)						6.4		6.4		


LIQUID CONTENT (% by Volume) OIL/WATER	0	93.6	0	93.6	<b>OPERATIONS SUMMARY</b>  RIH to 488m, slip 33ft drlg.line. RIH, break circulation @ 1000+1500m Stick pipe @ 1598+1607m, P/U kelley, work string+jar free, ream+wash through obstruction, continue RIH to BTM, find no fill Resume drilling with slow ROP and possible plugged jets. SPP much higher than anticipated, reduce pump rate to 300GPM. Drill to 2062m @ 24:00 hrs.
SAND CONTENT (% by Vol.)	0.20		0.25		
METHYLENE BLUE CAPACITY (ppb equiv.)	4.5		5.0		
pH	9.5		10.0		
ALKALINITY MUD (Pm)		0.35		0.44	
ALKALINITY FILTRATE (Pf / Mf)	0.05	0.88	0.12	1.22	
CHLORIDE (mg/L)	10,000		10,000		
TOTAL HARDNESS AS CALCIUM (mg/L)	160		100		
SULPHITE (mg/L)	120		250		
K+ (mg/L)	8,400		7,900		
KCl (% by Wt.)	1.6		1.5		
PHPA (ppb)	2.09		2.08		

Mud Accounting (bbls)						Solids Control Equipment							
FLUID BUILT & RECEIVED		FLUID DISPOSED		SUMMARY		Type	Hrs		Cones	Hrs		Screens	Hrs
Premix (drill water)	120	Desander	24	INITIAL VOLUME	998	Centrifuge	N/A		Desander	2	18	Shaker #1 2x175, 1x14	24
Premix (recirc from sump)		Desilter	20			Degasser	Po'Boy	0	Desilter	10	18	Shaker #2 2x175, 1x14	24
Drill Water		Downhole	3	+ FLUID RECEIVED	120								
Direct Recirc Sump		Dumped	20	- FLUID LOST	102								
Other (Recycled from M-1 RE)		Surface	35	FLUID in STORAGE	9								
TOTAL RECEIVED	120	TOTAL LOST	102	FINAL VOLUME	1,016	Desander	9.3		9.5		0.92		
						Desilter	9.3		10.6		0.79		

Product	Price	Start	Received	Used	Close	Cost	Solids Analysis			Bit Hydraulics & Pressure Data	
AMC Biocide G	\$ 188.33	19		2	17	\$ 376.66		% Vol	PPB	Jet Velocity	169 ft/sec
AMC Defoamer	\$ 146.40	20		1	19	\$ 146.40	High Grav Solids	NIL	NIL	Impact force	238 lbs
AMC PHPA	\$ 120.61	27		4	23	\$ 482.44	Total LGS	6.4	60.8	HHP	41
Caustic Soda	\$ 50.73	10		1	9	\$ 50.73	Calcium Carbonate		28.4	HHP/in²	0.7
Lime	\$ 9.35	11		1	10	\$ 9.35	Bentonite equiv.	0	0	Bit Press. Loss	238 psi
Sodium Sulphite	\$ 37.68	23		4	19	\$ 150.72	Drilled Solids	6.4	58.4	CSG Seat Frac Press.	1100 psi
Xanthan Gum	\$ 362.19	29		3	26	\$ 1,086.57	Salt - based on Cl-	0.6	5.8	Equiv. Mud Wt.	21.30 ppg
							n @ 22:15 Hrs	0.51		ECD	9.69 ppg
							K @ 22:15 Hrs	9.69			

								DAILY COST	CUMULATIVE COST	
								\$2,302.87	\$54,072.96	
RMN ENGINEER	Peter ARONETZ		CITY	Adelaide Office				TELEPHONE	08 8338 7266	

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DRILLING FLUID

REPORT

Report # 26

Date : 29-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 2062 to 2065 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Bruce PILAT/Brian ASSELS

REPORT FOR

Cesar MIACO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

8.50

TYPE

SEC-XS16DS

13

13

13

JET SIZE

13

13

13

CASING

16

CONDUCTOR

49

ft

SET @

15

M

MUD VOLUME (BBL)

HOLE

434

ACTIVE PITS

566

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION

PRESSURE

psi

DRILL PIPE

SIZE 4.5

TYPE

16.6 #

Length

1825

Mtrs

9 5/8

INTERMEDIATE

1662

ft

507

M

TOTAL CIRCULATING VOL.

1000

PUMP MODEL

GD PZ-7

ASSUMED EFF

97

%

BOTTOMS

UP

min

DRILL PIPE

SIZE 4.50

TYPE

HW

Length

56.1

Mtrs

PRODUCTION/

LINER Set @

ft

M

IN STORAGE

8

BBL/STK@ 100%

0.0514

STK / MIN

TOTAL CIRC.

min

D/Collars

6.25

Tools

6.25

Length

162.6

21.8

Mtrs

MUD TYPE

KCI/PHPA/POLYMER

BBL/MIN

GAL / MIN

ANN VEL.

DP

(ft/min)

DCs

SAMPLE FROM

TIME SAMPLE TAKEN

DEPTH (ft) - (m)

FLOWLINE TEMPERATURE

WEIGHT

FUNNEL VISCOSITY (sec/qt) API @

PLASTIC VISCOSITY cP @

YIELD POINT (lb/100ft<sup>2</sup>)

GEL STRENGTHS (lb/100ft<sup>2</sup>) 10 sec/10 min

RHEOLOGY

RHEOLOGY

RHEOLOGY

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

CAKE THICKNESS API : HPHT (32nd in)

SOLIDS CONTENT (% by Volume)

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCI (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

Below Shaker

06:15

2,065

55.6

133

9.25

1.109

55

19

23

3

4

61

42

34

23

5

3

5.8

--

1

--

6.0

0

94.0

0.25

5.0

9.5

0.32

0.05

0.80

9,800

140

200

8,400

1.6

2.00

MUD PROPERTY SPECIFICATIONS

Mud Weight

9.2

API Filtrate

6 - 8

HPHT Filtrate

--

Plastic Vis

MIN

Yield Point

12-25

pH

9.0 - 10.0

KCI

<1.5

PHPA

0.5 - 1.5

Sulphites

> 80

OBSERVATIONS

Start small water addition at flow-line to assist with density control.

Prepare heavy pill, using calcium Carbonate.

Mud tank levels recorded with bit back on bottom after trip for NB7

OPERATIONS SUMMARY

Drill to 2065m, ROP less than satisfactory, decision to pull bit. Mix+pump heavy CaCO<sub>3</sub> pill, Drop DS barrel, POH, Hole tight fm 1775>1756m.

Recover bit in good condition, but with 4 plugged jets

Recover DS, but disc double exposed, reading inconclusive.

Conduct BOP tests. Pick up NB 7, DBS-SEC insert bit, type EBXS16DS

SN 1085 1000, 3x13 jets. RIH on unchanged BHA to 1651m @ 24:00 hrs.

Mud Accounting (bbls)

FLUID BUILT & RECEIVED

FLUID DISPOSED

SUMMARY

Premix (drill water)

Desander

8

INITIAL VOLUME

1016

Premix (recirc from sump)

Desilter

7

Drill Water

25

Downhole

3

+ FLUID RECEIVED

25

Direct Recirc Sump

Dumped

5

- FLUID LOST

32

Other (Recycled from M-1 RE)

Surface

10

FLUID in STORAGE

8

TOTAL RECEIVED

25

TOTAL LOST

32

FINAL VOLUME

1,008

Solids Control Equipment

Type

Hrs

Cones

Hrs

Screens

Hrs

Centrifuge

N/A

Desander

2

6

Shaker #1 2x175, 1x14

18

Degasser

Po'Boy

0

Desilter

10

6

Shaker #2 2x175, 1x14

18

Overflow (ppg)

Underflow (ppg)

Output (Gal/Min.)

Desander

9.2

9.6

0.88

Desilter

9.2

10.4

0.83

Product

Price

Start

Received

Used

Close

Cost

Calcium Carbonate -

\$ 11.65

642

66

576

\$ 768.90

Potassium Chloride (

\$ 20.12

216

18

198

\$ 362.16

Soda Ash

\$ 18.30

22

1

21

\$ 18.30

Sodium Sulphite

\$ 37.68

19

1

18

\$ 37.68

Solids Analysis

% Vol

PPB

High Grav Solids

NIL

NIL

Total LGS

6.0

57.1

Calcium Carbonate

30.9

Bentonite equiv.

0

0

Drilled Solids

6.0

54.9

Salt - based on Cl-

0.6

5.7

n @ 06:15 Hrs

0.54

K @ 06:15 Hrs

7.49

Bit Hydraulics & Pressure Data

Jet Velocity

Impact force

HHP

HHP/in<sup>2</sup>

Bit Press. Loss

CSG Seat Frac Press.

1100 psi

Equiv. Mud Wt.

21.30 ppg

ECD

DAILY COST

\$1,187.04

CUMULATIVE COST

\$55,260.00

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DRILLING FLUID

REPORT

Report # 27

Date : 30-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 2065 to 2110 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Bruce PILAT/Brian ASSELS

REPORT FOR

Cesar MIACO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

BIT SIZE

8.50

TYPE

SEC-XS16DS

13

13

13

JET SIZE

13

13

13

CASING

16

CONDUCTOR

49

ft

SET @

15

M

MUD VOLUME (BBL)

HOLE

444

ACTIVE PITS

557

CIRCULATION DATA

PUMP SIZE

5.5 X 7

Inches

CIRCULATION

PRESSURE

2200 psi

DRILL PIPE

SIZE

4.5

TYPE

16.6 #

Length

1870

Mtrs

DRILL PIPE

SIZE

4.50

TYPE

HW

Length

56.1

Mtrs

D/Collars

6.25

6.25

162.6

21.8

Mtrs

MUD TYPE

KCI/PHPA/POLYMER

PUMP MODEL

GD PZ-7

ASSUMED EFF

97 %

BOTTOMS

UP

37 min

BBL/STK@ 100%

0.0514

STK / MIN

214

TOTAL CIRC.

TIME

98 min

BBL/MIN

10.67

GAL / MIN

448

ANN VEL.

DP

211

331

331

SAMPLE FROM

TIME SAMPLE TAKEN

DEPTH (ft) - (m)

FLOWLINE TEMPERATURE

WEIGHT

FUNNEL VISCOSITY (sec/qt) API @

PLASTIC VISCOSITY cP @

YIELD POINT (lb/100ft<sup>2</sup>)

GEL STRENGTHS (lb/100ft<sup>2</sup>) 10 sec/10 min

RHEOLOGY

RHEOLOGY

RHEOLOGY

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

CAKE THICKNESS API : HPHT (32nd in)

SOLIDS CONTENT (% by Volume)

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCI (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

Below Shaker

Below Shaker

MUD PROPERTY SPECIFICATIONS

Mud Weight

9.2

API Filtrate

6 - 8

HPHT Filtrate

--

Plastic Vis

MIN

Yield Point

12-25

pH

9.0 - 10.0

KCI

<1.5

PHPA

0.5 - 1.5

Sulphites

> 80

OBSERVATIONS

Hole conditions require increase in fluid density, go up to 9.4ppg, using Calcium Carbonate. Hole stabilises. Maintain SFC volume w/- polymer premix, using drill water and 30bbbls of fluid re-claimed from sump

OPERATIONS SUMMARY

RIH to 2049m, ream+wash to 2065m, resume drilling. By 2077m hole getting sticky and tight. Work tight hole, raise MW to 9.4ppg. Resume drilling, drill to 2110m @ 24:00 hrs.

Mud Accounting (bbbls)

FLUID BUILT & RECEIVED

50

FLUID DISPOSED

Desander

13

SUMMARY

INITIAL VOLUME

1008

Premix (drill water)

30

Desilter

6

Drill Water

10

Downhole

2

+ FLUID RECEIVED

90

Direct Recirc Sump

Dumped

10

- FLUID LOST

49

Other (Recycled from M-1 RE)

Surface

18

FLUID in STORAGE

48

TOTAL RECEIVED

90

TOTAL LOST

49

FINAL VOLUME

1,049

Product

Price

Start

Received

Used

Close

Cost

AMC Biocide G

\$ 188.33

17

2

15

\$ 376.66

AMC Defoamer

\$ 146.40

19

1

18

\$ 146.40

AMC PAC-R

\$ 162.49

55

2

53

\$ 324.98

AMC PHPA

\$ 120.61

23

3

20

\$ 361.83

Calcium Carbonate -

\$ 11.65

576

192

384

\$ 2,236.80

Caustic Soda

\$ 50.73

9

1

8

\$ 50.73

Soda Ash

\$ 18.30

21

2

19

\$ 36.60

Sodium Sulphite

\$ 37.68

18

4

14

\$ 150.72

Xanthan Gum

\$ 362.19

26

1

25

\$ 362.19

Solids Control Equipment

Type

Hrs

Cones

Hrs

Screens

Hrs

Centrifuge

N/A

Desander

2

10

Shaker #1 2x175, 1x14

24

Degasser

Po'Boy

0

Desilter

10

4

Shaker #2 2x175, 1x14

24

Overflow (ppg)

Underflow (ppg)

Output (Gal/Min.)

Desander

9.4

9.7

0.92

Desilter

9.3

10.6

1.12

Solids Analysis

% Vol

PPB

High Grav Solids

NIL

NIL

Total LGS

7.5

70.9

Calcium Carbonate

38.2

Bentonite equiv.

0

0

Drilled Solids

7.5

68.1

Salt - based on Cl-

0.6

6.2

n @ 22:15 Hrs

0.48

K @ 22:15 Hrs

12.07

Bit Hydraulics & Pressure Data

Jet Velocity

369 ft/sec

Impact force

810 lbs

HHP

302

HHP/in<sup>2</sup>

5.3

Bit Press. Loss

1156 psi

CSG Seat Frac Press.

1100 psi

Equiv. Mud Wt.

21.30 ppg

ECD

9.97 ppg

DAILY COST

\$4,046.91

CUMULATIVE COST

\$59,306.91

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DRILLING FLUID

REPORT

Report # 28

Date : 31-Jan-2007

Rig No 11

Spud : 4-Jan-2007

Depth 2110 to 2130 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Bruce PILAT/Brian ASSELS

REPORT FOR

Cesar MIACO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

JET SIZE

13 13 13

CASING

16 CONDUCTOR SET @ 49 ft

15 M

MUD VOLUME (BBL)

HOLE 502

ACTIVE PITS 458

CIRCULATION DATA

PUMP SIZE 5.5 X 7 Inches

CIRCULATION PRESSURE 2200 psi

BIT SIZE 8.50

TYPE SEC-XS16DS

DRILL PIPE SIZE 4.5

TYPE 16.6 #

DRILL PIPE SIZE 4.50

TYPE HW

D/Collars 6.25

Tools 6.25

Length 1890 Mtrs

Length 56.1 Mtrs

9 5/8 INTERMEDIATE SET @ 507 M

PRODUCTION/ LINER Set @ M

960

IN STORAGE 38

PUMP MODEL GD PZ-7

ASSUMED EFF 97 %

BOTTOMS UP 47 min

TOTAL CIRC. TIME 94 min

MUD TYPE

KCI/PHPA/POLYMER

BBL/STK@ 100% 0.0514

STK / MIN 214

BBL/MIN 10.67

GAL / MIN 448

ANN VEL. (ft/min) 211

DP 331

DCs 331

SAMPLE FROM

TIME SAMPLE TAKEN

DEPTH (ft) - (m)

Metres

FLOWLINE TEMPERATURE

° C ° F

WEIGHT

ppg SG

FUNNEL VISCOSITY (sec/qt) API @ 59 ° C

63

PLASTIC VISCOSITY cP @ 60 ° C

19

YIELD POINT (lb/100ft²)

31

GEL STRENGTHS (lb/100ft²) 10 sec/10 min

6 10

RHEOLOGY

θ 600 θ 300

RHEOLOGY

θ 200 θ 100

RHEOLOGY

θ 6 θ 3

FILTRATE API (cc's/30 min)

5.6

HPHT FILTRATE (cc's/30 min) @ -- ° F

--

CAKE THICKNESS API : HPHT (32nd in)

-- 1 --

SOLIDS CONTENT (% by Volume)

7.4

LIQUID CONTENT (% by Volume) OIL/WATER

0 92.6

SAND CONTENT (% by Vol.)

0.20

METHYLENE BLUE CAPACITY (ppb equiv.)

5.0

pH

9.8

ALKALINITY MUD (Pm)

0.55

ALKALINITY FILTRATE (Pf / Mf)

0.16 1.50

CHLORIDE (mg/L)

11,500

TOTAL HARDNESS AS CALCIUM (mg/L)

120

SULPHITE (mg/L)

250

K+ (mg/L)

9,500

KCI (% by Wt.)

1.8

PHPA (ppb)

2.15

MUD PROPERTIES

W/Trip Below Shaker

MUD PROPERTY SPECIFICATIONS

Mud Weight 9.2

API Filtrate 6 - 8

HPHT Filtrate --

Plastic Vis MIN

Yield Point 12-25

pH 9.0 - 10.0

KCI <1.5

PHPA 0.5 - 1.5

Sulphites > 80

OBSERVATIONS

Maximum flow-line temperature recorded before wiper trip: 63°C.

Prepare sweep with 0.5ppb EXTRA-SWEEP and use CaCO3 for heavy pill.

OPERATIONS SUMMARY

Drill to 2130m, well pronounced to be @ TD at this depth. CO, mix+ump heavy pill, make wiper trip to 1228m. Over-pull first 5 stands to 2140m, hole then clear. Run back into hole to 2129m, tag 1m fill. Wash to bottom, mix+ump 25bbls EXTRA-SWEEP. Circulate out and confirm hole clean. Mix+ump heavy pill, POH for E-logs, no drag or over-pull. Rig up PRECISION, commence logging.

Mud Accounting (bbls)

FLUID BUILT & RECEIVED

FLUID DISPOSED

SUMMARY

Premix (drill water)

Desander 2

INITIAL VOLUME 1049

Premix (recirc from sump)

Desilter

+ FLUID RECEIVED

Drill Water

Downhole 3

- FLUID LOST 50

Direct Recirc Sump

Dumped 10

FLUID in STORAGE 38

Other (Recycled from M-1 RE)

Surface 35

FINAL VOLUME 998

TOTAL RECEIVED

TOTAL LOST 50

Overflow (ppg) 9.4

Underflow (ppg) 9.7

Output (Gal/Min.) 0.85

Desander

Desilter

Solids Control Equipment

Type Hrs

Cones Hrs

Screens Hrs

Centrifuge N/A

Desander 2 2

Shaker #1 2x175, 1x14 16

Degasser Po'Boy 0

Desilter 10 0

Shaker #2 2x175, 1x14 16

Solids Analysis

% Vol

PPB

High Grav Solids NIL

Calcium Carbonate 39.8

Bentonite equiv. 0 0

Drilled Solids 7.4 67.3

Salt - based on Cl- 0.7 6.7

n @ 15:40 Hrs 0.46

K @ 15:40 Hrs 14.12

Bit Hydraulics & Pressure Data

Jet Velocity 369 ft/sec

Impact force 810 lbs

HHP 302

HHP/in² 5.3

Bit Press. Loss 1156 psi

CSG Seat Frac Press. 1100 psi

Equiv. Mud Wt. 21.30 ppg

ECD 10.02 ppg

DAILY COST

\$884.11

CUMULATIVE COST

\$60,191.02

RMN ENGINEER

Peter ARONETZ


CITY

Adelaide Office

TELEPHONE

08 8338 7266

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DRILLING FLUID

REPORT

Report # 29

Date : 1-Feb-2007

Rig No 11

Spud : 4-Jan-2007

Depth 2130 to 2130 Metres

OPERATOR

KAROON Gas / UPSTREAM Petroleum

CONTRACTOR

CENTURY Resources

REPORT FOR

Bruce PILAT/Brian ASSELS

REPORT FOR

Cesar MIACO

WELL NAME AND No

MEGASCOLIDES 2

FIELD

PEP 162 / EL 4567

LOCATION

GIPPSLAND

STATE

VICTORIA

DRILLING ASSEMBLY

JET SIZE

CASING

MUD VOLUME (BBL)

CIRCULATION DATA

BIT SIZE

8.50

TYPE

Length

16 CONDUCTOR SET @ 49 ft 15 M

HOLE 502 ACTIVE PITS 448

PUMP SIZE

5.5 X 7 Inches

CIRCULATION PRESSURE

DRILL PIPE

SIZE 4.5

TYPE

16.6 #

Length

1890 Mtrs

9 5/8 INTERMEDIATE SET @ 507 M

TOTAL CIRCULATING VOL. 950

PUMP MODEL

GD PZ-7

ASSUMED EFF

97 %

DRILL PIPE

SIZE 4.50

TYPE

HW

Length

56.1 Mtrs

PRODUCTION/ LINER Set @ M

IN STORAGE 43

BBL/STK@ 100%

0.0514

STK / MIN

D/Collars

Tools

Length

MUD TYPE

KCI/PHPA/POLYMER

BBL/MIN

GAL / MIN

ANN VEL. (ft/min)

DP DCs

6.25

6.25

162.6

21.8 Mtrs

6.25

6.25

162.6

21.8 Mtrs

SAMPLE FROM

TIME SAMPLE TAKEN

DEPTH (ft) - (m)

Metres

FLOWLINE TEMPERATURE

° C ° F

WEIGHT

ppg SG

FUNNEL VISCOSITY (sec/qt) API @

-- ° C

PLASTIC VISCOSITY cP @

60 ° C

YIELD POINT (lb/100ft²)

GEL STRENGTHS (lb/100ft²) 10 sec/10 min

RHEOLOGY

θ 600 θ 300

RHEOLOGY

θ 200 θ 100

RHEOLOGY

θ 6 θ 3

FILTRATE API (cc's/30 min)

HPHT FILTRATE (cc's/30 min) @

-- ° F

CAKE THICKNESS API : HPHT (32nd in)

SOLIDS CONTENT (% by Volume)

LIQUID CONTENT (% by Volume) OIL/WATER

SAND CONTENT (% by Vol.)

METHYLENE BLUE CAPACITY (ppb equiv.)

pH

ALKALINITY MUD (Pm)

ALKALINITY FILTRATE (Pf / Mf)

CHLORIDE (mg/L)

TOTAL HARDNESS AS CALCIUM (mg/L)

SULPHITE (mg/L)

K+ (mg/L)

KCI (% by Wt.)

PHPA (ppb)

MUD PROPERTIES

E-logs

P/Suction

Mud Weight

9.2

API Filtrate

6 - 8

HPHT Filtrate

--

Plastic Vis

MIN

Yield Point

12-25

pH

9.0 - 10.0

KCI

<1.5

PHPA

0.5 - 1.5

Sulphites

> 80

OBSERVATIONS

No treatment or circulation last 24 hours.

Hole does not appear to have taken any fluid.

OPERATIONS SUMMARY

Coduct E-logs, # 1: Super Combo, # 2: HiRes, # 3: Velocity Survey.

Mud Accounting (bbls)

FLUID BUILT & RECEIVED

FLUID DISPOSED

SUMMARY

Premix (drill water)

Desander

Premix (recirc from sump)

Desilter

Drill Water

Downhole

Direct Recirc Sump

Dumped

Other (Recycled from M-1 RE)

Surface

INITIAL VOLUME

998

+ FLUID RECEIVED

- FLUID LOST

5

FLUID in STORAGE

43

FINAL VOLUME

993

TOTAL RECEIVED

TOTAL LOST

5

Product

Price

Start

Received

Used

Close

Cost

Solids Analysis

% Vol

PPB

High Grav Solids

NIL

NIL

Total LGS

7.4

70.1

Calcium Carbonate

39.8

Bentonite equiv.

0

0

Drilled Solids

7.4

67.3

Salt - based on Cl-

0.7

6.7

n @ 22:00 Hrs

0.46

0.46

K @ 22:00 Hrs

14.12

14.12

Bit Hydraulics & Pressure Data

Jet Velocity

Impact force

HHP

HHP/in²

Bit Press. Loss

CSG Seat Frac Press.

1100 psi

Equiv. Mud Wt.

21.30 ppg

ECD

ECD

DAILY COST

CUMULATIVE COST

\$60,191.02

RMN ENGINEER

Peter ARONETZ

CITY

Adelaide Office

TELEPHONE

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# DRILLING FLUID REPORT

Report #	30	Date :	2-Feb-2007
Rig No	11	Spud :	4-Jan-2007
Depth	2130	to	437 Metres

[illegible]

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# DRILLING FLUID REPORT

Report #	31	Date :	3-Feb-2007
Rig No	11	Spud :	4-Jan-2007
Depth	437	to	0 Metres

OPERATOR										KAROON Gas / UPSTREAM Petroleum										CONTRACTOR										CENTURY Resources																																																						
REPORT FOR										Bruce PILAT/Brian ASSELS										REPORT FOR										Cesar MIACO																																																						
WELL NAME AND No										MEGASCOLIDES 2										FIELD										LOCATION										STATE																																												
																				PEP 162 / EL 4567										GIPPSLAND										VICTORIA																																												
DRILLING ASSEMBLY					JET SIZE					CASING					MUD VOLUME (BBL)					CIRCULATION DATA																																																																
BIT SIZE		TYPE									16 CONDUCTOR		49 ft		HOLE		ACTIVE PITS		PUMP SIZE					CIRCULATION																																																												
8.50											SET @		15 M						5.5 X 7					Inches					psi																																																							
DRILL PIPE		TYPE			Length						9 5/8 INTERMEDIATE		1662 ft		TOTAL CIRCULATING VOL.					PUMP MODEL					ASSUMED EFF					BOTTOMS																																																						
SIZE 4.5		16.6 #			Mtrs						SET @		507 M							GD PZ-7					97 %					UP					min																																																	
DRILL PIPE		TYPE			Length						PRODUCTION/		ft		IN STORAGE					BBL/STK@ 100%					STK / MIN					TOTAL CIRC.																																																						
SIZE 4.50		HW			Mtrs						LINER Set @		M							0.0514										TIME					min																																																	
D/Collars		Tools			Length						MUD TYPE									BBL/MIN					GAL / MIN					ANN VEL. DP																																																						
6.25		6.25			Mtrs																									(ft/min) DCs																																																						
KCI/PHPA/POLYMER																																																																																				
SAMPLE FROM															MUD PROPERTIES										MUD PROPERTY SPECIFICATIONS																																																											
TIME SAMPLE TAKEN																									Mud Weight										API Filtrate										6 - 8										HPHT Filtrate																													
DEPTH (ft) - (m)															Metres										Plastic Vis										MIN										Yield Point										12-25										pH										9.0 - 10.0									
FLOWLINE TEMPERATURE															°C °F										KCI										<1.5										PHPA										0.5 - 1.5										Sulphites										> 8									
WEIGHT															ppg SG										OBSERVATIONS										At completion of plug-back sequence dump all tanks and commence clean-out and repairs.																																																	
FUNNEL VISCOSITY (sec/qt) API @															°C																																																																					
PLASTIC VISCOSITY cP @															°C																																																																					
YIELD POINT (lb/100ft²)																																																																																				
GEL STRENGTHS (lb/100ft²) 10 sec/10 min																																																																																				
RHEOLOGY															θ 600 θ 300										This is the final report for MEGASCOLIDES 2 RMN / AMC appreciates and thanks you for your business!																																																											
RHEOLOGY															θ 200 θ 100																																																																					
RHEOLOGY															θ 6 θ 3																																																																					
FILTRATE API (cc's/30 min)																																																																																				
HPHT FILTRATE (cc's/30 min) @															°F																																																																					
CAKE THICKNESS API : HPHT (32nd in)															--										OPERATIONS SUMMARY										Lay down excess DP, with stinger @ 123m, spot 15bbl HiVis pill. Pull back to 55m, set Plug # 3 (12bbls, 15.8ppg) Rig down H'BURTON. Nipple down BOPs, cut casing, weld cover plate.																																																	
SOLIDS CONTENT (% by Volume)																																																																																				
LIQUID CONTENT (% by Volume) OIL/WATER																																																																																				
SAND CONTENT (% by Vol.)																																																																																				
METHYLENE BLUE CAPACITY (ppb equiv.)																																																																																				
pH																																																																																				
ALKALINITY MUD (Pm)																																																																																				
ALKALINITY FILTRATE (Pf / Mf)																																																																																				
CHLORIDE (mg/L)																																																																																				
TOTAL HARDNESS AS CALCIUM (mg/L)																																																																																				
SULPHITE (mg/L)																									Rig released @ 18:00 hrs																																																											
K+ (mg/L)																																																																																				
KCl (% by Wt.)																																																																																				
PHPA (ppb)																																																																																				
Mud Accounting (bbls)															Solids Control Equipment																																																																					
FLUID BUILT & RECEIVED					FLUID DISPOSED					SUMMARY					Type					Hrs					Cones					Hrs					Screens					Hrs																																												
Premix (drill water)					Desander					INITIAL VOLUME					693					Centrifuge					N/A					Desander					2					0					Shaker #1 2x175, 1x14																																							
Premix (recirc from sump)					Desilter															Degasser					Po'Boy					0					Desilter					10					0					Shaker #2 2x175, 1x14																																		
Drill Water					Downhole					+ FLUID RECEIVED																																																																										
Direct Recirc Sump					Dumped					693					- FLUID LOST					693																																																																
Other (Recycled from M-1 RE)					Surface					FLUID in STORAGE																																																																										
TOTAL RECEIVED					TOTAL LOST					693					FINAL VOLUME					0					Desander										0																																																	
Desilter																				Desilter										0																																																						
Product		Price		Start		Received		Used		Close		Cost		Solids Analysis										Bit Hydraulics & Pressure Data																																																												
														% Vol										PPB										Jet Velocity																																																		
														High Grav Solids										NIL										NIL										Impact force																																								
														Total LGS																														HHP																																								
														Calcium Carbonate										NIL																				HHP/in²																																								
														Bentonite equiv.										0										0										Bit Press. Loss																																								
														Drilled Solids																														CSG Seat Frac Press.										1100 psi																														
														Salt - based on Cl-																														Equiv. Mud Wt.										21.30 ppg																														
														n @ Hrs																														ECD																																								
														K @ Hrs																																																																						
DAILY COST															CUMULATIVE COST																																																																					
															\$60,355.75																																																																					
RMN ENGINEER										Peter ARONETZ										CITY										Adelaide Office										TELEPHONE										08 8338 7266																																		

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Email; nsantarelli@imdex.com.au

**Clay Study**  
**For**  
**Karooon 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<sup>+</sup> 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<sup>+</sup> 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<sup>+</sup> 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<sup>+</sup> 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.



# *R M N* Drilling Fluids

## Photo Results

Sample #1

BEFORE  
TESTING



AFTER TESTING





# *R M N* Drilling Fluids

Sample #2

BEFORE  
TESTING



AFTER  
TESTING







# *R M N* Drilling Fluids

Sample #3

BEFORE  
TESTING



AFTER  
TESTING





# R M N Drilling Fluids

Sample #4

BEFORE  
TESTING



AFTER  
TESTING





# *R M N* Drilling Fluids

Sample #5

**SAMPLE 5**

**BEFORE  
TESTING**



**AFTER  
TESTING**







# *R M N* Drilling Fluids

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

RT above GL : 5.20m

UTM North: 5767648.97

Spud Date : 04 Jan 2007

Release Date : 03 Feb 2007

G.L. Elevation : 156.20m

UTM East: 403222.46

Spud Time : 14:00

Release Time : 18:00

## Mud Recap

Well: Megascolides-2

### 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 \$
7	1	04 Jan 2007 - 23:10	FluidReclaimed fm MEGA-1 RE	142	35	8.90	46	8	13	8 / 9	17.0		3.8	.2	16	8.3	3.40	420	0.0	1679
		Mud Description: FluidReclaimed fm MEGA-1 RE					Comment: Used fluid reclaimed from MEGASCOLIDES-1 sump+treated with Caustic, Biocide and pre-hydrated Bentonite. All solids control equipment running from spud.													
8	2	05 Jan 2007 - 22:55	FluidReclaimed fm MEGA-1 RE	355	51	8.95	40	7	12	16 / 19	21.5		4.1	0.1	16	8	4.20	400	0.0	239
		Mud Description: FluidReclaimed fm MEGA-1 RE					Comment: Reclaim a further 450bbls of fluid from the sump @ M-1 site. Fluid treatment with Biocide and Caustic Soda only. All solids control equipment on line.													
9	3	06 Jan 2007 - 21:45	FluidReclaimed fm MEGA-1 RE	475	54	9.10	37	5	13	20 / 22	27.5		5.1	0.1	18	8	4.40	680	0.0	301
		Mud Description: FluidReclaimed fm MEGA-1 RE					Comment: Reclaim a further 150bbls of fluid from the sump @ M-1 site. Fluid treatment with Biocide. All solids control equipment on line. Prepare 30bbls XTRA-SWEEP to be used when well @ CSG depth.													
10	4	07 Jan 2007 - 22:00	FluidReclaimed fm MEGA-1 RE	510		9.10	36	4	10	10 / 11	25.8		5.0	0.15	18	8	4.70	660	0.0	298
		Mud Description: FluidReclaimed fm MEGA-1 RE					Comment: Prepare 25bbls Barite-based heavy pill, pump before POOH													
11	5	08 Jan 2007 - 12:00	FluidReclaimed fm MEGA-1 RE	510	39	9.10	36	4	9	11 / 16	23.6		4.8	0.1	16	8	4.60	660	0.0	378
		Mud Description: FluidReclaimed fm MEGA-1 RE					Comment: Prepare 30bbls Barite-based heavy pill, pump before POOH													
12	6	09 Jan 2007 - 21:00	FluidReclaimed fm MEGA-1 RE	510		8.50	30	5	4	0 / 0	12.5		0.1	0	1.5	9	6.40	320	0.0	0
		Mud Description: FluidReclaimed fm MEGA-1 RE					Comment: At completion of cement job, dump all fluid remaining from SFC hole+ flush tanks clean. Re-fill with 480bbls fluid reclaimed from M-1 sump. Suspend recycling, when density of reclaimed fluid increases past 8.5ppg. Top up with 50bbls water from Day Tank. Prepare for chemical addition No mud chemicals used last 24hrs.  Properties reported are from untreated, reclaimed fluid. Fluid in well (9 5/8" casing) is water.													
13	7	10 Jan 2007 - 11:00	FluidReclaimed fm MEGA-1 RE	510		8.55	52	10	10	0 / 1	11.0		1.2	0.0	1.5	10	8.20	280	1.0	2853
		Mud Description: FluidReclaimed fm MEGA-1 RE					Comment: Treat reclaimed fluid in tanks with chemicals listed. Mud check reflects properties of treated fluid. Attempt to get maximum shearing of newly added PHPA.													

RT above GL : 5.20m

UTM North: 5767648.97

Spud Date : 04 Jan 2007

Release Date : 03 Feb 2007

G.L. Elevation : 156.20m

UTM East: 403222.46

Spud Time : 14:00

Release Time : 18:00

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 \$
14	8	11 Jan 2007 - 22:00	FluidReclaimed fm MEGA-1 RE	510		8.50	51	10	10	0 / 1	11.0		0.8	0	1.5	10	8.10	300	1.0	0
		Mud Description: FluidReclaimed fm MEGA-1 RE						Comment: No circulation or chemical addition last 24 hours, repeated movement of drilling fluid between tanks. Dumped fluid is water, displaced out of the well, while RIH w/ drill string												
15	9	12 Jan 2007 - 22:30	FluidReclaimed fm MEGA-1 RE	640	36	8.60	42	8	9	1 / 1	8.8		1.5	.5	3.5	10.2	8.90	300	1.4	1794
		Mud Description: FluidReclaimed fm MEGA-1 RE						Comment: Reclaim a further 150bbls of fluid from M-1 sump, density slowly increasing at that source. Last load check: 8.8ppg. Treatment with KCl+PHPA, also phase in Sodium Sulphite. Occasional run-off over shaker after PHPA additions. Aiming to raise PHPA concentration further, to compensate for lower KCl concentration. With resumption of drilling de-sander+de-silter on line and working well. KCl=1.4%; PHPA=0.61ppb; FL=8.8ml/30min; Report format does not recognise certain decimal entries (corrected by IDS 13/1/07).												
16	10	13 Jan 2007 - 22:30	KCl-PHPA-POLYMER	810	41	8.60	49	13	14	1 / 2	8.4		1.5	0.15	3	10	8.40	240	1.4	2574
		Mud Description: KCl-PHPA-POLYMER						Comment: Re-cycling 140bbls of fluid from sump on location. Phase in XANTHAN GUM to improve low-end rheology. Still building up PHPA concentration.												
17	11	14 Jan 2007 - 22:50	KCl-PHPA-POLYMER	999	45	8.60	51	15	19	2 / 3	8.0		1.6	0.10	3	9.5	8.43	200	1.0	5349
		Mud Description: KCl-PHPA-POLYMER						Comment: Re-cycling 140bbls of fluid from sump on location. Reclaimed a further 100bbls of fluid from sump @ M-1 site. Treat fluid to maintain parameters.												
18	12	15 Jan 2007 - 22:45	KCl-PHPA-POLYMER	1206	48	8.65	50	16	18	2 / 3	7.8		1.9	0.2	3.5	9.2	8.50	280	0.8	2727
		Mud Description: KCl-PHPA-POLYMER						Comment: Re-cycling 180bbls of fluid from sump on location. Treat fluid to maintain parameters.  Received supplies of Xanthan Gum, Soda Ash+Sod.Sulphite. AMC D/T: 06163, PST C/N 53082. Returned 3 plts (96sx) AUS-DEX to PST-HALLAM Whse.												
19	13	16 Jan 2007 - 22:50	KCl-PHPA-POLYMER	1356	50	8.80	55	18	24	3 / 4	7.4		2.8	.15	5.5	10	10.50	100	1.7	3075
		Mud Description: KCl-PHPA-POLYMER						Comment: Treat fluid to maintain parameters. Receive instructions to increase fluid density, reduce running hrs of de-sander+de-silter. Target: 8.9ppg. Penetrating more reactive shales, K+ ion depletes faster, MBT on the increase. Ramp up KCl additions to make up for increased depletion and requirement for extra MW, but still trying to stay close to 1.5%.  Receive supplies of 40µ CaCO3, PHPA, Biocide+Defoamer and XTRA SWEEP. AMC D/T: 06571, UNIMIN D/T 130725; GST C/N 14538, -981;												

RT above GL : 5.20m

UTM North: 5767648.97

Spud Date : 04 Jan 2007

Release Date : 03 Feb 2007

G.L. Elevation : 156.20m

UTM East: 403222.46

Spud Time : 14:00

Release Time : 18:00

Day	Chk.	Date - Time	Type	Depth m	Tmp C°	MW ppg	VIS sec/qt	PV cp	YP b/100ft²	Gel10s (lb/100ft²) / 10m (lb/100ft²)	F.L. API cm³/30m	F.L. hthp cm³/30m	Soils %	Sand	MBT	PH	Cl x1000 mg/l	Hard mg/l	KCl %	Daily Cost \$
20	14	17 Jan 2007 - 17:00	KCI-PHPA-POLYMER	R421	53	8.90	53	19	24	3 / 4	7.3		3.5	.2	4.5	10	12.00	200	1.8	2263
		Mud Description: KCI-PHPA-POLYMER				Comment: Re-cycling 120bbls of fluid from sump on location. Reclaim a further 50bbls of fluid from sump @ M-1 site. Treat fluid to maintain parameters. Mix heavy Pill, using 24sx 40µ Calcium Carbonate. Mud volumes reported w/- bit @ SFC.														
21	15	18 Jan 2007 - 22:20	KCI-PHPA-POLYMER	R519	49	8.95	57	21	24	3 / 4	7.2		3.9	.25	5.5	9.8	11.00	180	1.7	1597
		Mud Description: KCI-PHPA-POLYMER				Comment: Re-cycling 80bbls of fluid from sump on location. Treat fluid to maintain parameters. Adding 24sx CaCO3 to system, to maintain fluid density at 8.9-9.0ppg														
22	16	19 Jan 2007 - 20:45	KCI-PHPA-POLYMER	R578	54	8.95	54	20	21	3 / 3	7.0		3.6	.20	4.5	10.5	9.80	80	1.4	1877
		Mud Description: KCI-PHPA-POLYMER				Comment: Re-cycling 120bbls of fluid from sump on location. Treat fluid to maintain parameters. Running hydro-cyclone solids control equipment <10% of the time, to prevent system WT from dropping below the requested 8.9ppg.														
23	17	20 Jan 2007 - 22:45	KCI-PHPA-POLYMER	R630	54	9.00	54	20	21	3 / 3	6.8		4.3	.25	5	10	11.00	160	1.6	2054
		Mud Description: KCI-PHPA-POLYMER				Comment: Re-cycling 100bbls of fluid from sump on location. Add KCl to bring concentration back to 1.5%, also add CaCO3 to maintain WT at or above 8.9ppg. Add a further pallet (48sx) of CaCO3 to raise WT to 9.0ppg. Formations exhibit signs of being tectonically stressed. Leave orders to ensure, recycled pre-mix is weighted to 9.1ppg, (CaCO3 only) before being added to system.														
24	18	21 Jan 2007 - 22:00	KCI-PHPA-POLYMER	R713	54	8.95	48	18	15	2 / 2	6.5		4.0	0.20	4.5	9.3	9.60	80	1.4	4714
		Mud Description: KCI-PHPA-POLYMER				Comment: Re-cycling 120bbls of fluid from sump on location. Giving preference to using fluid from local sump, as fluid level in there has increased significantly, partially on account of very wet wether. Inadvertent addition of 60bbls lease-water to system results in lower readings for main fluid parameters. Remedial action under way.														
25	19	22 Jan 2007 - 22:30	KCI-PHPA-POLYMER	R776	58	9.15	56	23	25	3 / 4	6.0		5.3	0.3%	6	10.2	11.80	80	1.8	6625
		Mud Description: KCI-PHPA-POLYMER				Comment: Treat system for water added and raise density to 9.1+ppg. Higher clay content of formation accelerates K+ ion depletion, carry out KCl addition to bring concentration back to ~1.5%. Use CaCO3 to maintain density at 9.1 - 9.2ppg.														
26	20	23 Jan 2007 - 16:45	KCI-PHPA-POLYMER	R810	60	9.20	56	20	25	4 / 5	5.8		5.7	0.25%	5.5	9.8	10.90	60	1.7	1544
		Mud Description: KCI-PHPA-POLYMER				Comment: Recycle 40bbls fluid from local sump and treat to current spec. Fluid system stable. Use hydro-cyclone SC equipment intermittently. With the flow-line temperature approaching 60°C and after checking w/- RMN management, rheology now being run at 60°C.														
27	21	24 Jan 2007 - 22:20	KCI-PHPA-POLYMER	R840	57	9.25	54	19	23	2 / 3	5.5		6.0	0.25%	5	9	11.00	160	1.6	2630
		Mud Description: KCI-PHPA-POLYMER				Comment: Recycle a further 40bbls fluid from local sump and treat to current spec. MW after trip 9.3ppg, dropping back to 9.2+ppg during day. Pre-mix added un-weighted (8.6ppg).														

RT above GL : 5.20m

UTM North: 5767648.97

Spud Date : 04 Jan 2007

Release Date : 03 Feb 2007

G.L. Elevation : 156.20m

UTM East: 403222.46

Spud Time : 14:00

Release Time : 18:00

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	Soils %	Sand	MBT	PH	Cl x1000 mg/l	Hard mg/l	KCl %	Daily Cost \$
28	22	25 Jan 2007 - 22:15	KCI-PHPA-POLYMER	1897	59	9.20	55	19	21	3 / 3	5.7		5.7	0.25%	5.5	10	11.40	150	1.7	2600
		Mud Description: KCI-PHPA-POLYMER				Comment: Recycle 80bbls fluid from local sump and treat to current specifications. Run de-sander to keep density at 9.2ppg. Pre-mix weighted to 9.1ppg.														
29	23	26 Jan 2007 - 22:15	KCI-PHPA-POLYMER	1873	59	9.30	56	20	22	4 / 5	5.6		6.4	0.25%	5	9.8	11.00	100	1.7	3373
		Mud Description: KCI-PHPA-POLYMER				Comment: Recycle 100bbls fluid from local sump and treat to current specifications. Running de-sander and de-silter to maintain fluid density at or below 9.3ppg.														
30	24	27 Jan 2007 - 14:00	KCI-PHPA-POLYMER	2018	59	9.25	56	19	23	4 / 5	5.6		6.0	0.25%	5	10.5	10.50	140	1.7	1226
		Mud Description: KCI-PHPA-POLYMER				Comment: Recycling fluid from local sump not successful (high solids content). Make up Polymer pre-mix with lease water. Running de-sander and de-silter to maintain fluid density below 9.3ppg.														
31	25	28 Jan 2007 - 22:15	KCI-PHPA-POLYMER	2058	54	9.30	58	19	26	4 / 6	5.8		6.4	0.25%	5	10	10.00	100	1.5	2303
		Mud Description: KCI-PHPA-POLYMER				Comment: Make up Polymer pre-mix with lease water, fluid from sump too contaminated with solids, weighing 9.2-9.4ppg. Continue running de-sander + de-silter to maintain fluid density at or below 9.3ppg.														
32	26	29 Jan 2007 - 06:15	KCI-PHPA-POLYMER	2065	56	9.25	55	19	23	3 / 4	5.8		6.0	0.25%	5	9.5	9.80	140	1.6	1187
		Mud Description: KCI-PHPA-POLYMER				Comment: Start small water addition at flow-line to assist with density control. Prepare heavy pill, using calcium Carbonate.														
33	27	30 Jan 2007 - 22:15	KCI-PHPA-POLYMER	2105	60	9.45	58	18	28	4 / 7	5.6		7.5	0.20%	5	10	10.70	100	1.5	4047
		Mud Description: KCI-PHPA-POLYMER				Comment: Hole conditions require increase in fluid density, go up to 9.4ppg, using Calcium Carbonate. Hole stabilises. Maintain SFC volume w/- polymer premix, using drill water and 30bbls of fluid re-claimed from sump														
34	28	31 Jan 2007 - 15:40	KCI-PHPA-POLYMER	2130	59	9.45	63	19	31	6 / 10	5.6		7.4	0.20%	5	9.8	11.50	120	1.8	884
		Mud Description: KCI-PHPA-POLYMER				Comment: Maximum flow-line temperature recorded before wiper trip: 63°C. Prepare sweep with 0.5ppb EXTRA-SWEEP and use CaCO3 for heavy pill.														
35	29	01 Feb 2007 - 22:00	KCI-PHPA-POLYMER	2130		9.45	63	19	31	6 / 10	5.6		7.4	0.20%	5	9.8	11.50	120	1.8	0
		Mud Description: KCI-PHPA-POLYMER				Comment: No treatment or circulation last 24 hours. Hole does not appear to have taken any fluid.														
36	30	02 Feb 2007 - 18:00	KCI-PHPA-POLYMER	2137		9.45	63	19	31	6 / 10	5.6		7.4	0.20%	5	9.8	11.50	120	1.8	165
		Mud Description: KCI-PHPA-POLYMER				Comment: Sx of material listed as used today are damaged write-offs, with exception of the XANTHAN Gum (used for HiVis pills) Recount of all mud chemical inventory located an 4 extra sx of PAC-R, one of which is damaged and not returnable. 3sx were credited and entered as a negative usage.														
37	31	03 Feb 2007 - 18:00	KCI-PHPA-POLYMER	2138		0.00	0	0	0	0 / 0	0.0		0.0	0	0	0	0.00	0	0.0	0
		Mud Description: KCI-PHPA-POLYMER				Comment: At completion of plug-back sequence dump all tanks and commence clean-out and repairs.  This is the final report for MEGASCOLIDES 2 RMN / AMC appreciates and thanks you for your business!														

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## **ATTACHMENT 4 : SURVEY REPORTS**

# Australian Geomagnetic Reference Field Computation

## Megascolides 1

Requested: Latitude **-38° 13' 58"**, Longitude **145° 52' 51"**, Elevation **0 km**, Date **2006/12/1**

Calculated: Latitude **-38.2328°**, Longitude **+145.8808°**, Elevation **0.00 km**, Epoch **2006.9151**

### Magnetic Field Components

**D = 12.026 deg**

[\[back to top\]](#)

Wellname :	Megascolides-2	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767648.97	Spud Date : 04 Jan 2007	Release Date : 03 Feb 2007
G.L. Elevation : 156.20m	UTM East: 403222.46	Spud Time : 14:00	Release Time : 18:00

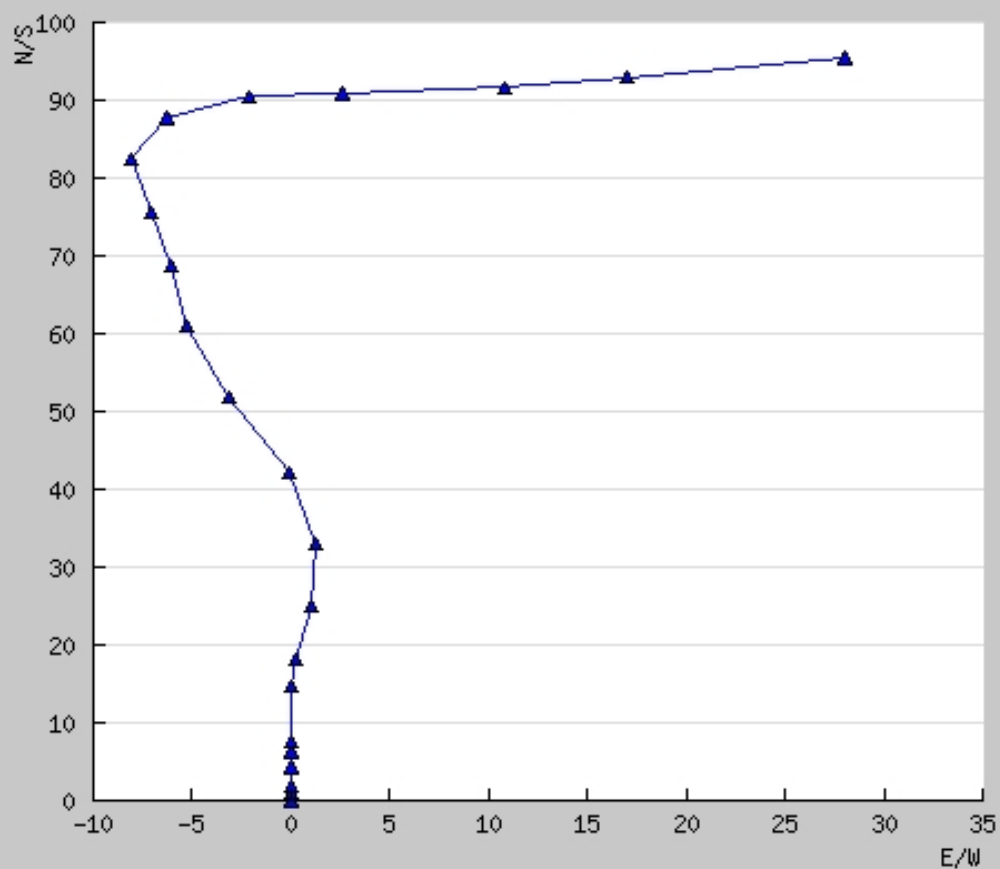
## Survey Data

### Well: Megascolides-2

						Mag Dec: 12		Sidetrack # 0
MD m	TVD m	INCL deg	CORR. AZ deg	DOGLEG deg/30m	'V' SECT deg	N/S m	E/W m	TOOLTYPE
67.00	67.00	0.00	360.00	0.00	0.00	0.00	0.00	Totco single shot (assumed azimuth)
166.00	165.99	1.25	360.00	0.38	1.08	1.08	0.00	Totco single shot (assumed azimuth)
204.00	203.98	1.00	360.00	0.20	1.83	1.83	0.00	Totco single shot (assumed azimuth)
316.00	315.96	1.50	360.00	0.13	4.27	4.27	0.00	Totco single shot (assumed azimuth)
419.00	418.94	0.75	360.00	0.22	6.29	6.29	0.00	Totco single shot (assumed azimuth)
503.00	502.93	1.00	360.00	0.09	7.57	7.57	0.00	Totco single shot (assumed azimuth)
705.00	704.79	3.00	360.00	0.30	14.62	14.62	0.00	Totco single shot (assumed azimuth)
771.00	770.70	3.00	7.00	0.17	18.07	18.07	0.21	Hofco single shot
884.00	883.49	4.00	7.00	0.27	24.91	24.91	1.05	Hofco single shot
987.00	986.17	5.00	357.00	0.37	32.96	32.96	1.25	Hofco single shot
1090.00	1088.74	5.50	347.00	0.30	42.25	42.25	-0.09	Hofco single shot
1193.00	1191.25	5.75	338.00	0.27	51.85	51.85	-3.14	Hofco single shot
1296.00	1293.82	4.75	357.00	0.58	60.89	60.89	-5.29	Hofco single shot
1399.00	1396.52	4.00	352.00	0.25	68.71	68.71	-6.01	Hofco single shot
1493.00	1490.27	4.50	350.00	0.17	75.58	75.58	-7.11	Hofco single shot
1596.00	1593.03	3.25	354.00	0.37	82.47	82.47	-8.12	Hofco single shot
1710.00	1706.88	3.00	47.00	0.74	87.72	87.72	-6.27	Hofco single shot
1821.00	1817.77	2.25	68.00	0.33	90.51	90.51	-2.13	Hofco single shot
1915.00	1911.64	3.75	96.00	0.66	90.88	90.88	2.64	Hofco single shot
2006.00	2002.25	6.75	79.00	1.10	91.59	91.59	10.85	Hofco single shot
2053.00	2048.83	8.50	77.00	1.13	92.90	92.90	16.95	Hofco single shot (misrun - assumed)
2130.00	2124.99	8.50	77.00	0.00	95.46	95.46	28.04	Extrapolation (assumed)

Wellname :	Megascolides-2	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767648.97	Spud Date : 04 Jan 2007	Release Date : 03 Feb 2007
G.L. Elevation : 156.20m	UTM East: 403222.46	Spud Time : 14:00	Release Time : 18:00

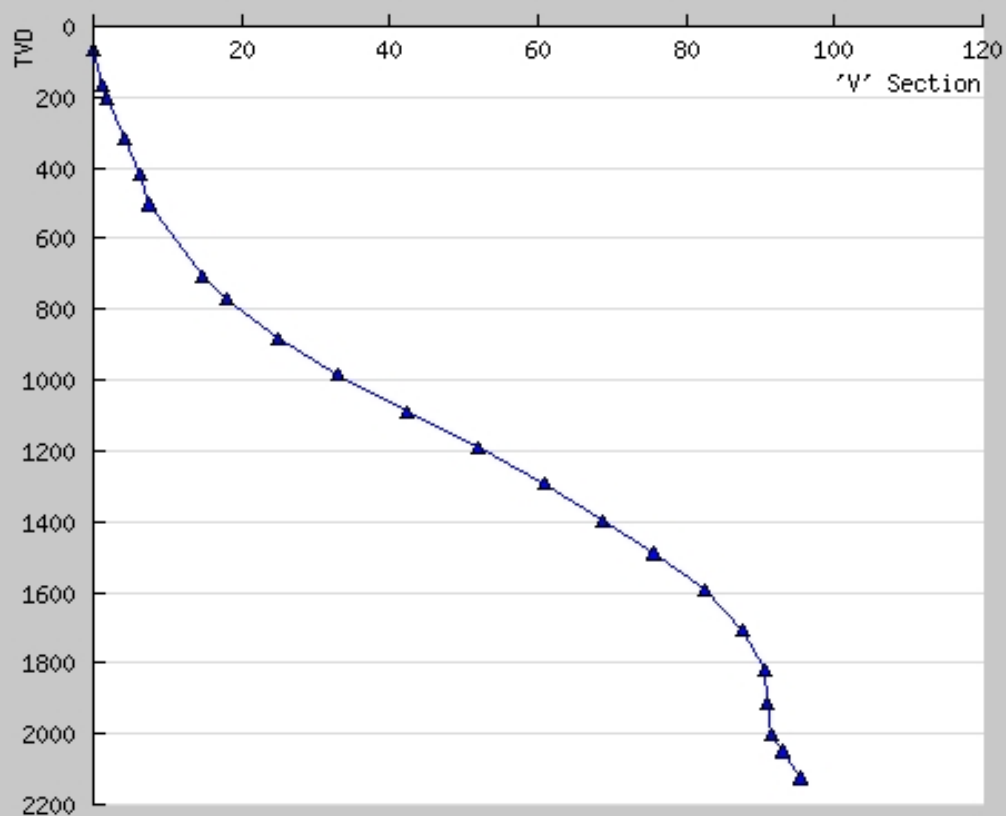
### Plan View (Megascolides-2)



IDSDataNet - Created On 16 Jul 2008 01:10am

Wellname :	Megascolides-2	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767648.97	Spud Date : 04 Jan 2007	Release Date : 03 Feb 2007
G.L. Elevation : 156.20m	UTM East: 403222.46	Spud Time : 14:00	Release Time : 18:00

### V Section (Megascolides-2)



IDSDataNet - Created On 16 Jul 2008 01:10am

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**ATTACHMENT 5 : LOCATION SURVEY REPORT**





**Terry Greaney**

---

**Subject:** FW: Megascolides 2 Location

---

**From:** McKenzie, Ross [mailto:ross.mckenzie@earthtech.com.au]

**Sent:** Friday, 9 February 2007 11:29 AM

**To:** terry.greaney@bigpond.com

**Subject:** Site Co-Ordinates

Terry

In response to your request, we have computed latitude and longitude co-ordinates for the Ramiformis and Megascolides 2 sites as well as recomputing MGA Zone 55 co-ordinates issued for Megascolides 1 by Nobelius Land Surveyors.

RAMIFORMIS: GDA94/MGA Zone 55 397649.79E. 5766997.65N. Latitude 38° 14' 21.134" S Longitude 145° 49' 49.637 E

MEGASCOLIDES2: GDA94/MGA Zone 55 403222.46E. 5767648.97N. Latitude 38° 14' 02.228" S Longitude 145° 53' 39.158 E

MEGASCOLIDES1: GDA94/MGA Zone 55 402155.9E. 5767949.5N. Latitude 38° 13' 52.064" S Longitude 145° 52' 55.443 E

I presume this is the information required.

Regards  
Ross

**Terry Greaney**

---

**Subject:** FW: Megascolides 2 and Ramiformis site co-ordinates

---

**From:** McKenzie, Ross [mailto:ross.mckenzie@earthtech.com.au]

**Sent:** Wednesday, 7 February 2007 3:58 PM

**To:** terry.greaney@bigpond.com

**Subject:** Megascolides 2 and Ramiformis site co-ordinates

Dear Terry,

In accordance with instructions received, we have carried out a survey to locate the surface detail at both the Megascolides2 and Ramiformis sites.

A plot of the works undertaken will be forwarded as soon as possible, in the meantime here is a list the co-ordinates and level.

**MEGASCOLIDES 2**    **403222.46E**    **5767648.97N**    **RL 151.01**    Note: position is centre of well site and level is average surface at site.

**RAMIFORMIS**            **397649.79E**    **5766997.65N**    **RL 83.01**    Note: Level is taken at the top of steel pipe, surface level is **RL 81.96**.

We hope this information will suffice until we get the opportunity to send you the complete survey.

Regards  
Ross McKenzie  
Surveyor

No virus found in this incoming message.

Checked by AVG Free Edition.

Version: 7.5.463 / Virus Database: 269.6.0/775 - Release Date: 24/04/2007 17:43

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## **ATTACHMENT 6 : ACTIVITY SUMMARY**

Wellname :	Megascolides-2	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767648.97	Spud Date : 04 Jan 2007	Release Date : 03 Feb 2007
G.L. Elevation : 156.20m	UTM East: 403222.46	Spud Time : 14:00	Release Time : 18:00

## Activity Report For Megascolides-2

Date : 29 Dec 2006						Daily Cost : \$ 255585	Report Number : 1
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
0	RM	P	RRD		8	Rig down & prepare for rig mover	

Date : 30 Dec 2006						Daily Cost : \$ 21065	Report Number : 2
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
0	RM	P	RRD		6	Rig Down & prepare for rig mover	
0	RM	P	RM		14	Load out & rig move from Megascolides # 1 to Megascolides # 2 50 % moved 0 % rigged up	
0	RM	P	RRD		4	Wait on Daylight	

Date : 31 Dec 2006						Daily Cost : \$ 21065	Report Number : 3
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
0	RM	P	RRD		6	Wait on Day light	
0	RM	P	RU		12	Rig move from Megascolides # 1 to Megascolides # 2 (90% moved; 40% rigged up).	
0	RM	P	RU		6	Wait on Day light	

Wellname :	Megascolides-2	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767648.97	Spud Date : 04 Jan 2007	Release Date : 03 Feb 2007
G.L. Elevation : 156.20m	UTM East: 403222.46	Spud Time : 14:00	Release Time : 18:00

## Activity Report For Megascolides-2

Date : 01 Jan 2007						Daily Cost : \$ 20265	Report Number : 4
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
0	RM	P	RU		6	Wait on Day light	
0	RM	P	RU		12	Continue to rig up on Megascolides # 2 rig move 100% Rig up 70 %	
0	RM	P	RU		6	Wait on Crews to break tour	

Date : 02 Jan 2007						Daily Cost : \$ 193465	Report Number : 5
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
0	RM	P	RU		24	Continue to rig up on Megascolides # 2	

Date : 03 Jan 2007						Daily Cost : \$ 23165	Report Number : 6
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
0	RM	P	RU		1	Conduct Rig inspection,Derrick inspection,Upstream check list	
0	RM	P	RU		2	Rig up flow line & run survey line,adjust kelly hose & hydraulic lines	
0	RM	TP	RR	RE	0.5	Trouble shoot problem with Draw works sand line clutch ( unable to disengage )	
0	RM	TP	RR	RE	20.5	Unable to spud due to sand line drum bearing failure,remove & replace	

Date : 04 Jan 2007						Daily Cost : \$ 56985	Report Number : 7
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
16	RM	TP	RR	RE	14	Continue to Repair Draw works	
79	SH	P	DA		4	Spud in Megascolides # 2, Drill 12.25" hole from 16m to 79m	
79	SH	P	SVY		0.5	Circulate & run W.L.S @ 67 m ( 0 dg )	
153	SH	P	DA		5.5	Drill ahead with 12.25" bit from 79 m to 153 m	

Date : 05 Jan 2007						Daily Cost : \$ 72364	Report Number : 8
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
178	SH	P	DA		2	Drill ahead with 12.25" bit from 153 m to 178 m	
178	SH	P	SVY		0.5	Circulate & run W.L.S @ 166 m = 1.25 dg	
216	SH	P	DA		3	Drill ahead with 12.25" bit from 178 m to 216 m	
216	SH	P	SVY		0.5	Circulate & run W.L.S @ 204 m = 1 dg	
328	SH	P	DA		12.5	Drill 12 1/4" hole from 216m to 328m	
328	SH	P	SVY		0.5	Circulate & run WLS @ 316 m = 1.5 deg	
363	SH	P	DA		5	Drill 12 1/4" hole from 328m to 363m	

Date : 06 Jan 2007						Daily Cost : \$ 64425	Report Number : 9
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
393	SH	P	DA		6	Drill 12 1/4" hole from 363m to 393m	
403	SH	P	DA		1.5	Drill 12 1/4" hole from 393m to 403m	
403	SH	P	RS		1	Rig Service & adjust mast over well centre	
431	SH	P	DA		5	Drill 12 1/4" hole from 403m to 431m	



Wellname :	Megascolides-2	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767648.97	Spud Date : 04 Jan 2007	Release Date : 03 Feb 2007
G.L. Elevation : 156.20m	UTM East: 403222.46	Spud Time : 14:00	Release Time : 18:00

<b>Date : 06 Jan 2007</b>					<b>Daily Cost : \$ 64425</b>	<b>Report Number : 9</b>
431	SH	P	SVY	0.5	Circulate and Totco single shot WLS	
487	SH	P	DA	10	Drill 12 1/4" hole from 431m to 487m	

<b>Date : 07 Jan 2007</b>					<b>Daily Cost : \$ 59584</b>	<b>Report Number : 10</b>
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
510	SH	P	DA		6	Drill 12 1/4" hole from 487m to 510m
510	SH	P	CMD		1	Pump Hi-vis sweep, circulate clean, flow check & check for fill, spot heavy slug & drop survey
510	SH	P	TO		5	Pull out of hole with 12 1/4" drilling assembly to run 9 5/8" casing - lay out 12 1/4" stabilizer (unable to service break)
510	SH	P	HBHA		0.5	Lay out 2 ea 8" drill collars
510	SH	P	HT		0.5	Clean rig floor and remove excess equipment
510	SH	P	RRC		3	Rig up to run 9 5/8" casing
510	SH	P	CRN		1.5	Pick up shoe joint & test float - Install centralizer - Pick up float collar joint & make up to shoe joint with Halliburton Weld A ( Power tong malfunctioning & correct rotary tong jaw not on location) Casing stabbing board not functional
510	SH	TP	RR	RE	2	Work on casing power tong & source rotary tong jaws in Wacol Qld.
510	SH	TP	RR	RE	2	Lay out double joint of 9 5/8" casing & measure casing stabbing board for modification
510	SH	TP	HBHA	RE	2.5	Pick up & make up 12 1/4" bit (#1RR1) on 6 1/4" drill collars - run in hole to 483m to condition hole while waiting on equipment to run 9 5/8" casing

<b>Date : 08 Jan 2007</b>					<b>Daily Cost : \$ 135785</b>	<b>Report Number : 11</b>
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
510	SH	TP	RW	RE	0.5	Pick up 4 1/2" drill pipe & wash from 483m to 510m - no fill
510	SH	TP	RR	RE	8.5	Rotate & reciprocate drill string while circulating to maintain hole condition while waiting on rig equipment to run 9 5/8" casing - Work on modifying casing stabbing board and installing flare & vent lines to flare pit
510	SH	TP	RR	RE	1	Flow check, pull one stand of drill pipe. Pick up, install & lay out casing stabbing board. Run in hole to 510m
510	SH	TP	RR	RE	2.5	Rotate & reciprocate drill string while circulating to maintain hole condition while waitnig on rig equipment to run 9 5/8" casing - inspect modified casing stabbing board
510	SH	TP	RR	RE	0.5	flow check, pump slug & rack kelly
510	SH	TP	RR	RE	2	Pull out of hole to run 9 5/8" casing
510	SH	TP	RR	RE	0.5	Break and lay out 12 1/4" bit, bit sub & crossover sub - clean floor of excess equipment
510	SH	TP	RR	RE	0.5	Rig up 9 5/8" casing running equipment
510	SH	TP	RR	RE	0.5	Pick up and run 9 5/8" casing double with float shoe and float collar
510	SH	TP	RR	RE	1	Rig up casing stabbing board
510	SH	P	CRN		6.5	Run 9 5/8" casing to 502m

<b>Date : 09 Jan 2007</b>					<b>Daily Cost : \$ 74385</b>	<b>Report Number : 12</b>
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
510	SH	P	CRN		0.5	Pick up landing joint, attempt to install circulating swedge, change out circulating swedge, install circulating swedge and landing joint on casing
510	SH	P	CRN		1	Run casing in hole to 507m, make up circulating hose, reciprocate and circulate casing twice hole volume. Cementing pre-job safety meeting
510	SH	P	CRN		2.5	Break out circulating swedge and make up Halliburton cement head. Pump 15bbls fresh water spacer, pressure test surface lines to 300/2500psi. Mix pump & displace lead and tail cement slurries - no cement to surface and lost returns prior to bump plug with 2,500psi for 10 minutes - floats held
510	SH	P	TUC		1.5	Rig up to, and cut window in conductor pipe

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G.L. Elevation : 156.20m	UTM East: 403222.46	Spud Time : 14:00	Release Time : 18:00

Date : 09 Jan 2007					Daily Cost : \$ 74385	Report Number : 12
510	SH	P	TUC	3.5	Make up cement stinger in conductor and conduct top up cement job - dump and clean shaker tank compartments	
510	SH	P	WOW	4.5	Wait on Cement - hook up BOP lines, prepare equipment to nipple up BOPs, Dump and clean mud tanks	
510	SH	P	RRD	0.5	Slack off on casing, lay out cement head and casing stabbing board	
510	SH	P	RRD	1	Break out and lay out casing landing joint	
510	SH	P	RRD	0.5	Cut and layout conductor riser pipe	
510	SH	P	BOP	8	Install A section, DSA and 11" 5000 BOPs - nipple up BOP components	
510	SH	P	BOP	0.5	Function Test BOPs	

Date : 10 Jan 2007					Daily Cost : \$ 61115	Report Number : 13
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
510	SC	P	BOP		10	Pick up & make up test plug on 4 1/2" drill pipe - pressure test BOPs - Annular 300/2000psi 10/10min - Pipe Rams, Blind rams, 2ea Choke line valves, 2ea Kill Line valves & choke line to 300/2500psi 10/10min. - lay out drill pipe
510	SC	P	BOP		2	Pick up pup joint and make up with 2ea FOSV, Kelly & test plug - Pressure test 2ea FOSV & Lower Kelly Cock 300/2500psi 10/10min. (Work on AOI PVT system)
510	SC	P	BOP		3.5	Pressure test Upper Kelly Cock, 4" Standpipe valve, 2" Kill Line valve, 4" Mud Pump Valves, Kelly Hose & Mud Lines to 300/2500psi 10/10min (Work on AOI PVT system)
510	SC	P	BOP		1	Rack Kelly & Lay out pup joint, FOSVs and test plug - pick up cup tester on drill pipe (Work on AOI PVT system)
510	SC	P	RR	RE	1	Replace outside kill line valve on mud cross (Work on AOI PVT system)
510	SC	P	BOP		1	Pressure test A Section to casing BTC connection and outside kill line valve 300/2500psi 10/10min (Work on AOI PVT system)
510	SC	P	BOP		1	Lay out cup tester and attempt to install wear bushing - unble to install - damaged (Work on AOI PVT system)
510	SC	P	BOP		2.5	Nipple up bell nipple and flow line from BOPs to shale shakers (Work on AOI & BHI PVT systems)
510	PH1	P	HBHA		2	Pick up and make up BHA # 3 on 8 1/2" bit #2 - rerun from Megascolides # 1 RE (Work on AOI & BHI PVT systems)

Date : 11 Jan 2007					Daily Cost : \$ 37885	Report Number : 14
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
510	PH1	P	TI		3.5	Run in hole with bit #2 on BHA #3 and tag cement at 490m. Lay out 3 joints of drill pipe (Work on AOI & BHI PVT systems)
510	PH1	P	SC		3	Slip and cut 140' drilling line - PVT systems not functioning correctly
510	PH1	TP	RR	RE	1	Work on PVT calibration & repair crown saver valve
510	PH1	TP	RR	RE	1.5	Work on PVT calibration - adjust mast over well centre
510	PH1	TP	RR	RE	15	Work on PVT calibration - unspool drilling line from draw works and check drilling line clamp installation - repair crown saver valve

Date : 12 Jan 2007					Daily Cost : \$ 81385	Report Number : 15
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
510	PH1	TP	RR	RE	8	Calibrate PVT system
510	PH1	P	CMD		0.5	Prepare mud tanks and circulate well with water using pill tank
510	PH1	TP	RR	RE	0.5	Repair pressure testing unit prior to pressure testing casing
510	PH1	P	PT		1	Presure test casing down drill string and annulus to 2,500psi for 15 minutes
510	PH1	P	DFS		1.5	Drill out shoe track from 490m to 507m - Drill out cement to 510m
513	PH1	P	DA		0.5	Drill 8 1/2" hole from 510m to 513m

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Date : 12 Jan 2007					Daily Cost : \$ 81385	Report Number : 15
513	PH1	P	CMD	0.5	Circulate and displace well to drilling mud	
513	PH1	P	LOT	0.5	Conduct FIT to 20.0ppg EMW without leak off	
513	PH1	P	OTH	0.5	Rig down pressure test equipment and conduct slow pump rates	
604	PH1	P	DA	5.5	Drill 8 1/2" hole from 513m to 604m	
604	PH1	P	SVY	0.5	Circulate hole clean, flow check and run directional survey (no reading)	
642	PH1	P	DA	3	Drill 8 1/2" hole from 604m to 642m	
642	PH1	U	SVY	0.5	Circulate hole clean, flow check and run directional survey (no reading)	
651	PH1	P	DA	0.5	Drill 8 1/2" hole from 642m to 651m	
651	PH1	U	SVY	0.5	Circulate hole clean, flow check and run directional survey (no reading)	

Date : 13 Jan 2007					Daily Cost : \$ 60254	Report Number : 16
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
717	PH1	P	DA		6	Drill 8 1/2" hole from 651m to 717m
717	PH1	P	SVY		1	Circulate, flow check and run Totco deviation survey
773	PH1	P	DA		8.5	Drill 8 1/2" hole from 717m to 773m
773	PH1	P	SVY		0.5	Circulate, flow check and run directional survey (no reading obtained)
783	PH1	P	DA		1.5	Drill 8 1/2" hole from 773m to 783m
783	PH1	P	SVY		0.5	Circulate, flow check and run directional survey
821	PH1	P	DA		6	Drill 8 1/2" hole from 783m to 821m

Date : 14 Jan 2007					Daily Cost : \$ 63633	Report Number : 17
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
870	PH1	P	DA		6	Drill 8 1/2" hole from 821m to 870m
887	PH1	P	DA		2	Drill 8 1/2" hole from 870m to 887m
887	PH1	P	SVY		0.5	Circulate, flow check and WLS (no reading)
896	PH1	P	DA		1	Drill 8 1/2" hole from 887m to 896m
896	PH1	U	SVY	OTH	0.5	Circulate, flow check and WLS
999	PH1	P	DA		13	Drill 8 1/2" hole from 896m to 999m
999	PH1	P	SVY		0.5	Circulate, SPR, flow check and WLS
1003	PH1	P	DA		0.5	Drill 8 1/2" hole from 999m to 1003m

Date : 15 Jan 2007					Daily Cost : \$ 61612	Report Number : 18
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1045	PH1	P	DA		6	Drill 8 1/2" hole from 1003m to 1045m
1055	PH1	P	DA		1	Drill 8 1/2" hole from 1045m to 1055m
1055	PH1	P	RS		0.5	Rig Service
1102	PH1	P	DA		5	Drill 8 1/2" hole from 1055m to 1102m
1102	PH1	P	SVY		0.5	Circulate, flow check and Wire Line Survey
1205	PH1	P	DA		9	Drill 8 1/2" hole from 1102m to 1205m
1205	PH1	P	SVY		0.5	Circulate, flow check and Wire Line Survey
1221	PH1	P	DA		1.5	Drill 8 1/2" hole from 1205m to 1221m

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Date : 16 Jan 2007						Daily Cost : \$ 62060	Report Number : 19
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
1261	PH1	P	DA		6	Drill 8 1/2" hole from 1221m to 1261m	
1308	PH1	P	DA		7	Drill 8 1/2" hole from 1261m to 1308m	
1308	PH1	P	SVY		0.5	Circulate, flow check and Wire Line Survey	
1355	PH1	P	DA		9.5	Drill 8 1/2" hole from 1308m to 1355m	
1355	PH1	P	RS		0.5	Rig Service	
1357	PH1	P	DA		0.5	Drill 8 1/2" hole from 1355m to 1357m	

Date : 17 Jan 2007						Daily Cost : \$ 68148	Report Number : 20
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
1377	PH1	P	DA		6	Drill 8 1/2" hole from 1357m to 1377m	
1383	PH1	P	DA		2	Drill 8 1/2" hole from 1377m to 1383m	
1383	PH1	P	RS		0.5	Rig Service	
1411	PH1	P	DA		4	Drill 8 1/2" hole from 1383m to 1411m	
1411	PH1	P	SVY		1	Circulate, flow check, BOP drill and WLS	
1421	PH1	P	DA		2.5	Drill 8 1/2" hhole from 1411m to 1421m	
1421	PH1	P	CMD		1	Circulate hole clean and mix weighted pill	
1421	PH1	P	TO		4.5	Flow check, spot weighted pill, pull out of hole to surface	
1421	PH1	P	HBHA		1.5	Break out bit, clean rig floor and install wear bushing in well head	
1421	PH1	P	TI		1	Make up bit # 3 and run in hole - check gauge on stabilizers	

Date : 18 Jan 2007						Daily Cost : \$ 119482	Report Number : 21
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
1421	PH1	P	TI		2	Run in hole with bit # 3 to 498m	
1421	PH1	P	SC		0.5	Slip 33' drilling line & break circulation	
1421	PH1	P	TI		4	Continue to run in hole to 1339m - break circulation at 1009m	
1421	PH1	P	TI		0.5	Pick up kelly. Wash/ream from 1399 m to 1421 m.	
1505	PH1	P	DA		12	Drill from 1421m to 1505 m.	
1505	PH1	P	SVY		1	Circulate, flow check, conduct wire line survey.	
1524	PH1	P	DA		4	Drill 8-1/2" hole from 1505 m to 1524 m.	

Date : 19 Jan 2007						Daily Cost : \$ 70162	Report Number : 22
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
1546	PH1	P	DA		6	Drill 8 1/2" hole from 1524m to 1546m	
1561	PH1	P	DA		5.5	Drill 8 1/2" hole from 1546m to 1561m	
1561	PH1	P	RS		0.5	Rig Service	
1578	PH1	P	DA		9	Drill 8-1/2" hole from 1561 to 1578 m	
1578	PH1	P	TO		3	Flow check, pump weighted pill, pull out of hole.	

Date : 20 Jan 2007						Daily Cost : \$ 81639	Report Number : 23
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
1578	PH1	P	TO		0.25	Pull out of hole with Bit # 3	

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Date : 20 Jan 2007					Daily Cost : \$ 81639	Report Number : 23
1578	PH1	P	HBHA	1.75	Break out bit # 3 & make up bit # 4 - gauge stabilizers & clean rig floor	
1578	PH1	P	TI	4.5	Run in hole with bit # 4 to 1380m - fill drill string at 500m & 1,000m	
1578	PH1	P	TI	0.5	PU kelly, wash to 1578m (no fill).	
1608	PH1	P	DA	9	Drill 8-1/2" hole from 1578 m to 1608 m.	
1608	PH1	P	SVY	0.5	Circulate, flow check, conduct wireline survey.	
1636	PH1	P	DA	6.5	Drill 8-1/2" hole from 1608 m to 1636 m	
1636	PH1	P	WTH	1	Work tight hole f/ 1617 - 1627 m. LO single and continue to work tight hole.	

Date : 21 Jan 2007					Daily Cost : \$ 66585	Report Number : 24
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1636	PH1	P	WTH		0.5	Circulate, wash & ream tight hole 1627m to 1636m on drill pipe connection
1656	PH1	P	DA		5.5	Drill 8 1/2" hole from 1636m to 1656m
1665	PH1	P	DA		2	Drill 8 1/2" hole from 1656m to 1665m
1665	PH1	P	RS		0.5	Circulate and rig service.
1722	PH1	P	DA		15	Drill 8-1/2" hole from 1665m to 1722m.
1722	PH1	P	CS		0.5	Circulate bottom hole sample prior to WLS.

Date : 22 Jan 2007					Daily Cost : \$ 73924	Report Number : 25
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1722	PH1	P	SVY		0.5	Flow check well and run WLS at 1710m
1722	PH1	P	PS		0.5	Circulate well, spot weighted pill and rack kelly
1722	PH1	P	WT		1.5	Pull out of hole to 1530m for wiper trip - run in hole to 1710m
1722	PH1	P	RW		0.5	Pick up kelly and wash to 1722m - 1mt of fill on bottom
1736	PH1	P	DA		3	Drill 8 1/2" hole from 1722m to 1736m
1750	PH1	P	DA		4	Drill 8 1/2" hole from 1736m to 1750m
1750	PH1	TP	RR	RE	1	Repair hydromatic drive - key dislodged from driven sprocket on hydromatic input shaft
1769	PH1	P	DA		6.25	Drill 8 1/2" hole from 1750m to 1769m.
1769	PH1	P	RS		0.5	Rig Service
1769	PH1	TP	RR	RE	0.5	Work on weight indicator - bleed and lubricate to eliminate false readings
1778	PH1	P	DA		5.75	Drill 8 1/2" hole from 1769m to 1778m

Date : 23 Jan 2007					Daily Cost : \$ 66129	Report Number : 26
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1792	PH1	P	DA		6	Drill 8 1/2" hole from 1778m to 1792m
1810	PH1	P	DA		10	Drill 8 1/2" hole from 1792m to 1810m
1810	PH1	P	DA		0.5	Circulate hole clean. Drop survey, pump slug and rack back kelly.
1810	PH1	P	TO		6.5	POH from 1810 to surface.
1810	PH1	P	HBHA		0.5	Retreive Hofco survey (misrun), break out bit, and gauge stabilizers. Clean up work floor.
1810	PH1	P	TI		0.5	MU new bit. RIH on BHA to 45m.

Date : 24 Jan 2007					Daily Cost : \$ 82215	Report Number : 27
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity

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Date : 24 Jan 2007					Daily Cost : \$ 82215	Report Number : 27
1810	PH1	P	HBHA	2.5	Pick up and make up 3ea 6 1/4" drill collars below drilling jars - RIH with BHA and bit # 5 to casing shoe at 507m	
1810	PH1	P	SC	1.5	Hang traveling blocks, slip 48' and cut 138' of drilling line, fill drill string and reset AOI block height sensor	
1810	PH1	P	TI	4	Run in hole with bit # 5 - fill pipe at ~1200m. Con't RIH.	
1810	PH1	P	TI	1	PU kelly, break circ and wash f/ 1784m to 1810m - no fill.	
1833	PH1	P	DA	6.5	Drill 8-1/2" hole 1810m to 1833m.	
1833	PH1	P	RS	0.5	Circulate and conduct rig service.	
1833	PH1	P	SVY	0.5	Conduct wireline survey.	
1845	PH1	P	DA	7.5	Con't drill 8-1/2" hole to 1845m.	

Date : 25 Jan 2007					Daily Cost : \$ 67585	Report Number : 28
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1860	PH1	P	DA		6	Drill 8 1/2" hole from 1845m to 1860m
1862	PH1	P	DA		1	Drill 8 1/2" hole from 1860m to 1862m
1862	PH1	P	RS		0.5	Rig service.
1902	PH1	P	DA		16.5	Drill 8-1/2" hole from 1862m to 1902m.

Date : 26 Jan 2007					Daily Cost : \$ 72458	Report Number : 29
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1923	PH1	P	DA		6	Drill 8 1/2" hole from 1902m to 1923m
1927	PH1	P	DA		1.5	Drill 8 1/2" hole from 1923m to 1927m
1927	PH1	P	RS		0.5	Conduct rig service.
1927	PH1	P	SVY		1	Conduct WLS.
1977	PH1	P	DA		15	Con't drill 8-1/2" hole f/ 1927m to 1977m.

Date : 27 Jan 2007					Daily Cost : \$ 66285	Report Number : 30
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
1997	PH1	P	DA		6	Drill 8-1/2" hole f/ 1977m to 1997 m
2002	PH1	P	DA		2	Drill 8-1/2" hole f/ 1997m to 2002 m
2002	PH1	P	RS		0.5	Rig service
2018	PH1	P	DA		5.5	Drill 8-1/2" hole f/- 2002m to 2018 m
2018	PH1	P	TO		0.5	Slug pipe,drop survey,rack kelly
2018	PH1	P	TO		6.5	P.O.H for bit change ( flow check @ regular intervals ). Observe steady, slight flow during trip out - thermal effect.
2018	PH1	P	HBHA		1.5	Recover Hofco survey, break out bit #5 and gauge stabilizers. Clean work floor. MU PDC Bit #3RR1.
2018	PH1	P	HBHA		1.5	RIH Bit #3RR1 on BHA.

Date : 28 Jan 2007					Daily Cost : \$ 77014	Report Number : 31
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
2018	PH1	P	TI		0.5	RIH with Bit #3RR1 to casing shoe.
2018	PH1	P	SC		1	Pick up kelly, fill pipe. Slip drilling line.
2018	PH1	P	TI		3.5	Con't RIH, filling pipe at 1000 m and 1500 m.
2018	PH1	P	TIT		0.5	Work tight hole at 1650m. Fire jars once and came free. PU kelly and ream tight spot. Continue RIH.

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RT above GL : 5.20m	UTM North: 5767648.97	Spud Date : 04 Jan 2007	Release Date : 03 Feb 2007
G.L. Elevation : 156.20m	UTM East: 403222.46	Spud Time : 14:00	Release Time : 18:00

Date : 28 Jan 2007					Daily Cost : \$ 77014	Report Number : 31
2018	PH1	P	TI	1.5	Con't RIH to 2000m.	
2018	PH1	P	TI	0.5	PU kelly & wash down from 2000m to 2018m.	
2046	PH1	P	DA	9.5	Drill 8-1/2" hole f/ 2018m to 2046m.	
2046	PH1	P	CS	1	Circ BH sample.	
2062	PH1	P	DA	5.5	Continue Drill 8-1/2" hole f/ 2046m to 2062m.	

Date : 29 Jan 2007					Daily Cost : \$ 67485	Report Number : 32
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
2065	PH1	P	DA		6	Drill 8-1/2" hole f/ 2062m to 2065m.
2065	PH1	P	TO		7	Drop survey,slug pipe and P.O.H for bit change.
2065	PH1	P	HBHA		1	Handle BHA. Recover survey. LO bit #3RR1. Pull wear bushing.
2065	PH1	P	PT		2	Install test plug. Press test BOP's as per Karoon Gas specs. BO and LO test plug.
2065	PH1	P	HBHA		1	Install wear bushing. MU Bit #6.
2065	PH1	P	TI		3	RIH with Bit #6 to shoe. Fill pipe.
2065	PH1	P	SC		0.5	Slip drilling line.
2065	PH1	P	TI		3.5	Con't RIH. Fill pipe at 1000m, & 1500m.

Date : 30 Jan 2007					Daily Cost : \$ 66485	Report Number : 33
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
2065	PH1	P	TI		1	Con't RIH f/ 1651m to 2049m.
2065	PH1	P	WCU		2	PU kelly, wash and ream 2040m - 2065m. (1m hard fill on bottom)
2068	PH1	P	DA		3	Drill 8-1/2" hole f/ 2065 m to 2068m.
2077	PH1	P	DA		3	Drill 8-1/2" hole f/ 2068 m to 2077m.
2077	PH1	P	WTH		0.5	Work tight hole f/ 2055m to 2077m.
2077	PH1	P	RS		0.5	Rig service.
2110	PH1	P	DA		14	Con't drill 8-1/2" hole f/ 2077m to 2110m.

Date : 31 Jan 2007					Daily Cost : \$ 66603	Report Number : 34
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity
2125	PH1	P	DA		6	Drill 8-1/2" hole f/ 2110m to 2125m TD
2130	PH1	P	DA		3	Drill 8-1/2" hole f/ 2125m to 2130m TD
2130	PH1	P	CMD		1	Circulate bottoms up
2130	PH1	P	WT		4	P.O.H wiper trip from 2130m to 1250 m ( no over pull,1 mtr fill on btm )
2130	PH1	P	CMD		1.5	Pump 30 bbl Hi-Vis and circulate hole clean
2130	PH1	P	TO		6.5	P.O.H for log (slm: diff = +0.28m).
2130	PH1	P	HBHA		1	BO and LO stab, 1 x 6-1/4" DC, NMDC, P/DC and bit.
2130	E1	P	LOG		1	Hold safety meeting. Rig to run electric line logs.

Wellname :	Megascolides-2	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767648.97	Spud Date : 04 Jan 2007	Release Date : 03 Feb 2007
G.L. Elevation : 156.20m	UTM East: 403222.46	Spud Time : 14:00	Release Time : 18:00

## Activity Report For Megascolides-2

Date : 01 Feb 2007						Daily Cost : \$ 185485	Report Number : 35
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
2130	E1	P	LOG		9.5	Log hole with super combo (DLL-MLL-SLL-GR-Sonic-Density Neutron-SP-CAL) log. Tag TD at 2132m.	
2130	E1	P	LOG		7.5	Log well with HMI log.	
2130	E1	P	LOG		6.5	Log well with velocity check shot tools.	
2130	E1	P	LOG		0.5	Lay out logging tools.	

Date : 02 Feb 2007						Daily Cost : \$ 93650	Report Number : 36
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
2130	E1	P	LOG		1	Complete electric line logs. RD wireline.	
2130	ABN	P	HBHA		5.5	POOH BHA and LO HWDP. PU kelly, Break same.	
2130	ABN	P	HBHA		0.5	Clean up rig floor. Rig to RIH cement stinger.	
2130	ABN	P	CMP		3.5	PU, MU and RIH w/ 10 jts cement stinger, X/O & DP to 986m.	
2130	ABN	P	CMP		0.5	MU circ swage, break circ, spot 15 bbl HV pill.	
2130	ABN	P	PLD		0.5	POH laying out 6 DP.	
2130	ABN	P	CMP		1	MU Halliburton cement swage, Hold PJSM, pressure test lines.	
2130	ABN	P	CMP		0.5	Pump Cement Plug #1, 950m - 850 m. Pump 2 bbl water ahead, mix & pump 33.6 bbl of class G cement @ 15.8ppg, 2 bbl water, displace with 31 bbl mud	
2130	ABN	P	PLD		2	POH 6 stds, LO 24 singles.	
2130	ABN	P	CMP		0.5	Head up & circ 2 x tubing volumes. Spot 15 bbl HV pill, LD 6 jts DP.	
2130	ABN	P	CMP		0.5	Head up, pressure test lines & pump Cement Plug #2, 550m - 450 m. Pump 10 bbl water ahead, mix & pump 37 bbl Class G cement @ 15.8 ppg, 2 bbl water, displace with 15 bbls mud	
2130	ABN	P	PLD		1	POH 6 stds, LO 15 singles.	
2130	ABN	P	CMP		0.5	Head up and circ DP clean.	
2130	ABN	P	PLD		0.5	Con't lay down DP sideways.	
2130	ABN	P	PLD		3.5	RIH to 357m, lay down DP while WOC.	
2130	ABN	P	CMP		0.5	RIH and tag Plug #2 @ 422m w/ 20,000 lb. POH one single, head up, circ to clean DP.	
2130	ABN	P	PLD		2	Con't POH sideways.	

Date : 03 Feb 2007						Daily Cost : \$ 60785	Report Number : 37
Depth (m)	Phase	Cls	Op	R.C.	Hrs	Activity	
2130	ABN	P	PLD		4.5	RIH to 385m and lay down DP in stages to empty mast.	
2130	ABN	P	CMP		0.5	Bottom of stinger at 120m. Rig to and pump 15 bbl hi-vis pill.	
2130	ABN	P	PLD		0.5	POH laying out 3 x DP, 4 x EUE. Bottom of stinger at 57m.	
2130	ABN	P	CMP		0.5	Rig up Halliburton. Hold pre-job safety meeting. Pump cement plug #3. pump 1 bbl water ahead, mix & pump 12.6bbl of Class G cement @ 15.8ppg with 0.25 gal/10bbl NF-6, chase with 1 bbl water, POH laying down stinger.	
2130	ABN	P	PLD		1	RD Halliburton. POH, laying down cement stinger. Flush BOP and choke.	
2130	ABN	P	RD		3	LO kelly and swivel.	
2130	ABN	P	RD		2	ND BOP's.	
2130	ABN	P	RD		3	Cut A-section. RD handling gear from work floor. Clean mud tanks.	
2130	ABN	P	RD		3	RD various rig components to prepare rig for lowering mast. Con't clean mud tanks. RIG RELEASE @ 18:00hrs	



Wellname :	Megascolides-2	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767648.97	Spud Date : 04 Jan 2007	Release Date : 03 Feb 2007
G.L. Elevation : 156.20m	UTM East: 403222.46	Spud Time : 14:00	Release Time : 18:00

## Well History

### Well: Megascolides-2

#	Date	Depth	24 Hour Summary
1	29 Dec 2006		Rig down at Megascolides 1 & prepare for rig move to Megascolides 2
2	30 Dec 2006	0m	Rig down at Megascolides 1 & rig move to Megascolides 2
3	31 Dec 2006	0m	Wait on day light, rig move, rig up on Megascolides # 2
4	01 Jan 2007	0m	Complete rig move, Continue rig up on Megascolides #2
5	02 Jan 2007	0m	Rig up on Megascolides # 2
6	03 Jan 2007	0m	Conduct rig inspection, continue rig up, Repair Draw works (unable to spud due to bearing failure),
7	04 Jan 2007	153m	Complete repairs to Draw works, Spud in Megascolides # 2 at 1400 hrs Jan 4, 2007, drill ahead with 12.25 " bit from 16 - 153m
8	05 Jan 2007	363m	Drill 12 1/4" hole from 153m to 363m with WLS at 166m, 204m & 316m
9	06 Jan 2007	487m	Drill 12 1/4" hole from 363m to 487m with WLS at 419m
10	07 Jan 2007	510m	Drill 12 1/4" hole from 487m to 510m - Circulate clean & survey - Trip out to run casing - Rig up to run 9 5/8" casing - Make up shoe track & 2nd casing joint - Layout casing double & run 12 1/4" bit in hole to condition hole while waiting on equipment to run 9 5/8" casing
11	08 Jan 2007	510m	Wash to TD at 510m, Circulate to maintain hole condition while waiting on rig equipment to run 9 5/8" casing, Pull out of hole, Rig up & run 9 5/8" casing to 502m
12	09 Jan 2007	510m	PU landing joint & RIH 9-5/8" casing to 507m. RU head & cement (no cement returns, partial losses), Conduct top up cement job, wait on cement, slack off casing, nipple up BOPs
13	10 Jan 2007	510m	Pressure test BOP components - work on AOI & BHI PVT systems - dump & clean mud tanks, prepare mud to drill out. Unable to install wear bushing (damaged). Make up BHA.
14	11 Jan 2007	510m	Run in hole to tag cement at 490m - Slip & cut drilling line - Calibrate PVT system
15	12 Jan 2007	651m	Calibrate PVT system, Pressure test casing, Drill shoe track and 3m of new hole 510 - 513m, Conduct FIT to 20.0ppg EMW, Drill 8 1/2" hole from 513m to 651m
16	13 Jan 2007	821m	Drill 8 1/2" hole from 651m to 821m with WLS at 705m & 771m
17	14 Jan 2007	1003m	Drill 8 1/2" hole from 821m to 1003m with WLS at 875m & 987m
18	15 Jan 2007	1221m	Drill 8 1/2" hole from 1003m to 1221m with wire line surveys at 1090m & 1193m
19	16 Jan 2007	1357m	Drill 8 1/2" hole from 1221m to 1357m with WLS at 1296m
20	17 Jan 2007	1421m	Drill 8 1/2" hole from 1357m to 1421m with WLS at 1399m - Circulate and slug drill string - Pull out of hole - Change bits & install new wear bushing - Run BHA in hole
21	18 Jan 2007	1524m	Finish RIH with Bit #3. Wash to bottom. Drill 8 1/2" hole from 1421m to 1505m. WLS at 1493m. Drill 8 1/2" hole from 1505m to 1524 m.
22	19 Jan 2007	1578m	Drill ahead from 1524 m to 1578 m. POH for bit change.
23	20 Jan 2007	1636m	Complete POH. Run in hole with bit # 4 - wash to bottom - no fill - drill 8 1/2" hole from 1578m to 1636m with WLS at 1596m. Work tight hole 1617 - 1627m.
24	21 Jan 2007	1722m	Work tight hole 1627 to 1636m - Drill 8 1/2" hole from 1636m to 1722m - Circulate for sample & WLS.
25	22 Jan 2007	1778m	Conduct WLS and wiper trip to 1530m. RIH and drill 8-1/2" hole 1722 to 1750m. Rig repair (1 hr). Con't drill 8-1/2" hole to 1769m. Rig service (1/2 hr). Rig repair (1/2 hr). Drill 8 1/2" hole to 1778m.
26	23 Jan 2007	1810m	Drill 8-1/2" hole from 1778m to 1810m. Circ, drop survey and POH for bit change. Make up new bit & RIH BHA.
27	24 Jan 2007	1845m	PU 3 extra DC's. RIH Bit #5 on BHA #6 to casing shoe. Slip and cut drilling line. Continue RIH, filling up pipe at shoe and 1200m. Wash f/ 1784m to bottom. Drill 8-1/2" hole 1810 to 1845m with WLS.
28	25 Jan 2007	1902m	Drill 8 1/2" hole from 1845m to 1902m with 1/2 hour rig service
29	26 Jan 2007	1977m	Drill 8-1/2" hole f/ 1902m to 1927m. Circulate, conduct rig service and WLS. Con't drill ahead to 1977m.
30	27 Jan 2007	2018m	Drill 8-1/2" hole f/ 1977m to 2018m. Circ sample, drop survey, pump slug and POH (slight flow from thermal effect). LO bit #5 and recover survey. MU Bit #3RR1 and RIH.
31	28 Jan 2007	2062m	RIH with Bit #3RR1. Slip drilling line, con't RIH. Top up hole at 1000m & 1500m. Work tight hole at 1650m. Con't trip in hole. Fire jars to free. PU kelly and ream tight spot. Con't RIH to 2000m. PU kelly and wash to bottom. Drill 8-1/2" hole 2046 to 2062m.
32	29 Jan 2007	2065m	Drill 8-1/2" hole 2062 to 2065m. Drop survey and POH. Test BOP's. RIH Bit #6. Slip drill line. Con't RIH.

Wellname : Megascolides-2 Operator: Karoon Gas Rig : Century Drilling Ltd - Century 11

RT above GL : 5.20m UTM North: 5767648.97 Spud Date : 04 Jan 2007 Release Date : 03 Feb 2007  
G.L. Elevation : 156.20m UTM East: 403222.46 Spud Time : 14:00 Release Time : 18:00

33	30 Jan 2007	2110m	RIH with bit #6. Wash and ream f/ 2040m to 2065m (1m hard fill). Drill 8-1/2" hole 2065m to 2110m.
34	31 Jan 2007	2130m	Drill 8-1/2" hole f/ 2110m to 2130m TD. Circ bottoms up. Conduct wiper trip to 1250m (no overpull, 1m fill). RIH, pump hi vis sweep, circ and POH to log. RU electric line services.
35	01 Feb 2007	2130m	RIH and log well (3 runs).
36	02 Feb 2007	2130m	RD wireline. LO BHA. RIH with cement stinger and set OH cement Plug #1 (950 - 850m). POH to 550m and set ~100m Plug #2 across casing shoe. Lay down DP. RIH and tag Plug #2 at 422m. Continue to POH laying down DP.
37	03 Feb 2007	2130m	Continue to LD drillpipe. Pump surface cement plug #3 from 57 - 6m. LD stinger. LO kelly and swivel. ND BOP's. Cut off A-section and cap stump. Clean up equipment. Clean mud tanks. Rig released at 1800hrs February 3, 2007.

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**ATTACHMENT 7 : WELL TIME SUMMARY GRAPHS**

RT above GL : 5.20m

UTM North: 5767648.97

Spud Date : 04 Jan 2007

Release Date : 03 Feb 2007

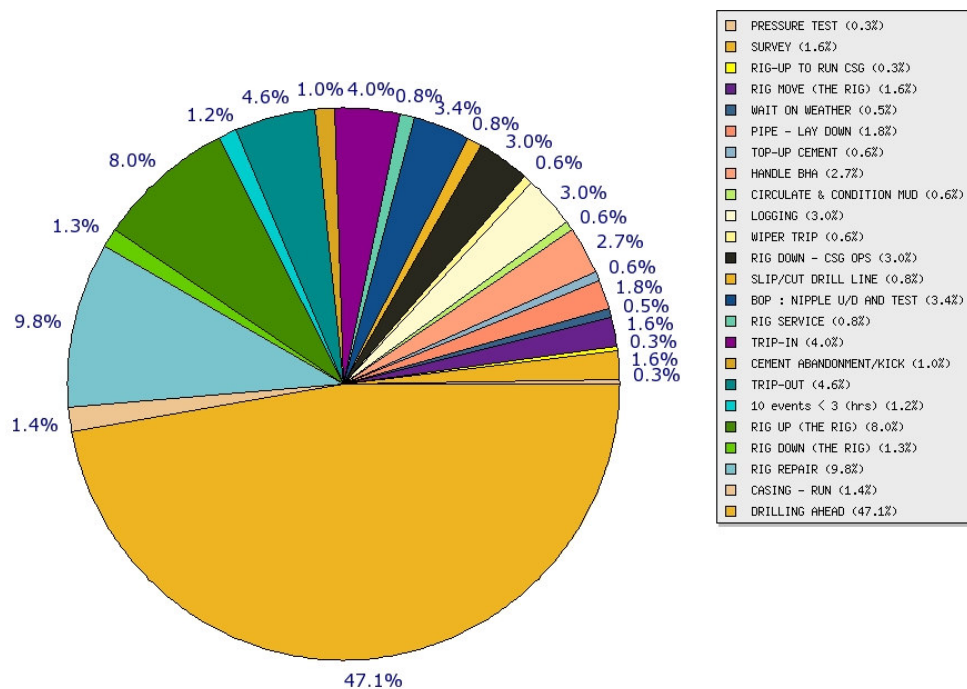
G.L. Elevation : 156.20m

UTM East: 403222.46

Spud Time : 14:00

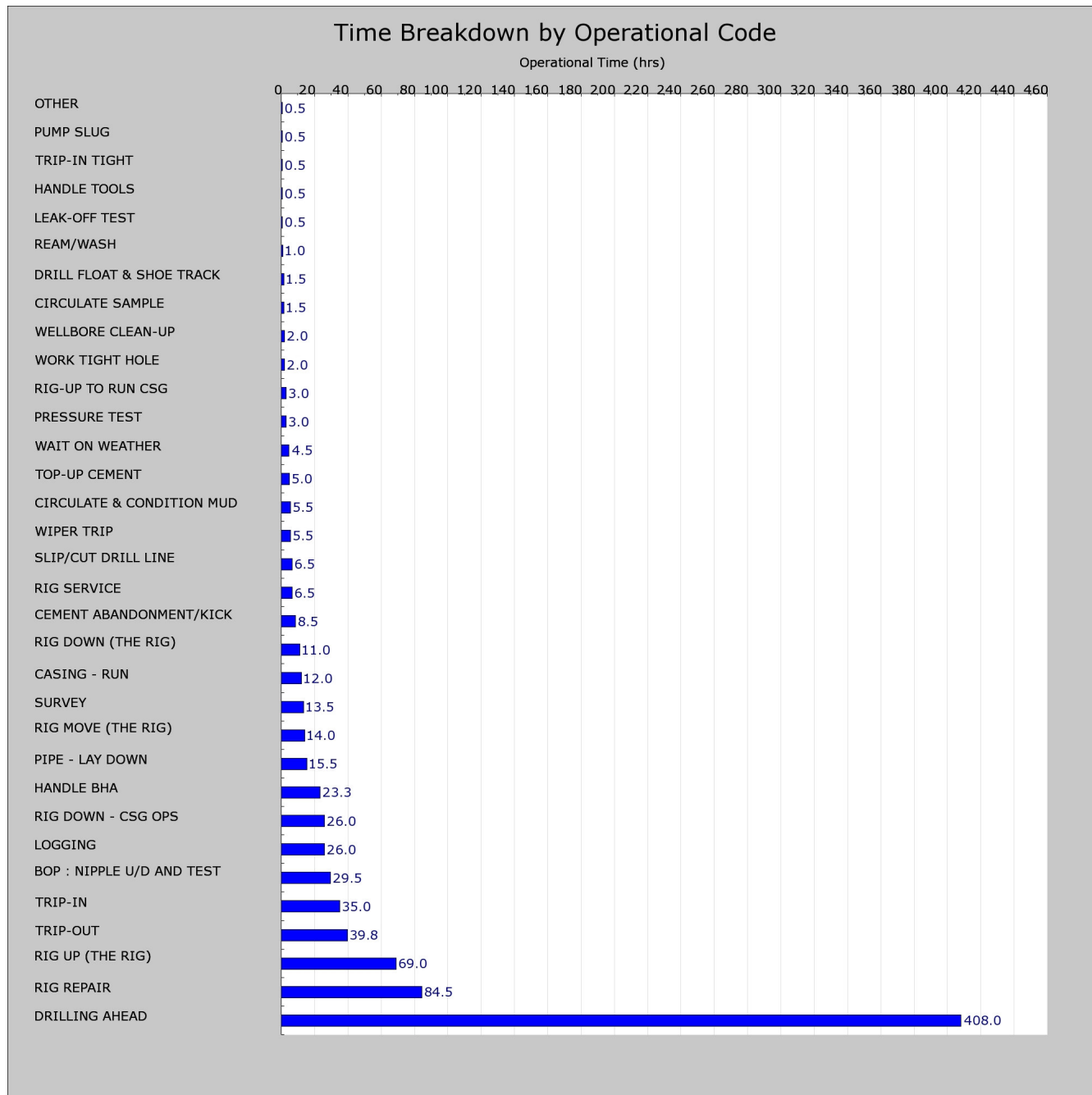
Release Time : 18:00

Time Analysis by Operational Code (% of 866 hrs)



Wellname :	Megascolides-2	Operator: Karoon Gas	Rig : Century Drilling Ltd - Century 11
RT above GL : 5.20m	UTM North: 5767648.97	Spud Date : 04 Jan 2007	Release Date : 03 Feb 2007
G.L. Elevation : 156.20m	UTM East: 403222.46	Spud Time : 14:00	Release Time : 18:00

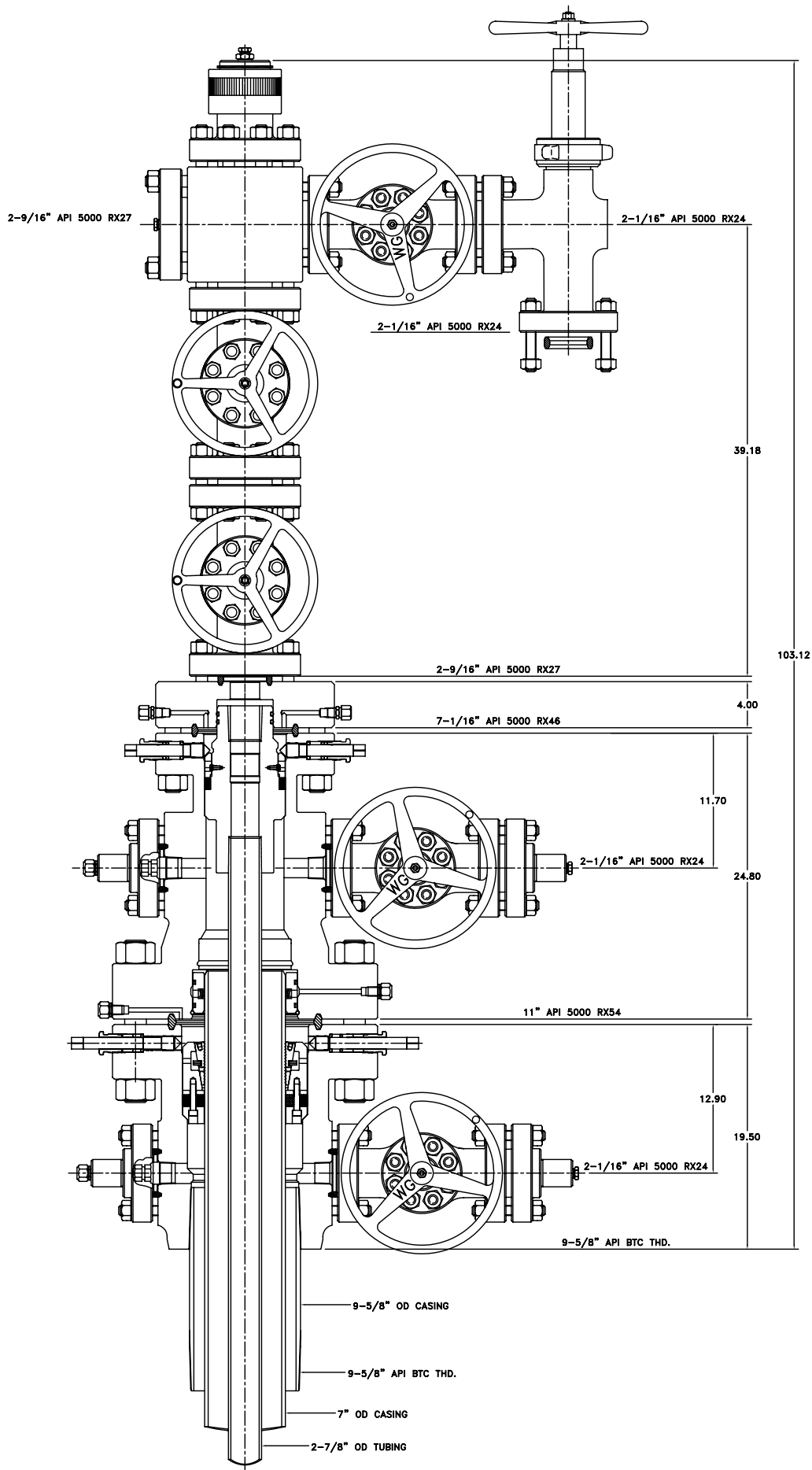
## Time Analysis



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**ATTACHMENT 8 : WELLHEAD INFORMATION**



CAD

CAD FILE NAME: PD142702

**KAROON GAS**  
**STACKUP 5000 PSI WP**  
**CASING PROGRAM: 9-5/8" X 7" X 2-7/8"**



Drawn by:  
R.C.

Date:  
21-07-06


Scale:  
N.T.S.

Drawing Number SHT 1 OF 1  
PD-001427-02

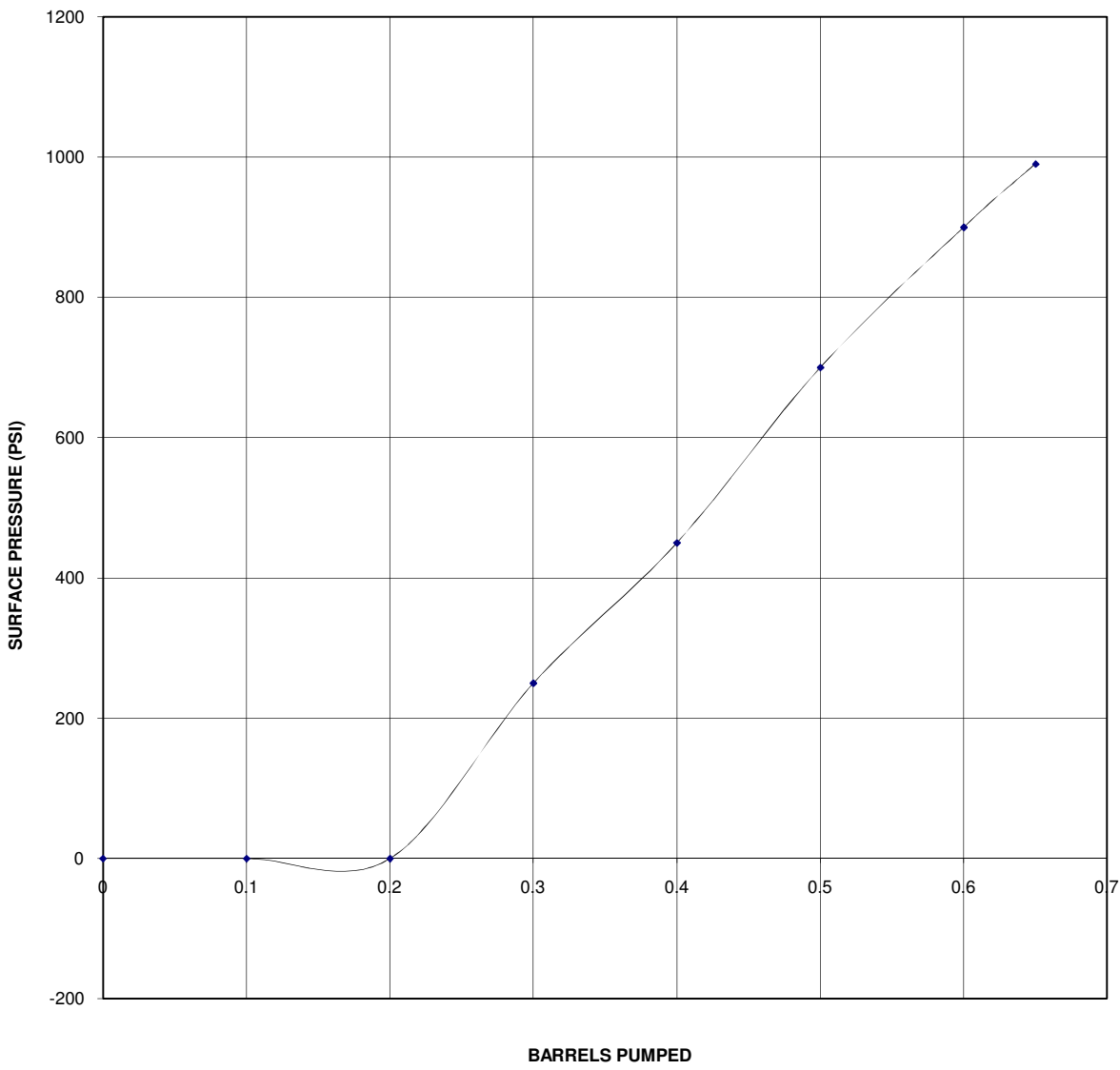
Rev.  
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**ATTACHMENT 9 : LEAK OFF TEST REPORT**

 <b>FORMATION LEAK OFF TEST</b>					<b>WELL:</b> Megascolides # 2	
					<b>RIG:</b> Century 11	
<b>TESTED BELOW:</b> 9-5/8" Shoe					<b>DATE:</b> 12-Jan-07	
<b>CASING SHOE DEPTH:</b>	506.63	metres.MD	506.63	metres TVD	<b>VIS</b>	46.0 secs
<b>HOLE DEPTH:</b>	513.00	metres MD	513.00	metres TVD	<b>P.V.</b>	9.0
<b>MUD WEIGHT:</b>	8.55	ppg			<b>Y.P.</b>	9.0
<b>FLUID PUMPED/RETURNED:</b>	0.75	BBL	0.75	BBL	<b>GELS</b>	1/1
<b>FORMATION IN OPEN HOLE:</b>						



**BARRELS PUMPED**

<b>SURFACE LEAK OFF PRESSURE:</b>	1000.0	psi	
<b>FORMATION STRENGTH:</b>	1729.0	psi	Calculated
<b>EQUIVALENT MUD WT:</b>	20.00	ppg	Calculated

<b>REMARKS:</b>	Formation did not break down and a FIT was conducted to 20.00ppg EMW 100% of fluid pumped was recovered during bleed down of pressure
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<b>SUPERVISED BY:</b>	Chris Dann
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**ATTACHMENT 10 : CASING REPORT**

RT above GL : 5.20m

UTM North: 5767648.97

Spud Date : 04 Jan 2007

Release Date : 03 Feb 2007

G.L. Elevation : 156.20m

UTM East: 403222.46

Spud Time : 14:00

Release Time : 18:00

## Casing Tally

Well: Megascolides-2							
Run No.	Item	Length	Cumm Length	Top BDF	Csg/Displ Bbls	Csg/Vol Bbls	Remarks
FS		0.44	0	0			T/Lock
1		12.13	13	13			Cent 36# K55 BTC
FC		0.34	13	13			T/Lock
2		11.96	25	25			Cent 36# K55 BTC
3		12.09	37	37			36# K55 BTC
4		12.02	49	49			Cent 36# K55 BTC
5		11.92	61	61			36# K55 BTC
6		11.61	73	73			36# K55 BTC
7		12.18	85	85			36# K55 BTC
8		12.10	97	97			36# K55 BTC
9		11.71	109	109			36# K55 BTC
10		11.93	120	120			36# K55 BTC
11		12.09	133	133			36# K55 BTC
12		12.14	145	145			36# K55 BTC
13		12.36	157	157			36# K55 BTC
14		12.15	169	169			36# K55 BTC
15		11.93	181	181			36# K55 BTC
16		12.19	193	193			36# K55 BTC
17		11.92	205	205			36# K55 BTC
18		11.99	217	217			36# K55 BTC
19		12.06	229	229			36# K55 BTC
20		11.81	241	241			36# K55 BTC
21		12.02	253	253			36# K55 BTC
22		11.87	265	265			36# K55 BTC
23		11.98	277	277			36# K55 BTC
24		11.70	289	289			36# K55 BTC
25		11.62	300	300			36# K55 BTC
26		11.06	311	311			36# K55 BTC
27		11.94	323	323			36# K55 BTC
28		11.63	335	335			36# K55 BTC
29		11.78	347	347			36# K55 BTC
30		11.88	359	359			36# K55 BTC
31		11.81	370	370			36# K55 BTC



RT above GL : 5.20m

UTM North: 5767648.97

Spud Date : 04 Jan 2007

Release Date : 03 Feb 2007

G.L. Elevation : 156.20m

UTM East: 403222.46

Spud Time : 14:00

Release Time : 18:00

Well: Megascolides-2

32		11.78	382	382			36# K55 BTC
33		11.71	394	394			36# K55 BTC
34		11.99	406	406			36# K55 BTC
35		11.72	418	418			36# K55 BTC
36		11.70	429	429			36# K55 BTC
37		11.72	441	441			36# K55 BTC
38		11.91	453	453			36# K55 BTC
39		11.89	465	465			36# K55 BTC
40		12.00	477	477			36# K55 BTC
41		11.86	489	489			Cmt Basket 36# K55 BTC
42		11.84	500	500			36# K55 BTC
L/J		6.10	507	507			Landing Joint
L/J		2.06	509	509			Stick up
43		12.01	509	509			Spare 36# K55 BTC
44		11.91	509	509			Spare 36# K55 BTC
45		11.99	509	509			Spare 36# K55 BTC
46		11.71	509	509			Spare 36# K55 BTC
47		11.89	509	509			Spare 36# K55 BTC
48		12.00	509	509			Spare 36# K55 BTC
49		11.89	509	509			Spare 36# K55 BTC
50		11.70	509	509			Spare 36# K55 BTC
51		11.91	509	509			Spare 36# K55 BTC
52		11.89	509	509			Spare 36# K55 BTC
53		11.69	509	509			Spare 36# K55 BTC

<b>CASING TALLY</b>										PAGE: 1 OF 1	
WELL NAME & LOCATION:					Megascalides #2					DATE: January 5, 2007	
TALLY DONE BY:					Chris Dann					FILE=	

Section #	Num Jts	O.D. (mm)	I.D. (mm)	WT (kg/m)	GRADE	TYPE	LENGTH (m)	Top Set (m)	REMARKS
1	Shoe						0.44		
2	Casing						12.57		
3	Float						0.34		
4	Casing						495.37		
5	1						0.00		
							0.00		
							0.00		
				<b>TOTAL LENGTH (m) =</b>			<b>508.72</b>		
				<b>SHOE LANDED DEPTH (m) =</b>			<b>506.71</b>		
				<b>STICK UP ABOVE K.B. (m) =</b>			<b>2.01</b>		

NOTE: 0=NOT RUN, 1=RUN ( IN HOLE )

JT #	SECT #	IN/ OUT	TYPE	JOINT LGTH (M)	TOTAL RUN (M)	TOP SET AT (M)	REMARKS	JT #	SECT #	IN/ OUT	TYPE	JOINT LGTH (M)	TOTAL RUN (M)	TOP SET AT (M)	REMARKS
FS	1	1	FS	0.44	0.44	506.27		29	4	1	CSG	11.78	334.73	171.99	
1	2	1	CSG	12.13	12.57	494.14		30	4	1	CSG	11.88	346.61	160.10	
FC	3	1	FC	0.34	12.91	493.80		31	4	1	CSG	11.81	358.42	148.29	
2	4	1	CSG	11.96	24.87	481.84		32	4	1	CSG	11.78	370.20	136.51	
3	4	1	CSG	12.09	36.97	469.74		33	4	1	CSG	11.72	381.91	124.80	
4	4	1	CSG	12.02	48.99	457.72		34	4	1	CSG	11.99	393.90	112.81	
5	4	1	CSG	11.92	60.91	445.80		35	4	1	CSG	11.72	405.62	101.10	
6	4	1	CSG	11.61	72.52	434.19		36	4	1	CSG	11.70	417.32	89.39	
7	4	1	CSG	12.18	84.71	422.00		37	4	1	CSG	11.73	429.04	77.67	
8	4	1	CSG	12.10	96.81	409.90		38	4	1	CSG	11.91	440.95	65.76	
SUB TOTAL				96.81	96.81			SUB TOTAL				118.01	440.95		
9	4	1	CSG	11.72	108.52	398.19	sb	39	4	1	CSG	11.89	452.84	53.87	
10	4	1	CSG	11.93	120.45	386.26	er	40	4	1	CSG	12.00	464.84	41.87	
11	4	1	CSG	12.09	132.54	374.17		41	4	1	CSG	11.86	476.70	30.01	
12	4	1	CSG	12.14	144.69	362.02	fd	42	4	1	CSG	11.84	488.54	18.17	
13	4	1	CSG	12.36	157.05	349.66		43	4	1	CSG	12.01	500.56	6.15	
14	4	1	CSG	12.15	169.20	337.51		44	4	1	CSG	6.15	506.71	0.00	
15	4	1	CSG	11.93	181.13	325.58		S/up	5	1	S/up	2.01	508.72	-2.01	
16	4	1	CSG	12.19	193.32	313.39		45		1	CSG		508.72	-2.01	
17	4	1	CSG	11.92	205.24	301.47		46		1	CSG		508.72	-2.01	
18	4	1	CSG	11.99	217.23	289.48		47		1	CSG		508.72	-2.01	
SUB TOTAL				120.42	217.23			SUB TOTAL				67.76	508.72		
19	4	1	CSG	12.06	229.29	277.42		48		1	CSG		508.72	-2.01	
20	4	1	CSG	11.81	241.10	265.61		49		1	CSG		508.72	-2.01	
21	4	1	CSG	12.02	253.12	253.59		50		1	CSG		508.72	-2.01	
22	4	1	CSG	11.87	265.00	241.71		51		1	CSG		508.72	-2.01	
23	4	0	CSG	11.98	265.00	241.71		52		1	CSG		508.72	-2.01	
24	4	1	CSG	11.70	276.70	230.01		53		1	CSG		508.72	-2.01	
25	4	1	CSG	11.62	288.32	218.39		54		1	CSG		508.72	-2.01	
26	4	1	CSG	11.06	299.37	207.34		55		1	CSG		508.72	-2.01	
27	4	1	CSG	11.94	311.32	195.39		56		1	CSG		508.72	-2.01	
28	4	1	CSG	11.63	322.95	183.77		57		1	CSG		508.72	-2.01	
SUB TOTAL				117.70	322.95			SUB TOTAL				0.00	508.72		

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**ATTACHMENT 11 : CEMENTING REPORTS**

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

## Megascolides #2 Post Job Report

Prepared for Adelaide Lam  
6th February 2007

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

**HALLIBURTON**



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Fax: +61 3 9583 7599

6th February 2007

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

Adelaide,

**Re: Megascolides #2**

Included for your review is a copy of the Post Job Report of Megascolides #2 cementing operations. The PJR includes the programs, job logs, and lab reports.

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

Yours sincerely,

Prem kumar Salibendla  
Associate Technical Professional

cc  
Andrew Stobie  
Technical Professional

Louis Gomatos  
Cementing Service Coordinator

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## Table of Contents

<b>1.0</b>	<b>SUMMARY OF OPERATIONS .....</b>	<b>4</b>
<b>2.0</b>	<b>CEMENT PROGRAMS.....</b>	<b>5</b>
<b>3.0</b>	<b>LAB REPORTS.....</b>	<b>19</b>
<b>4.0</b>	<b>JOB SUMMARY, EJCS, JOB LOGS .....</b>	<b>26</b>

## 1.0 SUMMARY OF OPERATIONS

Megascoldes #2 well was drill to TD (508m), once the TD was reached a 9 5/8" casing was run from surface to TD. The casing was cemented in place using lead and tail slurry combination. Lead slurry was mixed at 12.5ppg while Tail slurry mixed at 15.8ppg.

The well was further drill TD (2100m) and then the well was abandoned by means of three cement plugs placed at different intervals. The details of this plugs are in the P&A cement program section.

### ***Lessons Learnt***

- 1) There were no bolts supplied with the stop collars and no nails supplied with the centralisers. These items were mobilised to location early so there was sufficient time to source the required items locally. A CPI (Correction prevention improvement) has been created in the Halliburton system to address deficiencies in the load out procedures and necessary personnel have been informed to eliminate this scenario again in future.
- 2) Oil leaks were seen from the cement unit during the job. The leaks were cleaned up after the job and since the equipment has been looked over. In the future spill kits need to be readily available so to ensure rapid response to any leaks. The actual volume of leaks was minimal and not considered a discharge/ reportable spill



## 2.0 CEMENT PROGRAMS

**Upstream Petroleum  
lvl 3/ 342 Flinders St  
Melbourne, VIC, 3006**

**Megoscolides 2  
9 5/8" & 7" Casing  
Cementing Program**

**Prepared for Terry Greaney**  
Friday, 5 January 2007  
Revision 4.0

Submitted by Lucien Bianchi  
**Halliburton Australia Pty Ltd**  
90 Talinga Rd, Cheltenham, VIC, 3192  
Ph: 03 9581 7500 Fax: 03 9581 7599

**HALLIBURTON**

# Megascolides 2 - Cementing Program

## 1.0 - Program Overview

HALLIBURTON

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UPSTREAM  
 PETROLEUM

lvl 3/ 342 Flinders St, Melbourne, 3000  
 Customer Rep : Terry Greaney  
 Email: [terry.greaney@bigpond.com](mailto:terry.greaney@bigpond.com)  
 Ph: 03-8625 8400

WELL SPECIFICATIONS - TABLE 1.0

	Surface CSG	Production CSG
Size	9 5/8in	7 in
Weight	9 5/8" & 7" Casing	36ppf
TMD	500m	1850m
TVD	500m	1850m
Hole Size	12 1/4in	8 1/2in
Lead Excess	50%	20%
Tail Excess	30%	20%
Shoe Track	12m	12m
TOC Lead	0m	400m
TOC Tail	375m	1650m
VOL Lead (inc excess)	103bbls	112bbls
VOL Tail (inc excess)	30bbls	18bbls
VOL Shoe	3bbls	2bbls
Displacement	124bbls	231bbls
TG	3.5Deg C/100m	3.5Deg C/100m
BHST	44Deg C	91Deg C
BHCT	32Deg C	64Deg C

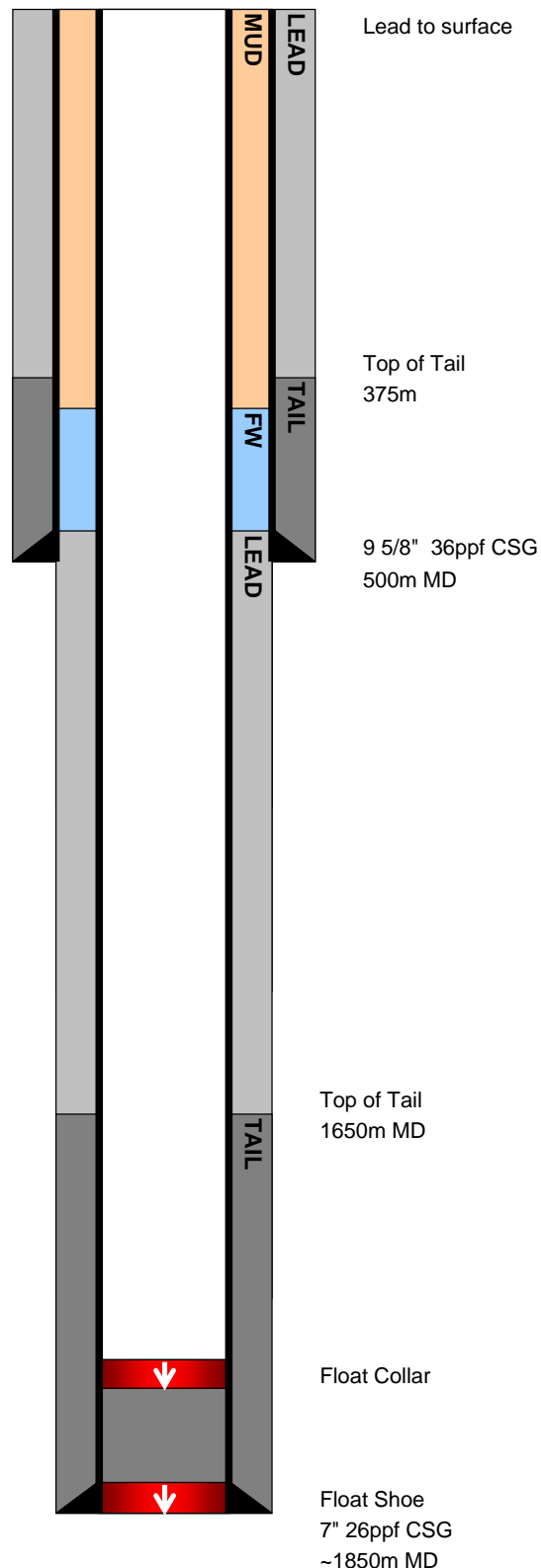
### SUMMARY

The 9 5/8" Surface Casing will be cemented with a lead and tail design. The lead cement will be brought to surface and the tail cement will cover 150m across the shoe. Class A cement can be used for cementing.

The 7" Casing will be cemented with a lead and tail design. The lead will be brought 50m inside the surface casing shoe. The tail TOC is yet to be finalised. Class G cement can be used for cementing.

### Revision History

Draft 1: Review of concept  
 Revision 2.0: Update program to required values - Excess, TOC, etc  
 Revision 3.0: Update TOC and excess on surface casing  
 Revision 4.0: updated final cement slurries



## Megascolides 2 - Cementing Program

### 2.0 - 9 5/8" Surface Casing Design

**LEAD CEMENT: TABLE 2.0**

- Density	12.5	ppg	~ Thickening Time	5:00+	hrs
- Yield	2.13	cuft/sk	~ API Fluid Loss	NA	cc/30min
- Water Req	11.83	gal/sk	~ Freewater	<1%	
- Mix Fluid	12.43	gal/sk	~ Compressive Strength	400	psi @ 24hrs
- Pit Losses	10	bbls			

**ALL BELOW TOTALS INCLUDE PIT LOSSES**

- ABC Class G	94	lb/sk	272	sks
- Econolite	0.59	gal/sk	20	gal/10bbl MF
- NF-6	0.01	gal/sk	0.25	gal/10bbl MF
- Total Water (includes losses)			86	bbls
- Total Mix Fluid (includes losses)			90	bbls

**TAIL CEMENT: TABLE 2.1**

- Density	15.8	ppg	~ Thickening Time	3:30	hrs
- Yield	1.16	cuft/sk	~ API Fluid Loss	NA	cc/30min
- Water Req	5.11	gal/sk	~ Freewater	<1%	
- Mix Fluid	5.11	gal/sk	~ Compressive Strength	2500	psi @ 24hrs
- Pit Losses	0	bbls			

**ALL BELOW TOTALS INCLUDE PIT LOSSES**

- ABC Class G	94	lb/sk	159	sks
- NF-6	0.003	gal/sk	0.25	gal/10bbl MF
- Total Water (includes losses)			19	bbls
- Total Mix Fluid (includes losses)			19	bbls

**PUMPING SCHEDULE - TABLE 2.2**

	ppg	bbls	bpm	mins
1 Mud (~2 Hole volumes circulation)	9 - 9.6			
2 Prepare for cementing - Conduct Pre Job Safety Meeting				
3 Spacer - Freshwater	8.33	35	7	5
4 Pressure Test lines 3000psi				10
5 Release Bottom Plug				10
6 Spacer - Fresh Water	8.33	5	5	1
7 Mix and pump lead cement	12.5	103	6	17
8 Mix & Pump Tail Cement	15.8	33	4	8
9 Release Top Plug				5
10 Displacement Fluid	9 - 9.6	114	8	14
11 Displacement, slow rate for final 10bbls	9 - 9.6	10	3	3
12 Bump Plug with additional 500 psi and hold for ten minutes				10
13 Bleed off and check floats, record flow back volume.				2
Total Job Time				86
Total time pumping lead				48
Total time pumping tail				31
Safety factor				90
Min Lead Slurry TT				138
Min Tail Slurry TT				121

(i) Note: Volumes are calculated from final TD's once supplied

Upstream Petroleum  
Level 3, 342 Flinders St  
Melbourne, VIC, 3000

## Megascolides#2 P&A Cementing Program

**Prepared for Terry Greaney**

1<sup>st</sup> February 2007

Revision 3

**Submitted by Prem Kumar Salibendla**

Halliburton Australia Pty Ltd

90 Talinga Rd, Cheltenham, VIC, 3192

PH: 03 9581 7536 Fax: 03 9581 7599

**HALLIBURTON**

## 1.0 PROGRAM DETAILS

### 1.1 Plug#1 Details - 8.75in hole

Hole Size	CSG Size	Bottom of Plug	Length of Plug	Estimated Temps
8 3/4in (20% XS)		MD / TVD 925m / 925m	100m	BHST / BHCT 58°C / 47°C
				bbl/m
4 1/2in 16.6ppf tubing capacity				0.0467
3 1/2in 9.5ppf tubing capacity				0.0285
8.75in hole capacity				0.2440
<b><u>Spacer Design (per bbl)</u></b>		<b><u>Total</u></b>		
Freshwater	42.00 gal	22 bbl	Volume ahead: 10.0 bbl Volume behind: 2 bbl Spacer density: 8.33 ppg (Mud will be WBM @ 9.30 ppg)	
<b><u>Cement Slurry</u></b>		<b><u>Total</u></b>		
Adelaide Brighton Class G		6 MT	Slurry Volume: 29.3 bbl	
Halad -413L	20 gal/10bblMF	55 gals	Surface density: 15.80 ppg	
Freshwater	4.89 gal/sk	26 bbl	Surface yield: 1.16 ft <sup>3</sup> /sk	
NF-6	0.5 gal/10bblMF	2 gals	Total mixing fluid: 5.14 gal/sk	
			Thickening time (70 Bc): 2:45	
			Fluid loss at 47°C: >50 cc/30min	
			Comp strength at 54°C 50 psi in 3 hrs	
			Comp strength at 54°C 500 psi in 6 hrs	
			Comp strength at 54°C 2,500 psi in 24 hrs	

**Displacement Schedule**

	<b>Volume (bbl)</b>	<b>Rate (bbl/min)</b>	<b>Time (min)</b>
Make up lines & pressure test:	N/A	N/A	30
Circulate 1 x bottoms up:	213.7	6.0	36
Pump spacers ahead:	10.0	6.0	2
Mix & pump cement:	29.3	5.0	6
Drop wiper ball:	N/A	N/A	5
Pump spacers behind:	2.0	6.0	0
Pump displacement:	36.3	6.0	6
Pull workstring 120 m above TOC:	220m	9.1m/min	24
Circulate workstring clean:	31.0	6.0	5
<i>Total job time (including circulation):</i>			<i>114 min      1hr 54min</i>
<i>Minimum cement thickening time (with 2hr safety factor):</i>			<i>166 min      2hr 46min</i>

**1.1.1 Plug #1 Job Procedure**

- 1) Make up workstring with stinger and RIH to 925m.
- 2) Rig up surface lines.
- 3) Establish circulation, Pump 5bbls Fresh water.
- 4) Test lines 200/2000psi.
- 5) Pump 5bbls Fresh water.
- 6) Mix and pump 29.3bbls of 15.8ppg cement slurry.
- 7) Displace with 2bbls of fresh water to balance
- 8) Continue to displace with 35.3bbls of well fluid to create a balanced plug

Note: Displacement fluid is 1bbl under to aid in dry POOH.

- 9) Pick up five stands above top of cement.
- 10) Reverse circulate 2 times tubing volumes clean before POOH

## 1.2 Plug #2 Details - 9 5/8in casing x 8.75in hole

Hole Size	CSG Size	Bottom of Plug	Length of Plug	Estimated Temps
8 3/4in (20% XS)	9 5/8in (8.921in ID)	MD / TVD 550m / 550m	100m	BHST / BHCT 45°C / 36°C
9 5/8" casing shoe at 507m				bbl/m
4 1/2in 16.6ppf tubing capacity				0.0467
3 1/2in 9.5ppf tubing capacity				0.0285
9 5/8in 36ppf casing capacity				0.2536
8.75in hole capacity				0.2440
<b><u>Spacer Design (per bbl)</u></b>		<b><u>Total</u></b>		
Freshwater	42.00 gal	22.5 bbl	Volume ahead: 10.0 bbl Volume behind: 2.5 bbl Spacer density: 8.33 ppg (Mud will be WBM @ 9.30 ppg)	
<b><u>Cement Slurry</u></b>		<b><u>Total</u></b>		
Adelaide Brighton Class G		6 MT	Slurry Volume: 27.1 bbl	
Freshwater	5.1 gal/sk	25.9 bbl	Surface density: 15.80 ppg	
NF-6	0.5 gal/10bblMF	2 gals	Surface yield: 1.16 ft <sup>3</sup> /sk	
			Total mixing fluid: 5.11 gal/sk	
			Thickening time (70 Bc): 2:45	
			Comp strength at 42°C 50 psi in 3 hrs	
			Comp strength at 42°C 500 psi in 6 hrs	
			Comp strength at 42°C 2,500 psi in 24 hrs	



<b>Displacement Schedule</b>			
	<b>Volume (bbl)</b>	<b>Rate (bbl/min)</b>	<b>Time (min)</b>
Make up lines & pressure test:	N/A	N/A	30
Circulate 1 x bottoms up:	108.2	6.0	18
Pump spacers ahead:	10.0	6.0	2
Mix & pump cement:	27.1	5.0	5
Drop wiper ball:	N/A	N/A	5
Pump spacers behind:	2.5	6.0	0
Pump displacement:	18.3	6.0	3
Pull workstring 120 m above TOC:	220m	9.1m/min	24
Circulate workstring clean:	14.0	6.0	2
<i>Total job time (including circulation):</i>			<i>89 min      1hr 29min</i>
<i>Minimum cement thickening time (with 2hr safety factor):</i>			<i>159 min      2hr 39min</i>

### 1.2.1 Plug #2 Job Procedure

- 1) Make up workstring with stinger and RIH to 550m.
- 2) Rig up surface lines.
- 3) Establish circulation, Pump 5bbls Fresh water.
- 4) Test lines 200/2000psi.
- 5) Pump 5bbls Fresh water.
- 6) Mix and pump 26.3bbls of 15.8ppg cement slurry.
- 7) Displace with 2.5bbls of fresh water to balance
- 8) Continue to displace with 17.3bbls of well fluid to create a balanced plug

Note: Displacement fluid is 1bbl under to aid in dry POOH.

- 9) Pick up at least one stand above top of cement.
- 10) Reverse circulate 2 times tubing volumes clean before POOH

### 1.3 Plug#3 Details - 9 5/8in casing

Hole Size	CSG Size	Bottom of Plug	Length of Plug	Estimated Temps
	9 5/8in (8.921in ID)	MD / TVD 40m / 40m	40m	BHST / BHCT 26°C / 25°C
3 1/2in 9.5ppf tubing capacity				bbl/m 0.0285
9 5/8in 36ppf casing capacity				0.2536
<b><u>Spacer Design (per bbl)</u></b>		<b><u>Total</u></b>		
Freshwater	42.00 gal	15 bbl	Volume ahead: 5.0 bbl Volume behind: 0 bbl Spacer density: 8.33 ppg (Mud will be WBM @ 9.30 ppg)	
<b><u>Cement Slurry</u></b>		<b><u>Total</u></b>		
Adelaide Brighton Class G		2 MT	Slurry Volume: 10.2 bbl	
Calcium Chloride 1%	1 %BWOC	46 lbs	Surface density: 15.80 ppg	
Freshwater	5.14 gal/sk	15.9 bbl	Surface yield: 1.17 ft <sup>3</sup> /sk	
NF-6	0.5 gal/10bblMF	1 gals	Total mixing fluid: 5.19 gal/sk	
			Thickening time (70 Bc): 2:30	
			Comp strength at 26°C 50 psi in 3 hrs	
			Comp strength at 26°C 500 psi in 6 hrs	
			Comp strength at 26°C 2,500 psi in 24 hrs	

<b>Displacement Schedule</b>			
	<b>Volume (bbl)</b>	<b>Rate (bbl/min)</b>	<b>Time (min)</b>
Make up lines & pressure test:	N/A	N/A	30
Circulate 1 x bottoms up:	8.6	6.0	1
Pump spacers ahead:	5.0	6.0	1
Mix & pump cement:	10.2	5.0	2
Drop wiper ball:	N/A	N/A	5
Pump spacers behind:	0.0	6.0	0
Pump displacement:	0.0	6.0	0
<i>Total job time (including circulation):</i>			<i>39 min      0hr 39min</i>
<i>Minimum cement thickening time (with 2hr safety factor):</i>			<i>127 min      2hr 07min</i>

### 1.3.1 Plug #3 Job Procedure

- 1) Make up workstring and RIH to 40m.
- 2) Rig up surface lines.
- 3) Establish circulation, Pump 5bbls Fresh water.
- 4) Mix and pump 10.2bbls of 15.8ppg cement slurry.
- 5) Flush lines and wash up

## 2.0 GUIDELINES FOR PREPARATION OF CEMENT MIXWATER

From time to time it is necessary to pre-mix the additives and mixwater for a cement job instead of adding them “on the fly” via the cement unit LAP system.

**NOTE:** If mixing in displacement tanks, Econolite and HR-6L are not compatible in their neat form. Ensure there is a sufficient level of water for dilution before mixing chemical additives or add them separately to the mixwater

Lab testing has indicated that there is a maximum age, or retention time, **for batch mixed mixwaters**, after which they should not be used. This is because slurry properties such as thickening time may be affected, and it applies particularly to the “high fineness” additives: Silicalite Liquid, Micromax, Gascon 469 and Microbond in conjunction with cement retarders. Therefore when pre-mixing additives the following guidelines need to be followed:

1. Prepare drillwater/seawater in a **clean pit/blender** and check fluid has the appropriate chloride content.

Freshwater	<1000	Ppm
Seawater	<20000	Ppm

2. Add 2 gal of defoamer (NF-6) per 10 bbl of water.
3. During the casing/liner run add the additives below in the following order.
  - a) Extenders – **Silicalite Liquid / Gascon 469 / Econolite Liquid, WG-17LXP**
  - b) Friction Reducers – **CFR-3L**.
  - c) Fluid Loss/Gas Migration Additives – **Halad additives / GasStop-L**.
4. Once the casing is on bottom or the liner hanger has been set and just prior to/during mud conditioning add the additives below in the following order.
  - a) Viscosifying Additives – **SA-533**. This must be added very slowly to prevent lumps forming and should be added directly to a tub and not through a mixing hopper, since a build up of partially hydrated polymer can form inside the gooseneck. Note that SA-533 requires at least 30 mins to yield.
  - b) Weighting Materials – **Micromax**.
5. Immediately prior to the jobs commencement add the retarder and then any expansive additives. Circulate the pit with maximum agitation.
  - a) Retarders – **HR-6L / HR-25L / SCR-100L**.
  - b) Expansive Additives - **MicroBond**.
6. If any foaming is observed add additional anti-foaming agents as required.

**NOTE:** Once the retarder has been added Halliburton recommends that the maximum surface time of the mixwater should be no more than **8 hours**. This is due to the retarder being attracted to the high surface area of the siliceous material in the extender. This has the effect of reducing the retardation effect of the retarder on the cement. It is recommended that if the mixwater with retarder is left for more than 8 hours on surface that it be dumped and a new batch mixed. Mixwater that has been prepared without the addition of an extender or retarder can be kept for 24 hours. After 24 hours the mixwater should not be used for cementing operations unless authorised by a Halliburton engineer.

### 3.0 PLUG SETTING RECOMMENDATIONS

1. **Cement Volume: Pumping sufficient volume is one of the biggest causes of plug failures.**
  - *Open hole:* HOC + 50% excess over gauge to account for washouts, (if not calipered).
  - *Cased Hole:* 10 bbls to compensate for mud contamination.
2. **If plug is not being set on a firm base, set a CST or spot a Viscous Reactive Pill (VRP),** the same length as the proposed plug, to act as a base.
3. **Drill pipe and stinger should be drifted for accurate displacement.** Include using a latch-down indicator sub (ball catcher) to achieve accurate displacement.
4. **Wash over the plug interval.** Rotate and reciprocate down over the entire interval at maximum rate, dependent on well conditions.
5. **Minimise any shutdowns to keep the mud in a fluidised condition.** This will help to maximise mud removal efficiency when placing cement.
6. **Use a side-port diverter tool** to direct the flow outwards, minimising intermixing and providing jetting action. **DO NOT USE A MULE SHOE WITH NARROW SLOTS.**
7. **Plug height should be limited to 500 ft.** The extra time taken to pull slowly out of the plug increases the risk of cementing-in the cementing assembly.
8. **Use 2-7/8" or 3 1/2" stinger** on the end of the drill pipe to minimise stripping the plug when POOH. The recommended length is 1.5 x plug length. When in highly deviated or horizontal holes, centralising the stinger will prevent dead areas of mud on the low side of the hole.
9. **Pump minimum of 40 bbls of spacer ahead of the plug** and required volume behind to balance & separate the mud from the cement. It is best to keep the spacer weight almost equal to the cement weight in horizontal holes.
10. **Pump spacer, cement and displacement at maximum possible rates** with the cement unit, however **do not over displace** - slow rate down prior to end of calculated displacement.
11. **Use side entry sub/swivel** or top-drive cement head to enable rotation of the drill pipe whilst pumping cement and displacement - **DO NOT reciprocate.**
12. **POOH slowly (30 - 60 ft/min)** and break connections carefully to avoid stripping plug until 500ft above the cement plug. Avoid any delay's
13. **Do not circulate on top of plug.** Break circulation slowly so as to minimise disturbance of plug. Never reverse circulate when setting an open-hole plug.
14. **Waiting on cement** should be at least the time for the plug to reach 500 psi. or 3000 psi. for a Kick-off plug. Best results have been obtained by a mandatory 24 hr WOC before disturbing the plug.

### 3.0 LAB REPORTS

# HALLIBURTON

## CEMENT SLURRY REPORT

### JOB INFORMATION

<b>Customer</b>	: Karoon Gas	<b>Date</b>	: 4/01/2007
<b>Well Name</b>	: Megascoldes 2	<b>Reference</b>	: M-07-01A
<b>Casing Size</b>	: 12 1/4" Open Hole		
<b>Job Type</b>	: 9 5/8" Surface Casing		
<b>Slurry Type</b>	: Tail		
<b>Time to Temp</b>	: 17 min.		

### WELL PROPERTIES

<b>Depth(MD from RKB)</b>	: 500	Meters	<b>Depth(TVD from RKB)</b>	: 500	Meters
<b>Surface Temperature</b>	: 25	Deg.C.	<b>Temperature Gradient</b>	: 3.50	Deg.C./100M
<b>BHST</b>	: 44	Deg.C.	<b>BHCT (per API Spec 10)</b>	: 32	Deg.C.
<b>Mud Weight</b>	: 9.30	PPG	<b>Water Source</b>	: Drill	

### SLURRY PROPERTIES

<b>ABC Class G</b>	: 94.00	Lbs/sk	From Yard		
<b>NF-6</b>	: 0.25	gal/10bbl of Mix Fluid		0.003	gal/sk
<b>Slurry Weight</b>	: 15.80	PPG	<b>Slurry Yield</b>	: 1.16	CuFt/Sack
<b>Mixing Water</b>	: 5.11	Gals/Sack	<b>Total Mixing Fluid</b>	: 5.11	Gals/Sack

### THICKENING TIME

<b>Reading (BC)</b>	: Initial BC	<b>30 BC</b>	<b>50 BC</b>	<b>70 BC</b>	1,118 psi
<b>Time(hrs:mins)</b>	: 0	4:21	4:50	4:51	32 Deg.C.

### COMPRESSIVE STRENGTH

<b>UCA Summary</b>	: 50psi	2:29	<b>UCA Max Temp</b>	: 32 Deg C
	: 500psi	6:43	<b>UCA Pressure</b>	: 3000 psi
	: 2495psi	24:05		

**Notes** : The test was conducted to the specifications provided.

**Lab Technician** : Prem Kumar Salibendla

**Approved** : Lucien Bianchi



The above report is based on sound engineering practices, but because of variable well conditions and other information which must be relied upon, Halliburton makes no warranty, express or implied, as to the accuracy of the data or any of the calculations

Project No : M-07-01A  
Well Name/Job : Megascolides 2/ 9 5/8 Cas.Tail  
Date : 4/01/2007  
Pressure : 3000psi  
Temperature : 44°C/111°F

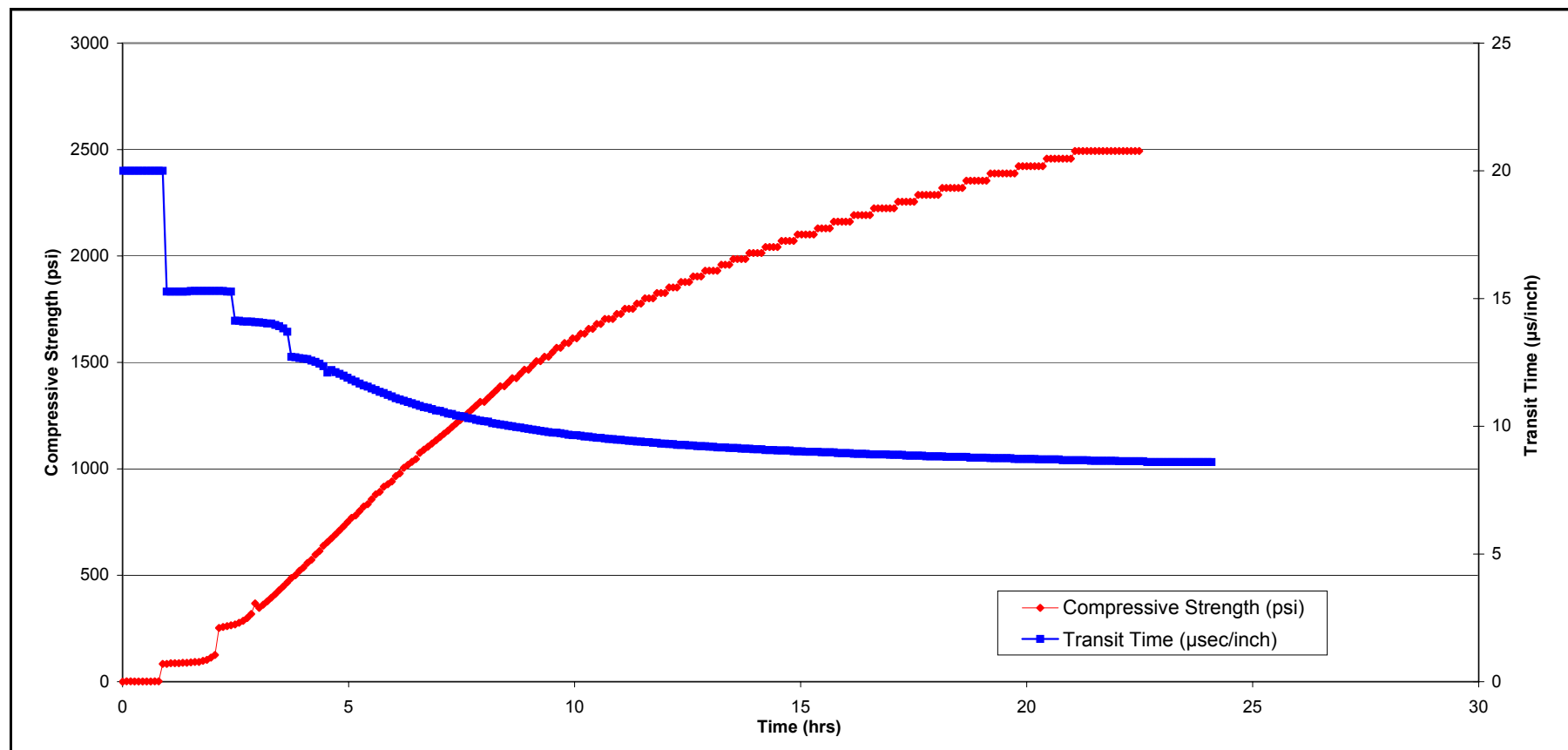
**HALLIBURTON**

ULTRASONIC CEMENT ANALYZER

Strength 1 (50psi) : 2:29  
Strength 2 (500psi) : 6:43  
Current Strength (2495psi) : 24:05

Cement : ABC Class G & NF-6 0.25 gal/10bbl & Drill Water

Density –15.8ppg ▲ yield – 1.16cuft/sk ▲ Water – 5.11gal/sk ▲ Total Fluid – 5.11gal/sk





# HALLIBURTON

## CEMENT SLURRY REPORT

### JOB INFORMATION

<b>Customer</b>	: Karoon Gas	<b>Date</b>	: 4/01/2007
<b>Well Name</b>	: Megascoides 2	<b>Reference</b>	: M-07-02A
<b>Casing Size</b>	: 12 1/4" Open Hole		
<b>Job Type</b>	: 9 5/8" Surface Casing		
<b>Slurry Type</b>	: Lead		
<b>Time to Temp</b>	: 17 min.		

### WELL PROPERTIES

<b>Depth(MD from RKB)</b>	: 500	Meters	<b>Depth(TVD from RKB)</b>	: 500	Meters
<b>Surface Temperature</b>	: 25	Deg.C.	<b>Temperature Gradient</b>	: 3.50	Deg.C./100M
<b>BHST</b>	: 44	Deg.C.	<b>BHCT (per API Spec 10)</b>	: 32	Deg.C.
<b>Mud Weight</b>	: 9.30	PPG	<b>Water Source</b>	: Fresh	

### SLURRY PROPERTIES

<b>ABC Class G</b>	: 94.00	Lbs/sk	From Yard		
<b>NF-6</b>	: 0.25	gal/10bbl of Mix Fluid		0.007	gal/sk
<b>Econolite Liquid</b>	: 20.00	gal/10bbl of Mix Fluid		0.592	gal/sk
<b>Slurry Weight</b>	: 12.50	PPG	<b>Slurry Yield</b>	: 2.13	CuFt/Sack
<b>Mixing Water</b>	: 11.83	Gals/Sack	<b>Total Mixing Fluid</b>	: 12.43	Gals/Sack

### THICKENING TIME

<b>Reading (BC)</b>	: Initial BC	30 BC	50 BC	70 BC	1,118 psi
<b>Time(hrs:mins)</b>	:			+6:00	32 Deg.C.

### COMPRESSIVE STRENGTH

<b>UCA Summary</b>	: 50psi	5:50	<b>UCA Max Temp</b>	: 32 Deg C
	: 500psi	23:46	<b>UCA Pressure</b>	: 3000 psi
	: 551psi	27:45		

**Notes** : The thickening time is based up on UCA compressive strength development.

**Lab Technician** : Prem Kumar Salibendla

**Approved** : Lucien Bianchi



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Project No : M-07-02A  
Well Name/Job : Megascolides 2 / 9 5/8" Cas . Lead  
Date : 4/01/2007  
Pressure : 3000psi  
Temperature : 32°C/90°F

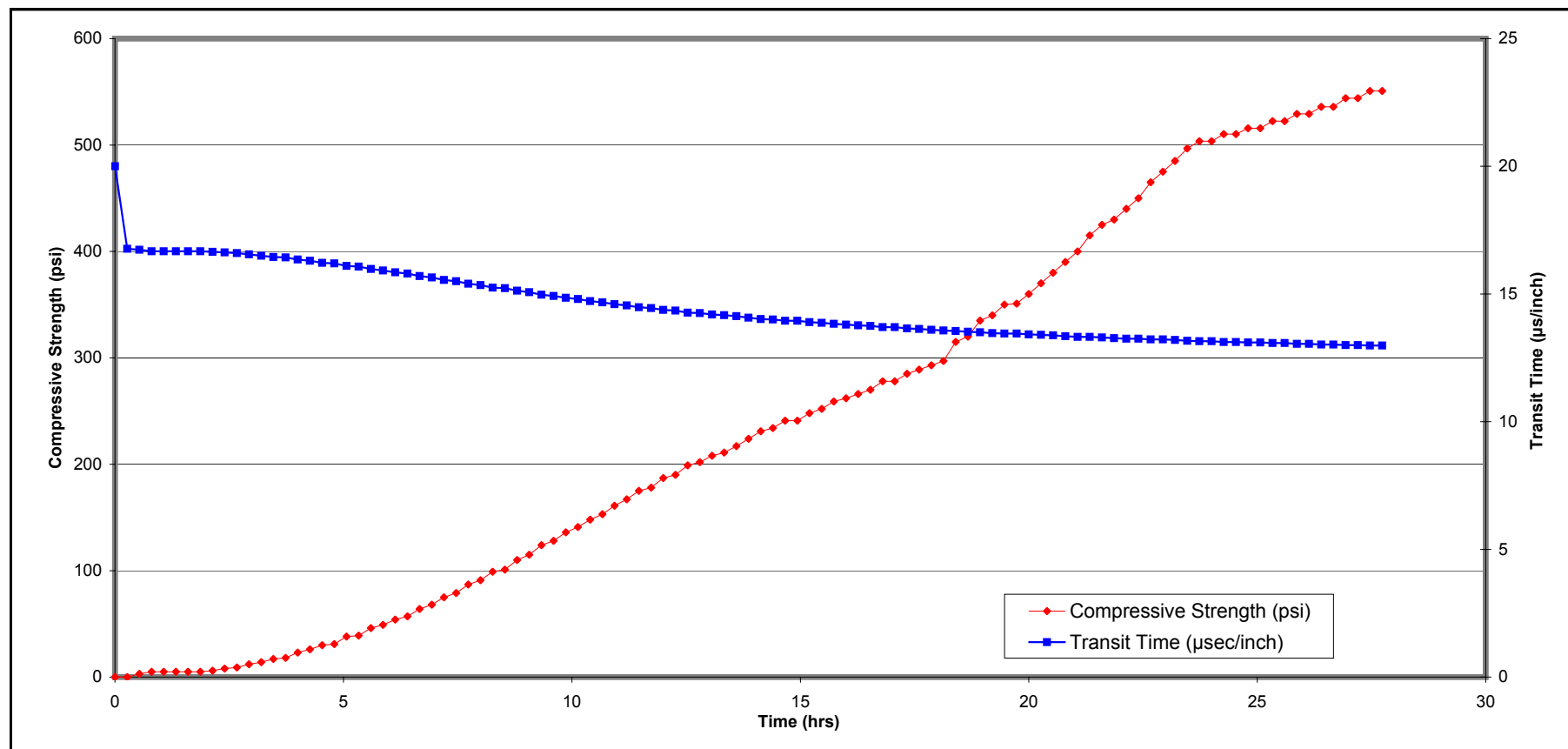
**HALLIBURTON**

ULTRASONIC CEMENT ANALYZER

Strength 1 (50psi) : 5:50  
Strength 2 (500psi) : 23:46  
Current Strength (551psi) : 27:45

Cement : ABC Class G & Econolite Liquid - 20gal/10bbl & NF-6 - 0.25 gal/10bbl & Freshwater

Density -12.5ppg ▲ yield -2.13cuft/sk ▲ Water - 11.83gal/sk ▲ Total Fluid - 12.43gal/sk



# HALLIBURTON

## CEMENT SLURRY REPORT

### JOB INFORMATION

<b>Customer</b>	: Karoon Gas	<b>Date</b>	: 2/02/2007
<b>Well Name</b>	: Megascoldes #2	<b>Reference</b>	: MG-07-01A
<b>Casing Size</b>	: 8 3/4 Inch OH		
<b>Job Type</b>	: Plug #1		
<b>Slurry Type</b>	: Single		
<b>Time to Temp</b>	: 17 min		

### WELL PROPERTIES

<b>Depth(MD from RKB)</b>	: 925	Meters	<b>Depth(TVD from RKB)</b>	: 925	Meters
<b>Surface Temperature</b>	: 25	Deg.C.	<b>Temperature Gradient</b>	: 3.57	Deg.C./100M
<b>BHST</b>	: 58	Deg.C.	<b>BHCT (per API Spec 10)</b>	: 47	Deg.C.
<b>Mud Weight</b>	: 9.30	PPG	<b>Water Source</b>	: Drill Water	

### SLURRY PROPERTIES

<b>ABC Class G</b>	: 94.00	Lbs/sk	From Yard		
<b>NF-6</b>	: 20.00	gal/10bbl of Mix Fluid		0.245	gal/sk
<b>Halad-413L</b>	: 0.50	gal/10bbl of Mix Fluid		0.006	gal/sk
<b>Slurry Weight</b>	: 15.80	PPG	<b>Slurry Yield</b>	: 1.16	CuFt/Sack
<b>Mixing Water</b>	: 4.89	Gals/Sack	<b>Total Mixing Fluid</b>	: 5.14	Gals/Sack

### THICKENING TIME

<b>Reading (BC)</b>	: Initial BC	<b>30 BC</b>	<b>50 BC</b>	<b>70 BC</b>	1,816 psi
<b>Time(hrs:mins)</b>	: 21	2:23	2:32	2:40	47 Deg.C.

### FLUID LOSS

<b>API Fluid Loss @ 1000psi</b>	: 50	cc/30min
---------------------------------	------	----------

### COMPRESSIVE STRENGTH

<b>UCA Summary</b>	: 50psi	<b>0:32</b>	<b>UCA Max Temp</b>	: 53 Deg C
	: 500psi	<b>4:46</b>	<b>UCA Pressure</b>	: 3000 psi
	: 3652psi	<b>75:30</b>		

**Notes** : The test was conducted to the specifications provided.

**Test performed** : Prem Kumar Salibendla

**Approved** : Andrew Stobie



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Project No : MG-07-01A  
Well Name/Job : Megascoides #2 / Plug #1  
Date : 2/02/2007  
Pressure : 3000psi  
Temperature : 53°C/127°F

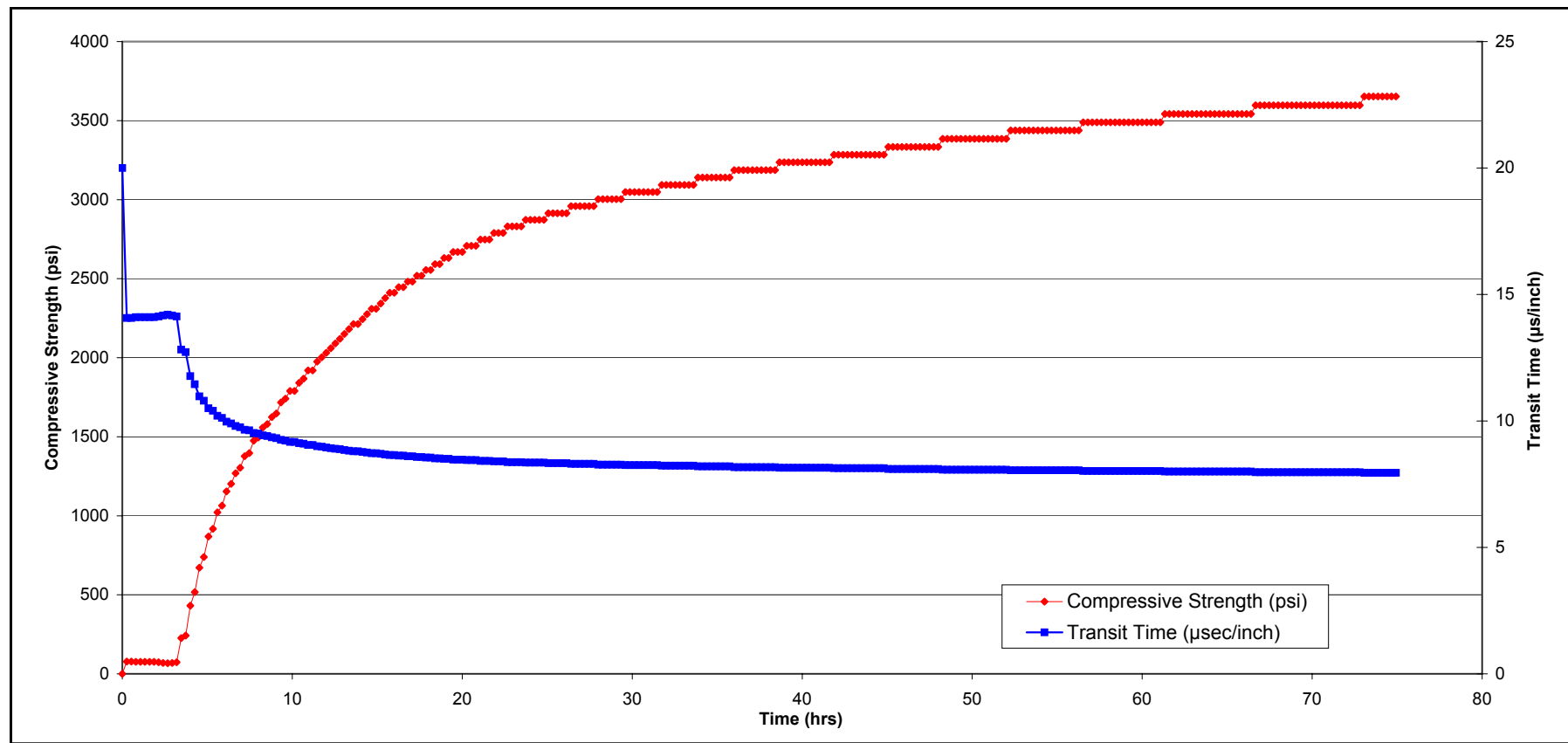
**HALLIBURTON**

ULTRASONIC CEMENT ANALYZER

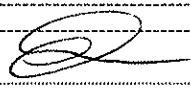
Strength 1 (50psi) : 0:32  
Strength 2 (500psi) : 4:46  
Current Strength (3652psi) : 75:30

Cement : ABC Class G & Halad-413L - 20gal/10bbl & NF-6 - 0.5 gal/10bbl & Drill Water

Density -15.8ppg ▲ yield - 1.16cuft/sk ▲ Water - 4.89gal/sk ▲ Total Fluid - 5.14gal/sk

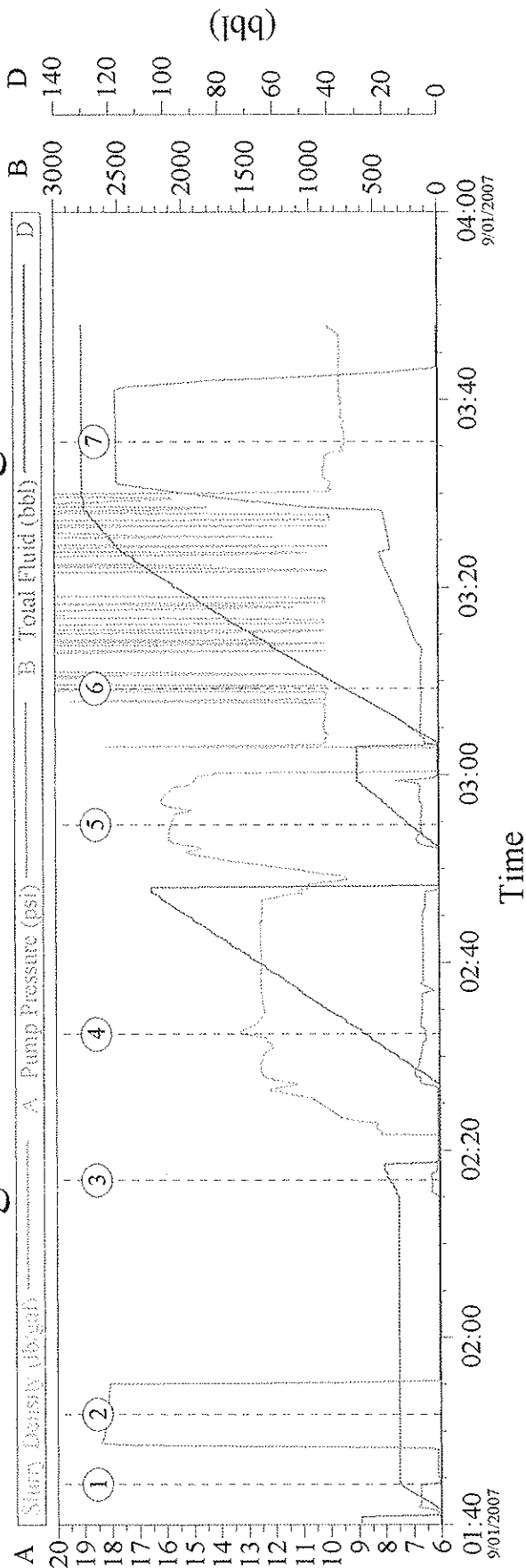


#### 4.0 JOB SUMMARY, EJCS, JOB LOGS

HALLIBURTON				CUSTOMER Karoo/Upstream		SALES ORDER No. NA 48320751 360		DATE 09-Jan-07																																														
CEMENT/PUMPING JOB SUMMARY																																																						
WELL Megascoldes #2		LOCATION/FIELD NAME Victoria		COUNTRY Australia		HES REP Ronald Zwarteveen		CUSTOMER REP C. Dann																																														
JOB TYPE Zonal Isolation		JOB PURPOSE CODE Surface Casing		BDA Perth				WELL TYPE Exploration																																														
PERSONNEL / EXPOSURE (HRS)		PERSONNEL / EXPOSURE (HRS)		PERSONNEL / EXPOSURE (HRS)		PERSONNEL / EXPOSURE (HRS)																																																
292003 Ronald Zwarteveen 12		#N/A Robert Bridgeman 12																																																				
EQUIPMENT																																																						
PUMPING/MIXING UNIT		BULK SUPPLY/TANKS		VEHICLES/TRAILERS		OTHER																																																
FLOAT EQUIPMENT		CASING ATTACHMENTS		CASING EQUIPMENT		CASING EQUIPMENT																																																
Float Shoe		3 Centralizers																																																				
Float Collar		Cement Basket																																																				
WELL PROFILE																																																						
PREVIOUS CASING		PREVIOUS CASING/LINER		NEW CASING		OPEN HOLE/EXCESS		CALLIPER VOLUME																																														
		13 3/8		9 5/8 36 ppf 0-508 mtr.		50% Lead 12 1/4 30% Tail																																																
FOR PLUG AND LINER JOBS PLEASE INDICATE WORKSTRING																																																						
CEMENT DESIGN																																																						
FIRST STAGE / LEAD / SINGLE SLURRY				SECOND STAGE / TAIL				THIRD STAGE																																														
ABC Class 'A'				ABC Class 'A'																																																		
Density 12.5 ppg		Water gal/sk		Density 15.8 ppg		Water gal/sk		Density ppg																																														
Yield 2.14 cuft/sk		MWV ##### gal/sk		Yield 1.16 cuft/sk		MWV 5.11 gal/sk		Yield cuft/sk																																														
Econolite Liquid 20.0 gal/10bbl																																																						
NF-6 0.03 gal/10bbl																																																						
PUMPING SCHEDULE																																																						
FLUID	VOLUME	DENSITY	RATE	FLUID	VOLUME	DENSITY	RATE	FLUID	VOLUME																																													
FW				Lead	103	12.5	4.5 bpm																																															
Spacer	20	8.3	5bpm	Tail	30	15.8	4 bpm																																															
Freshwater				Displacement	125.5	8.33	6 bpm																																															
EJCS / CUSTOMER COMMENTS																																																						
<p>Dear Customer,</p> <p>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</p> <p>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.</p> <p>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?  <b>Did we perform in a safe &amp; careful manner?</b>  <b>Did we perform in an environmentally sound manner?</b>            Was the job performed as scheduled?            Did the equipment condition &amp; appearance meet you expectations?            How well did our personnel communicate during mobilisation, rig-up and job execution?</p>					<p>Please indicate your response by placing a tick in the box underneath the rating that best matches your opinion.</p> <table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Excellent (Performance benchmark achieved)</td> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Good (successful and efficient execution)</td> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Average (Did what was required)</td> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Below Average (minimum effort was made)</td> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Poor (Did not comply)</td> </tr> <tr> <td>5</td> <td>4</td> <td>3</td> <td>2</td> <td>1</td> </tr> <tr> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td></td> <td></td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td></td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>✓</td> </tr> <tr> <td></td> <td>✓</td> <td></td> <td></td> <td></td> </tr> </table>					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			✓	✓				✓				✓					✓						✓	✓						✓		✓			
Excellent (Performance benchmark achieved)	Good (successful and efficient execution)	Average (Did what was required)	Below Average (minimum effort was made)	Poor (Did not comply)																																																		
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Customer Comments? (What can we do to improve/maintain our services?)																																																						
EQUIPMENT REQUIRES ATTENTION TO OIL LEAKS, CEMENT HEAD AND NOISE EMISSION																																																						
CONDITION AND PERFORMANCE OF EQUIPMENT BELOW STANDARDS NORMALLY MAINTAINED BY HALLIBURTON																																																						
Customer Signature: 					Date: 9th JANUARY 2007																																																	

<b>HALLIBURTON</b>				CUSTOMER Karooon/Upstream	SALES ORDER No. NA	DATE 09-Jan-07
<b>CEMENTING/ PUMPING JOB LOGS</b>						
WELL Megascollides #2	LOCATION/FIELD NAME Victoria	COUNTRY Australia	HES REP Ronald Zwarteveen	CUSTOMER REP C.Dann	WELL TYPE Exploration	
JOB TYPE Zonal Isolation	JOB PURPOSE CODE Surface Casing			BDA Perth		
PERSONNEL / EXPOSURE (HRS)		PERSONNEL / EXPOSURE (HRS)		PERSONNEL / EXPOSURE (HRS)		PERSONNEL / EXPOSURE (HRS)
292003	Ronald Zwarteveen	12				
#N/A	Robert Bridgeman	12				
<b>KEY PERFORMANCE INDICATORS</b>						
JOB TYPE Primary Cement Job	TOTAL TIME PUMPING FLUIDS 2 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 AOC 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						
<b>JOB LOG</b>						
DATE DAY-MONTH-YEAR	TIME HRS:MIN	VOLUME bbbls	PRESSURE (psi) HIGH LOW	RATE bpm	JOB DESCRIPTION REMARKS/DETAILS	
3/01/2007	13:00				Arrive Location Prepare Unit	
4/01/2007	08:00				Spot Equipment Rig up Lines Load Cement 37.35 MT Continue to Rig up Lines Take on mixwater Fluf Cement	
5/01/2007	07:00				Test Run unit Prepare mixwater	
6/01/2007					Toolbox Meeting Start Job Pump 15 bbl FW spacer Press. Test Lines 2500 psi Drop bottom Plug/Load Top plug Pump 5 bbl FW spacer Mix and Pump 103 bbl Lead cmnt @ 12.5 ppg Mix and Pump 30 bbl Tail cmnt @ 15.8 ppg Drop top plug/Pump Displacement 389 bbl Bump plug Test Casing/ plug Bleed off Check for backflow End Job	
09:00	01:30					
	02:15					
	02:17	15	80			
	02:20		2500			
	02:25					
	02:45	5	80			
	02:55	103	200	50	5	Mix and Pump 103 bbl Lead cmnt @ 12.5 ppg
		30	400	200	4.5	Mix and Pump 30 bbl Tail cmnt @ 15.8 ppg
		125.5			6	Drop top plug/Pump Displacement 389 bbl
	04:04					Bump plug
	04:10	2500				Test Casing/ plug Bleed off Check for backflow
	04:20					End Job
	07:00					Toolbox meeting Top-up Job
	07:15					Start mixing Cement @ 12.8 ppg
	06:00				2.5	Pump 8.5 bbl slurry
CHRIS DANN 9TH JAN 07						
Chemicals used:						
Cement 431 sks.						
Econolite 424 gals.						
NF-6 3 gals.						
Top-Up job						
Cement 21 sks.						
Cement left on Location 424 sks						
END OF JOB LOGS PAGE 1						

# Megascolides#2 9 5/8 Surface Casing



Stages	
① pump 15 bbl FW spacer	01:44:19
② Press. Test Lines	01:51:50
③ Drop bottom Plug Pump 5 bbl Fw spacer	02:16:49
④ Start Mixing lead Cement @ 12.5 ppg	02:32:24
⑤ Start Mixing Tail Cement @ 15.8 ppg	02:54:42
⑥ Drop Top plug /Pump Displacement	03:09:14
⑦ Bump and Test plug	03:35:33

Customer: Karoon Upstream	Job Date: 9 Jan 2007
Well Desc: Megascolides2	Job Type: 9 5/8 Casing

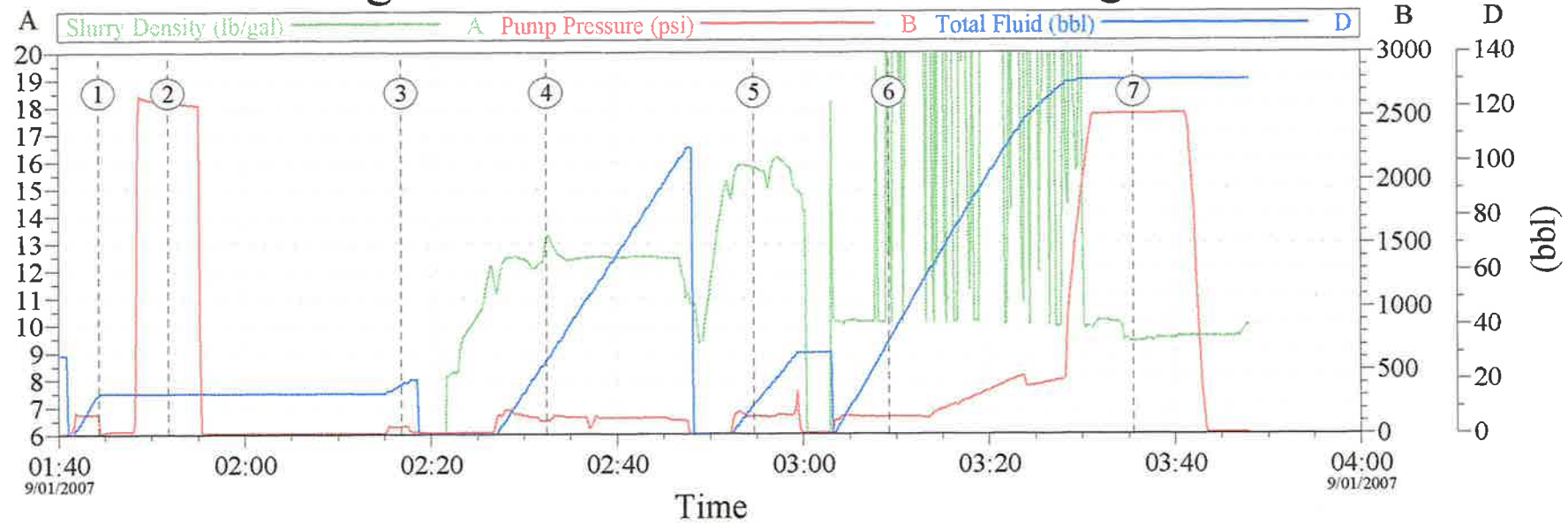
CemWin v1.7.2  
09-Jan-07 15:06



HALLIBURTON				CUSTOMER Karoo/Upstream		SALES ORDER No.		DATE 1-3/02/2007																																																					
CEMENT/PUMPING JOB SUMMARY																																																													
WELL Megascoldes #2		LOCATION/FIELD NAME Gippsland Basin		COUNTRY Australia		HES REP Ronald Zwartveen		CUSTOMER REP Bruce Pilat		WELL TYPE Exploration																																																			
JOB TYPE P&A Plugs		JOB PURPOSE CODE PLUG TO ABANDON 7528		BDA Perth		RIG Century 11																																																							
PERSONNEL / EXPOSURE (HRS)			PERSONNEL / EXPOSURE (HRS)			PERSONNEL / EXPOSURE (HRS)			PERSONNEL / EXPOSURE (HRS)																																																				
R. Zwartveen			Miroslave																																																										
R. Bridgeman																																																													
EQUIPMENT																																																													
PUMPING/MIXING UNIT		HRS		BULK SUPPLY/TANKS		HRS		VEHICLES/TRAILERS		HRS																																																			
FLOAT EQUIPMENT		CASING ATTACHMENTS		CASING EQUIPMENT		CASING EQUIPMENT																																																							
WELL PROFILE																																																													
PREVIOUS CASING		PREVIOUS CASING/LINER		NEW CASING		OPEN HOLE/EXCESS		CALLIPER VOLUME																																																					
		to		to		to																																																							
FOR PLUG AND LINER JOBS PLEASE INDICATE WORKSTRING																																																													
CEMENT DESIGN																																																													
PLUG1				PLUG2				PLUG3, for extra plugs put details on job log																																																					
ABC Class 'G'				ABC Class 'G'				ABC Class 'G'																																																					
15.8 ppg		Drillwater		Density 15.8 ppg		Water 5.14 gal/sk		Density 15.8 ppg		Water gal/sk																																																			
1.16 cuft/sk		MWV		Yield 1.16 cuft/sk		MWV 5.14 gal/sk		Yield 1.16 cuft/sk		MWV 5.14 gal/sk																																																			
Halad-413L 20 gal/10bbl				%BWOC				%BWOC																																																					
NF-6 0.25 gal/10bbl				%BWOC				%BWOC																																																					
%BWOC				%BWOC				%BWOC																																																					
PUMPING SCHEDULE																																																													
FLUID	VOLUME	DENSITY	RATE	FLUID	VOLUME	DENSITY	RATE	FLUID	VOLUME	DENSITY	RATE																																																		
Fw	10	8.3	4 bbl/min	Fw	10	8.3	4 bbl/min	Fw	10	8.33	4 bbl/min																																																		
Slurry	33.6	15.8	4 bbl/min	Slurry	37	15.8	4 bbl/min	Slurry	12.6	15.8	4 bbl/min																																																		
Displ	31.5	9.8	6 bbl/min	Displ	15	9.8	6 bbl/min	Displ	2	8.33	4 bbl/min																																																		
EJCS / CUSTOMER COMMENTS																																																													
<p>Dear Customer,</p> <p>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</p> <p>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.</p> <p>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?  <b>Did we perform in a safe &amp; careful manner?</b>  <b>Did we perform in an environmentally sound manner?</b>            Was the job performed as scheduled?            Did the job performed condition &amp; appearance meet you expectations?            How well did our personnel communicate during mobilisation, rig-up and job execution?</p> <p>Overall, I am satisfied with Halliburton's performance:</p>						<p>Please indicate your response by placing a tick in the box underneath the rating that best matches your opinion.</p> <table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Superior Performance (Establish new quality performance standards)</td> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Exceeded Expectations (Provided more than what was expected)</td> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Met expectations (Did what was expected)</td> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Below expectations (Did not do what was expected)</td> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Poor (Job problems / failures occurred)</td> </tr> <tr> <td>5</td> <td>4</td> <td>3</td> <td>2</td> <td>1</td> </tr> <tr> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>X</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>X</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Yes</td> <td>No</td> <td></td> <td></td> <td></td> </tr> </table>						Superior Performance (Establish new quality performance standards)	Exceeded Expectations (Provided more than what was expected)	Met expectations (Did what was expected)	Below expectations (Did not do what was expected)	Poor (Job problems / failures occurred)	5	4	3	2	1		X					X					X				X					X						X									Yes	No			
Superior Performance (Establish new quality performance standards)	Exceeded Expectations (Provided more than what was expected)	Met expectations (Did what was expected)	Below expectations (Did not do what was expected)	Poor (Job problems / failures occurred)																																																									
5	4	3	2	1																																																									
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Yes	No																																																												
<p><b>Customer Comments?</b> (What can we do to improve/maintain our services?)</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>																																																													
<p>Customer Signature: <u>B. Pilat</u></p>						<p>Date: <u>3/2/07</u></p>																																																							

[illegible]

# Megascolides#2 9 5/8 Surface Casing



Stages		
①	pump 15 bbl FW spacer	01:44:19
②	Press. Test Lines	01:51:50
③	Drop bottom Plug Pump 5 bbl Fw spacer	02:16:49
④	Start Mixing lead Cement @ 12.5 ppg	02:32:24
⑤	Start Mixing Tail Cement @ 15.8 ppg	02:54:42
⑥	Drop Top plug /Pump Displacement	03:09:14
⑦	Bump and Test plug	03:35:33

Customer: Karoon Upstream  
Well Desc: Megascolides2

Job Date: 9 Jan 2007  
Job Type: 9 5/8 Casing

CemWin v1.7.2  
09-Jan-07 15:06



## CASING AND CEMENTING REPORT

Well Name:

Megascolides 2

<b>Casing Type:</b> <input checked="" type="checkbox"/> Surface Casing <input type="checkbox"/> Intermediate Casing <input type="checkbox"/> Production Casing																																																								
<b>Rig Supervisor:</b> Chris Dann <b>Report Checked by:</b> <b>Job Date:</b> 9th January 2007																																																								
<b>Hole Size:</b> 12.25 inch <b>Section TD:</b> 510 m RT <b>Cementing Contractor:</b> Halliburton																																																								
<b>PRE-FLUSH:</b> 20 bbls @ 8.34 ppg <b>SPACER:</b> bbls @ ppg																																																								
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**ATTACHMENT 12 : DAILY DRILLING REPORTS**

**Megascolides-2**

<b>Date :</b>	03 Feb 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	37	<b>Drilling Supervisor :</b>	Bruce Pilat / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	2130m	Casing MD:	507m	Last BOP Test:	29 Jan 2007
Rig:	Century 11	True Vertical Depth:	2125m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	30.17	Liner MD:		LTI Free Days:	255
Datum:	WGS 84	Days On Well:	36.06	Liner TVD:			

Current Ops @ 0600: Rig down.

Planned Operations: N/A

**Summary of Period 0000 to 2400 Hrs**

Continue to LD drillpipe. Pump surface cement plug #3 from 57 - 6m. LD stinger. LO kelly and swivel. ND BOP's. Cut off A-section and cap stump. Clean up equipment. Clean mud tanks. Rig released at 1800hrs February 3, 2007.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 60,785	Cum. Cost:	\$ 2,878,201
Projected Cost:	\$ 3,200,000						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	03 Feb 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	03 Feb 2007	0 Days	LDDP and cement jobs & ND BOP's
Safety Meeting ( 1 )	03 Feb 2007	0 Days	Hold pre-job safety meeting prior to cement jobs

**Operations For Period 0000 Hrs to 2400 Hrs on 03 Feb 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ABN	P	PLD	0000	0430	4.50	2130m	RIH to 385m and lay down DP in stages to empty mast.
ABN	P	CMP	0430	0500	0.50	2130m	Bottom of stinger at 120m. Rig to and pump 15 bbl hi-vis pill.
ABN	P	PLD	0500	0530	0.50	2130m	POH laying out 3 x DP, 4 x EUE. Bottom of stinger at 57m.
ABN	P	CMP	0530	0600	0.50	2130m	Rig up Halliburton. Hold pre-job safety meeting. Pump cement plug #3. pump 1 bbl water ahead, mix & pump 12.6bbl of Class G cement @ 15.8ppg with 0.25 gal/10bbl NF-6, chase with 1 bbl water, POH laying down stinger.
ABN	P	PLD	0600	0700	1.00	2130m	RD Halliburton. POH, laying down cement stinger. Flush BOP and choke.
ABN	P	RD	0700	1000	3.00	2130m	LO kelly and swivel.
ABN	P	RD	1000	1200	2.00	2130m	ND BOP's.
ABN	P	RD	1200	1500	3.00	2130m	Cut A-section. RD handling gear from work floor. Clean mud tanks.
ABN	P	RD	1500	1800	3.00	2130m	RD various rig components to prepare rig for lowering mast. Con't clean mud tanks. RIG RELEASE @ 18:00hrs

**WBM Data**

Daily Chemical Costs: \$ 0				Cost To Date: \$ 60356		Engineer : Peter N Aronetz	
Mud Type:	KCI-PHPA-POLYMER	Flowline Temp:		Cl:	0.00x1000 mg/l	Low Gravity Solids:	0.0%
Sample From:	N/A	Nitrates:	0mg/l	Hard/Ca:	0mg/l	High Gravity Solids:	0.0%
Time:	18:00	Sulphites:	0mg/l	MBT:	0	Solids (corrected):	0.0%
Weight:	0.00ppg	API FL:	0.0cm <sup>3</sup> /30m	PM:	0	H <sub>2</sub> O:	0.0%
ECD TD:	0.00ppg	API Cake:	0/32nd"	PF:	0	Oil:	0.0%
ECD Shoe:		PV	0cp	MF:	0	Sand:	0 %
Viscosity	0sec/qt	YP	0lb/100ft <sup>2</sup>	pH:	0	Barite:	0
KCl Equiv:	0.0%	CaCO <sub>3</sub> Added:	0.0ppb	PHPA Added:	0.00ppb		

**Comment:** At completion of plug-back sequence dump all tanks and commence clean-out and repairs.

This is the final report for MEGASCOLIDES 2  
 RMN / AMC appreciates and thanks you for your business!

**Shakers, Volumes and Losses Data**

Available	0.0bbl	Losses	693.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	0.0bbl	Downhole	0.0bbl	De-Gaser 1	Rig		0
Hole	0.0bbl	Shakers & Equip.	0.0bbl	De-Sander 1	Pioneer	2 Cones	0
Slug		Dumped	693.0bbl	De-Silter 1	Pioneer	10 Cones	0
Reserve	0.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	0
Hi/Vis Pill		De-Sander		Shaker 2	DFE	2x175, 1x140	0
		De-Silter	0.0bbl				
Built	0.0bbl						

**Comment:** At completion of plug-back sequence dump all tanks and commence clean-out and repairs.

This is the final report for MEGASCOLIDES 2  
 RMN / AMC appreciates and thanks you for your business!

**BHA Data**
**BHA # 9**

Weight(Wet)	Length	96m	Torque(max)			D.C. (1) Ann Velocity
Wt Below Jar(Wet)	String		Torque(Off.Btm)			D.C. (2) Ann Velocity
	Pick-Up		Torque(On.Btm)			H.W.D.P. Ann Velocity
	Slack-Off		Jar Hours	475.5	D.P. Ann Velocity	
Equipment	Length	OD	ID	Serial #	Hours	Comment
Tubing	10 x 9.51m	3.50in				
X/O	x 1.00m	6.25in	1.88in			
Total Length:	95.10m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1915.00	3.75	96.00	1911.64	90.88	0.66	90.88	2.64	Hofco single shot
2006.00	6.75	79.00	2002.25	91.59	1.10	91.59	10.85	Hofco single shot
2053.00	8.50	77.00	2048.83	92.90	1.13	92.90	16.95	Hofco single shot (misrun - assumed)
2130.00	8.50	77.00	2124.99	95.46	0.00	95.46	28.04	Extrapolation (assumed)



Summary	
Company	Pax On
Karooon Gas Ltd	3
Century Drilling Ltd	22
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	15.0
AMC Defoamer	25L can	0	0	0	18.0
AMC PAC-R	25kg sack	0	0	0	56.0
AMC PHPA	25kg sack	0	0	0	18.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	446.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	0	0	7.0
Citric Acid	25kg sack	0	0	0	37.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	30.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	10.0
KCl	25kg sack	0	0	0	198.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	0	0	16.0
Sodium Sulfite	25kg sack	0	0	0	12.0
Xanthan Gum	25kg sack	0	0	0	25.0
Xtra-sweep	12lb box	0	0	0	7.0
Diesel fuel	lt	0	1400	0	9,400.0
Calcium Carbonate 40μ	25 kg sacks	0	0	0	354.0

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	G.D. PZ-7	5.50		97						1.		
										2.		
2	G.D PZ-7	5.50		97						1.		
										2.		
3	G.D PZ-7	5.50		97						1.		
										2.		

**Megascolides-2**

<b>Date :</b>	02 Feb 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	36	<b>Drilling Supervisor :</b>	Bruce Pilat / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	2130m	Casing MD:	507m	Last BOP Test:	29 Jan 2007
Rig:	Century 11	True Vertical Depth:	2125m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	29.42	Liner MD:		LTI Free Days:	254
Datum:	WGS 84	Days On Well:	35.31	Liner TVD:			

Current Ops @ 0600: Layout cement stinger

Planned Operations: Flush and ND BOP's, LO kelly, clean mud tanks, Release rig.

**Summary of Period 0000 to 2400 Hrs**

RD wireline. LO BHA. RIH with cement stinger and set OH cement Plug #1 (950 - 850m). POH to 550m and set ~100m Plug #2 across casing shoe. Lay down DP. RIH and tag Plug #2 at 422m. Continue to POH laying down DP.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 93,650	Cum. Cost:	\$ 2,817,416
Projected Cost:	\$ 3,200,000						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	02 Feb 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	02 Feb 2007	0 Days	Tripping and cement jobs & Body placement while LDDP
Safety Meeting ( 2 )	02 Feb 2007	0 Days	Hold pre-job safety meeting prior to cement jobs

**Operations For Period 0000 Hrs to 2400 Hrs on 02 Feb 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
E1	P	LOG	0000	0100	1.00	2130m	Complete electric line logs. RD wireline.
ABN	P	HBHA	0100	0630	5.50	2130m	POOH BHA and LO HWDP. PU kelly, Break same.
ABN	P	HBHA	0630	0700	0.50	2130m	Clean up rig floor. Rig to RIH cement stinger.
ABN	P	CMP	0700	1030	3.50	2130m	PU, MU and RIH w/ 10 jts cement stinger, X/O & DP to 986m.
ABN	P	CMP	1030	1100	0.50	2130m	MU circ swage, break circ, spot 15 bbl HV pill.
ABN	P	PLD	1100	1130	0.50	2130m	POH laying out 6 DP.
ABN	P	CMP	1130	1230	1.00	2130m	MU Halliburton cement swage, Hold PJSM, pressure test lines.
ABN	P	CMP	1230	1300	0.50	2130m	Pump Cement Plug #1, 950m - 850 m. Pump 2 bbl water ahead, mix & pump 33.6 bbl of class G cement @ 15.8ppg, 2 bbl water, displace with 31 bbl mud
ABN	P	PLD	1300	1500	2.00	2130m	POH 6 stds, LO 24 singles.
ABN	P	CMP	1500	1530	0.50	2130m	Head up & circ 2 x tubing volumes. Spot 15 bbl HV pill, LD 6 jts DP.
ABN	P	CMP	1530	1600	0.50	2130m	Head up, pressure test lines & pump Cement Plug #2, 550m - 450 m. Pump 10 bbl water ahead, mix & pump 37 bbl Class G cement @ 15.8 ppg, 2 bbl water, displace with 15 bbls mud
ABN	P	PLD	1600	1700	1.00	2130m	POH 6 stds, LO 15 singles.
ABN	P	CMP	1700	1730	0.50	2130m	Head up and circ DP clean.
ABN	P	PLD	1730	1800	0.50	2130m	Con't lay down DP sideways.
ABN	P	PLD	1800	2130	3.50	2130m	RIH to 357m, lay down DP while WOC.
ABN	P	CMP	2130	2200	0.50	2130m	RIH and tag Plug #2 @ 422m w/ 20,000 lb. POH one single, head up, circ to clean DP.
ABN	P	PLD	2200	2400	2.00	2130m	Con't POH sideways.

**Operations For Period 0000 Hrs to 0600 Hrs on 03 Feb 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ABN	P	PLD	0000	0430	4.50	2130m	RIH to 385m and lay down DP in stages to empty mast.
ABN	P	CMP	0430	0500	0.50	2130m	Bottom of stinger at 120m. Rig to and pump 15 bbl hi-vis pill.
ABN	P	PLD	0500	0530	0.50	2130m	POH laying out 3 x DP, 4 x EUE. Bottom of stinger at 57m.

Operations For Period 0000 Hrs to 0600 Hrs on 03 Feb 2007							
Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
ABN	P	CMP	0530	0600	0.50	2130m	Rig up Halliburton. Hold pre-job safety meeting. Pump cement plug #3. pump 1 bbl water ahead,mix & pump 12.6bbl of Class G cement @ 15.8ppg with 0.25 gal/10bbl NF-6,chase with 1 bbl water, POH laying down stinger.

WBM Data								
Daily Chemical Costs: \$ 165			Cost To Date: \$ 60356			Engineer : Peter N Aronetz		
Mud Type: KCI-PHPA-POLYMER	Flowline Temp:		Cl:	11.50x1000	Low Gravity Solids:	7.4%	Gels 10s	6
	Nitrates: 0mg/l			mg/l	High Gravity Solids:	0.0%	Gels 10m	10
Sample From: P/Suction	Sulphites: 250mg/l		Hard/Ca:	120mg/l	Solids (corrected):	7.4%	Fann 003	5
Time: 18:00	API FL: 5.6cm³/30m		MBT:	5	H2O:	92.6%	Fann 006	7
Weight: 9.45ppg	API Cake: 1/32nd"		PM:	0.55	Oil:	0.0%	Fann 100	30
ECD TD: 0.00ppg	PV 19cp		PF:	0.16	Sand:	0.20% %	Fann 200	41
ECD Shoe:	YP 31lb/100ft²		MF:	1.5	Barite:	0	Fann 300	50
Viscosity 63sec/qt	CaCO3 Added: 39.8ppb		pH:	9.8			Fann 600	69
KCI Equiv: 1.8%			PHPA Added:	2.15ppb				

**Comment:** Sx of material listed as used today are damaged write-offs, with exception of the XANTHAN Gum (used for HiVis pills)  
Recount of all mud chemical inventory located an 4 extra sx of PAC-R, one of which is damaged and not returnable.  
3sx were credited and entered as a negative usage.

Shakers, Volumes and Losses Data							
Available	693.0bbl	Losses	371.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	538.0bbl	Downhole	371.0bbl	De-Gaser 1	Rig		0
Hole	112.0bbl	Shakers & Equip.	0.0bbl	De-Sander 1	Pioneer	2 Cones	0
Slug		Dumped	0.0bbl	De-Silter 1	Pioneer	10 Cones	0
Reserve	25.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	2
HiVis Pill	18.0bbl	De-Sander		Shaker 2	DFE	2x175, 1x140	2
		De-Silter	0.0bbl				
Built	0.0bbl						

**Comment:** 371bbbls 'Downhole losses': Fluid left in hole below cement plugs,  
71bbbls 'Other' addition: Volume of cement plugs  
43bbbls mud in Storage includes 18bbbls HiVis pill for CMT plug # 3

BHA Data							
<b>BHA # 9</b>							
Weight(Wet)	Length		96m	Torque(max)		D.C. (1) Ann Velocity	
Wt Below Jar(Wet)	String			Torque(Off.Btm)		D.C. (2) Ann Velocity	
	Pick-Up			Torque(On.Btm)		H.W.D.P. Ann Velocity	
	Slack-Off			Jar Hours		D.P. Ann Velocity	
				475.5			
Equipment	Length	OD	ID	Serial #	Hours	Comment	
Tubing	10 x 9.51m	3.50in					
X/O	x 1.00m	6.25in	1.88in				
Total Length:	95.10m						

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1915.00	3.75	96.00	1911.64	90.88	0.66	90.88	2.64	Hofco single shot
2006.00	6.75	79.00	2002.25	91.59	1.10	91.59	10.85	Hofco single shot
2053.00	8.50	77.00	2048.83	92.90	1.13	92.90	16.95	Hofco single shot (misrun - assumed)
2130.00	8.50	77.00	2124.99	95.46	0.00	95.46	28.04	Extrapolation (assumed)

Summary	
Company	Pax On
Karooon Gas Ltd	3
Century Drilling Ltd	22
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	15.0
AMC Defoamer	25L can	0	0	0	18.0
AMC PAC-R	25kg sack	0	-3	0	56.0
AMC PHPA	25kg sack	0	0	0	18.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	10	0	446.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	0	0	7.0
Citric Acid	25kg sack	0	1	0	37.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	2	0	30.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	10.0
KCl	25kg sack	0	0	0	198.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	0	0	16.0
Sodium Sulfite	25kg sack	0	0	0	12.0
Xanthan Gum	25kg sack	0	0	0	25.0
Xtra-sweep	12lb box	0	0	0	7.0
Diesel fuel	lt	2180	580	0	10,800.0
Calcium Carbonate 40µ	25 kg sacks	0	0	0	354.0

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	G.D. PZ-7	5.50		97						1. 2.		
2	G.D PZ-7	5.50		97						1. 2.		
3	G.D PZ-7	5.50		97						1. 2.		

**Megascolides-2**

<b>Date :</b>	01 Feb 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	35	<b>Drilling Supervisor :</b>	Bruce Pilat / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	2130m	Casing MD:	507m	Last BOP Test:	29 Jan 2007
Rig:	Century 11	True Vertical Depth:	2125m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	28.42	Liner MD:		LTI Free Days:	253
Datum:	WGS 84	Days On Well:	34.31	Liner TVD:			

Current Ops @ 0600: Lay down DC's.

Planned Operations: Lay down DCs. RIH with stinger on DP. Conduct cement plugs as per program.

**Summary of Period 0000 to 2400 Hrs**

RIH and log well (3 runs).

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 185,485	Cum. Cost:	\$ 2,723,766
Projected Cost:	\$ 3,239,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	01 Feb 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	01 Feb 2007	0 Days	Running wireline logs & Wireline logging and mtce.

**Operations For Period 0000 Hrs to 2400 Hrs on 01 Feb 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
E1	P	LOG	0000	0930	9.50	2130m	Log hole with super combo (DLL-MLL-SLL-GR-Sonic-Density Neutron-SP-CAL) log. Tag TD at 2132m.
E1	P	LOG	0930	1700	7.50	2130m	Log well with HMI log.
E1	P	LOG	1700	2330	6.50	2130m	Log well with velocity check shot tools.
E1	P	LOG	2330	2400	0.50	2130m	Lay out logging tools.

**Operations For Period 0000 Hrs to 0600 Hrs on 02 Feb 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
E1	P	LOG	0000	0100	1.00	2130m	Complete electric line logs. RD wireline.
ABN	P	HBHA	0100	0600	5.00	2130m	(IN PROGRESS) POOH BHA and LO HWDP. PU kelly, Break same.

**WBM Data**

Daily Chemical Costs: \$ 0				Cost To Date: \$ 60191		Engineer : Peter N Aronetz	
Mud Type:	Flowline Temp:	Cl:	11.50x1000	Low Gravity Solids:	7.4%	Gels 10s	6
KCI-PHPA-POLYMER	Nitrates:		mg/l	High Gravity Solids:	0.0%	Gels 10m	10
Sample From: P/Suction	Sulphites:	Hard/Ca:	120mg/l	Solids (corrected):	7.4%	Fann 003	5
Time: 22:00	API FL:	MBT:	5	H2O:	92.6%	Fann 006	7
Weight: 9.45ppg	API Cake:	PM:	0.55	Oil:	0.0%	Fann 100	30
ECD TD: 0.00ppg	PV	PF:	0.16	Sand:	0.20% %	Fann 200	41
ECD Shoe:	YP	MF:	1.5	Barite:	0	Fann 300	50
Viscosity 63sec/qt	CaCO3 Added:	pH:	9.8			Fann 600	69
KCI Equiv: 1.8%		PHPA Added:	2.15ppb				

**Comment:** No treatment or circulation last 24 hours.  
Hole does not appear to have taken any fluid.

Shakers, Volumes and Losses Data							
Available	992.0bbl	Losses	5.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	448.0bbl	Downhole	0.0bbl	De-Gaser 1	Rig		0
Hole	502.0bbl	Shakers & Equip.	0.0bbl	De-Sander 1	Pioneer	2 Cones	0
Slug		Dumped	5.0bbl	De-Silter 1	Pioneer	10 Cones	0
Reserve	42.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	0
				Shaker 2	DFE	2x175, 1x140	0
				De-Sander De-Silter	0.0bbl		
Built	0.0bbl						

**Comment:** No treatment or circulation last 24 hours.  
Hole does not appear to have taken any fluid.

BHA Data								
BHA # 8								
Weight(Wet)	49.00klb	Length	245m	Torque(max)		D.C. (1) Ann Velocity	0fpm	
Wt Below Jar(Wet)	35.00klb	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		475.5	D.P. Ann Velocity	0fpm
Equipment		Length	OD	ID	Serial #	Hours	Comment	
Bit		1 x 0.23m	8.50in		10851000			
Near Bit Stab		1 x 1.61m	8.50in	2.94in	S6527			
Pony DC		1 x 3.06m	6.25in	2.88in	6510-3			
String Stabiliser		1 x 1.44m	8.50in	2.81in	6527			
NMDC		1 x 9.32m	6.75in	2.81in	H362			
Drill Collar		1 x 9.23m	6.50in	3.00in	E 436			
String Stabiliser		1 x 1.48m	8.50in	2.81in	S 65			
Drill Collar		14 x 9.02m	6.25in	3.00in				
Drilling Jars		1 x 9.58m	6.25in	3.00in				
Drill Collar		3 x 9.01m	6.25in	3.00in				
HWDP		6 x 9.35m	4.50in	2.94in				
Total Length:		245.36m						

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1915.00	3.75	96.00	1911.64	90.88	0.66	90.88	2.64	Hofco single shot
2006.00	6.75	79.00	2002.25	91.59	1.10	91.59	10.85	Hofco single shot
2053.00	8.50	77.00	2048.83	92.90	1.13	92.90	16.95	Hofco single shot (misrun - assumed)
2130.00	8.50	77.00	2124.99	95.46	0.00	95.46	28.04	Extrapolation (assumed)

Summary	
Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	32

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
AMC Biocide G	25L can	0	0	0	15.0	
AMC Defoamer	25L can	0	0	0	18.0	
AMC PAC-R	25kg sack	0	0	0	53.0	
AMC PHPA	25kg sack	0	0	0	18.0	
AUS-BEN	25kg sack	0	0	0	0.0	
AUS-DEX	25kg sack	0	0	0	0.0	
AUS-GEL	25kg sack	0	0	0	251.0	
Baryte	25kg sack	0	0	0	456.0	
CaCl	25kg sack	0	0	0	0.0	
Caustic Soda	25kg pail	0	0	0	7.0	
Citric Acid	25kg sack	0	0	0	38.0	
Cement - Class A	40kg sack	0	0	0	0.0	
Kwik-seal C	40lb sack	0	0	0	32.0	
Kwik-seal F	40lb sack	0	0	0	32.0	
Kwik-seal M	40lb sack	0	0	0	32.0	
Lime	20kg sack	0	0	0	10.0	
KCl	25kg sack	0	0	0	198.0	
Rod-free 205L	205L drum	0	0	0	1.0	
Rod-free 25L	25L can	0	0	0	0.0	
NaCl	25kg sack	0	0	0	0.0	
SAPP	25kg sack	0	0	0	0.0	
Soda Ash	25kg sack	0	0	0	16.0	
Sodium Sulfite	25kg sack	0	0	0	12.0	
Xanthan Gum	25kg sack	0	0	0	25.0	
Xtra-sweep	12lb box	0	0	0	7.0	
Diesel fuel	lt	0	900	0	9,200.0	
Calcium Carbonate 40µ	25 kg sacks	0	0	0	354.0	

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	G.D. PZ-7		5.50		97	107		215	2130		1.	70	360	147
											2.	100	650	280
2	G.D PZ-7		5.50		97	107		215	2130		1.	70	360	147
											2.	100	620	280
3	G.D PZ-7		5.50		97						1.			
											2.			

**Megascolides-2**

<b>Date :</b>	31 Jan 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	34	<b>Drilling Supervisor :</b>	Bruce Pilat / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	2130m	Casing MD:	507m	Last BOP Test:	29 Jan 2007
Rig:	Century 11	True Vertical Depth:	2125m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	20m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	27.42	Liner MD:		LTI Free Days:	252
Datum:	WGS 84	Days On Well:	33.31	Liner TVD:			

Current Ops @ 0600: Log well with super combo (DLL-MLL-SLL-Sonic-Neutron Density-SP-CAL) log.

Planned Operations: Log well, evaluate reservoir quality.

**Summary of Period 0000 to 2400 Hrs**

Drill 8-1/2" hole f/ 2110m to 2130m TD. Circ bottoms up. Conduct wiper trip to 1250m (no overpull, 1m fill). RIH, pump hi vis sweep, circ and POH to log. RU electric line services.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 66,603	Cum. Cost:	\$ 2,538,281
Projected Cost:	\$ 3,239,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	31 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	31 Jan 2007	0 Days	Setting and functioning crownomatic & Racking DC's and tripping pipe
Safety Meeting ( 1 )	31 Jan 2007	0 Days	Hold pre-job SM with all crew and electric line services.
Trip / Kick Drill ( 1 )	31 Jan 2007	0 Days	Hold BOP drill- good crew response

**Operations For Period 0000 Hrs to 2400 Hrs on 31 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	2125m	Drill 8-1/2" hole f/ 2110m to 2125m TD
PH1	P	DA	0600	0900	3.00	2130m	Drill 8-1/2" hole f/ 2125m to 2130m TD
PH1	P	CMD	0900	1000	1.00	2130m	Circulate bottoms up
PH1	P	WT	1000	1400	4.00	2130m	P.O.H wiper trip from 2130m to 1250 m ( no over pull, 1 mtr fill on btm )
PH1	P	CMD	1400	1530	1.50	2130m	Pump 30 bbl Hi-Vis and circulate hole clean
PH1	P	TO	1530	2200	6.50	2130m	P.O.H for log (slm: diff = +0.28m).
PH1	P	HBHA	2200	2300	1.00	2130m	BO and LO stab, 1 x 6-1/4" DC, NMDC, P/DC and bit.
E1	P	LOG	2300	2400	1.00	2130m	Hold safety meeting. Rig to run electric line logs.

**Operations For Period 0000 Hrs to 0600 Hrs on 01 Feb 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
E1	P	LOG	0000	0600	6.00	2130m	(IN PROGRESS) Log hole with super combo (DLL-MLL-SLL-GR-Sonic-Density Neutron-SP-CAL) log. Tag TD at 2132m.



**WBM Data**

Daily Chemical Costs: \$ 884			Cost To Date: \$ 60191			Engineer : Peter N Aronetz		
Mud Type: KCI-PHPA-POLYMER	Flowline Temp:	59C°	Cl:	11.50x1000	Low Gravity Solids:	7.4%	Gels 10s	6
	Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	10
Sample From: Past Shaker	Sulphites:	250mg/l	Hard/Ca:	120mg/l	Solids (corrected):	7.4%	Fann 003	5
Time: 15:40	API FL:	5.6cm³/30m	MBT:	5	H2O:	92.6%	Fann 006	7
Weight: 9.45ppg	API Cake:	1/32nd"	PM:	0.55	Oil:	0.0%	Fann 100	30
ECD TD: 10.02ppg	PV	19cp	PF:	0.16	Sand:	0.20% %	Fann 200	41
ECD Shoe:	YP	31lb/100ft²	MF:	1.5	Barite:	0	Fann 300	50
Viscosity 63sec/qt	CaCO3 Added:	39.8ppb	pH:	9.8			Fann 600	69
KCl Equiv: 1.8%			PHPA Added:	2.15ppb				

**Comment:** Maximum flow-line temperature recorded before wiper trip: 63°C.  
 Prepare sweep with 0.5ppb EXTRA-SWEEP and use CaCO3 for heavy pill.

**Shakers, Volumes and Losses Data**

Available	998.0bbl	Losses	50.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	458.0bbl	Downhole	3.0bbl	De-Gaser 1	Rig		0
Hole	502.0bbl	Shakers & Equip.	35.0bbl	De-Sander 1	Pioneer	2 Cones	2
Slug		Dumped	10.0bbl	De-Silter 1	Pioneer	10 Cones	0
Reserve	38.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	16
		De-Sander	2.0bbl	Shaker 2	DFE	2x175, 1x140	16
		De-Silter	0.0bbl				
Built	0.0bbl						

**Bit Data**

Bit # 6				Wear	I	O1	D	L	B	G	O2	R
					1	2	WT	S	3	I	NO	TD
Size ("):		8.50	IADC#	447	Nozzles 3 x 13(/32nd")		Drilled over last 24 hrs			Calculated over Bit Run		
Mfr:	Security DBS	WOB(avg)	30.00klb	Progress			20m	Cum. Progress		65.0m		
Type:	Rock	RPM(avg)	70	On Bottom Hrs			9.00	Cum. On Btm Hrs		26.00		
Serial No.:	10851000	RPM (DH)(avg)	70	IADC Drill Hrs			9.00	Cum IADC Drill Hrs		29.00		
Bit Model	EBXS16D	F.Rate	440gpm	Total Revs			33500	Cum Total Revs		96900		
Depth In	2065m	SPP	2100psi	OB-ROP(avg)			2.22m/hr	Cum. OB-ROP(avg)		2.50m/hr		
Depth Out	2130m	TFA		HSI								

**BHA Data**

BHA # 8							
Weight(Wet) 49.00klb	Length 245m	Torque(max) 110ft-lbs	D.C. (1) Ann Velocity 325fpm				
Wt Below Jar(Wet) 35.00klb	String 169.00klb	Torque(Off.Btm) 60ft-lbs	D.C. (2) Ann Velocity 0fpm				
	Pick-Up 176.00klb	Torque(On.Btm) 80ft-lbs	H.W.D.P. Ann Velocity 207fpm				
	Slack-Off 157.00klb	Jar Hours 475.5	D.P. Ann Velocity 207fpm				

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10851000		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	14 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	245.36m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1915.00	3.75	96.00	1911.64	90.88	0.66	90.88	2.64	Hofco single shot
2006.00	6.75	79.00	2002.25	91.59	1.10	91.59	10.85	Hofco single shot
2053.00	8.50	77.00	2048.83	92.90	1.13	92.90	16.95	Hofco single shot (misrun - assumed)
2130.00	8.50	77.00	2124.99	95.46	0.00	95.46	28.04	Extrapolation (assumed)

**Summary**

Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	32

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	15.0
AMC Defoamer	25L can	0	0	0	18.0
AMC PAC-R	25kg sack	0	0	0	53.0
AMC PHPA	25kg sack	0	2	0	18.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	1	0	7.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	10.0
KCl	25kg sack	0	0	0	198.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	3	0	16.0
Sodium Sulfite	25kg sack	0	2	0	12.0
Xanthan Gum	25kg sack	0	0	0	25.0
Xtra-sweep	12lb box	0	1	0	7.0
Diesel fuel	lt	0	4000	0	10,100.0
Calcium Carbonate 40µ	25 kg sacks	0	30	0	354.0

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	G.D. PZ-7		5.50		97	107	2200	215	2130		1.	70	360	147
											2.	100	650	280
2	G.D PZ-7		5.50		97	107	2200	215	2130		1.	70	360	147
											2.	100	620	280
3	G.D PZ-7		5.50		97						1.			
											2.			

**Megascolides-2**

<b>Date :</b>	30 Jan 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	33	<b>Drilling Supervisor :</b>	Bruce Pilat / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	2110m	Casing MD:	507m	Last BOP Test:	29 Jan 2007
Rig:	Century 11	True Vertical Depth:	2106m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	45m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	26.42	Liner MD:		LTI Free Days:	251
Datum:	WGS 84	Days On Well:	32.31	Liner TVD:			

Current Ops @ 0600: Drill 8-1/2" hole at 2125m.

Planned Operations: Drill to TD. Circulate and conduct wiper trips to condition hole. POH and log hole.

**Summary of Period 0000 to 2400 Hrs**

RIH with bit #6. Wash and ream f/ 2040m to 2065m (1m hard fill). Drill 8-1/2" hole 2065m to 2110m.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 66,485	Cum. Cost:	\$ 2,471,678
Projected Cost:	\$ 3,139,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	30 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	30 Jan 2007	0 Days	RIH DP on rig floor & Racking DC's and monkeyboard ops

**Operations For Period 0000 Hrs to 2400 Hrs on 30 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TI	0000	0100	1.00	2065m	Con't RIH f/ 1651m to 2049m.
PH1	P	WCU	0100	0300	2.00	2065m	PU kelly, wash and ream 2040m - 2065m. (1m hard fill on bottom)
PH1	P	DA	0300	0600	3.00	2068m	Drill 8-1/2" hole f/ 2065 m to 2068m.
PH1	P	DA	0600	0900	3.00	2077m	Drill 8-1/2" hole f/ 2068 m to 2077m.
PH1	P	WTH	0900	0930	0.50	2077m	Work tight hole f/ 2055m to 2077m.
PH1	P	RS	0930	1000	0.50	2077m	Rig service.
PH1	P	DA	1000	2400	14.00	2110m	Con't drill 8-1/2" hole f/ 2077m to 2110m.

**Operations For Period 0000 Hrs to 0600 Hrs on 31 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	2125m	Drill 8-1/2" hole f/ 2110m to 2125m TD

**WBM Data**

Daily Chemical Costs: \$ 4047				Cost To Date: \$ 59307		Engineer : Peter N Aronetz	
Mud Type:	KCl-PHPA-POLYMER	Flowline Temp:	60C°	Cl:	10.70x1000 mg/l	Low Gravity Solids:	7.5%
Sample From:	Past Shaker	Nitrates:	0mg/l	Hard/Ca:	100mg/l	High Gravity Solids:	0.0%
Time:	22:15	Sulphites:	80mg/l	MBT:	5	Solids (corrected):	7.5%
Weight:	9.45ppg	API FL:	5.6cm³/30m	PM:	0.44	H2O:	92.5%
ECD TD:	9.97ppg	API Cake:	2/32nd"	PF:	0.14	Oil:	0.0%
ECD Shoe:		PV	18cp	MF:	1.5	Sand:	0.20% %
Viscosity	58sec/qt	YP	28lb/100ft²	pH:	10	Barite:	0
KCl Equiv:	1.5%	CaCO3 Added:	38.2ppb	PHPA Added:	2.00ppb		

**Comment:** Hole conditions require increase in fluid density, go up to 9.4ppg, using Calcium Carbonate. Hole stabilises. Maintain SFC volume w/- polymer premix, using drill water and 30bbbls of fluid re-claimed from sump

Shakers, Volumes and Losses Data							
Available	1049.0bbl	Losses	49.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	557.0bbl	Downhole	2.0bbl	De-Gaser 1	Rig		0
Hole	444.0bbl	Shakers & Equip.	18.0bbl	De-Sander 1	Pioneer	2 Cones	10
Slug		Dumped	10.0bbl	De-Silter 1	Pioneer	10 Cones	4
Reserve	48.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	24
		De-Sander	13.0bbl	Shaker 2	DFE	2x175, 1x140	24
		De-Silter	6.0bbl				
Built	90.0bbl						
<b>Comment:</b> Hole conditions require increase in fluid density, go up to 9.4ppg, using Calcium Carbonate. Hole stabilises. Maintain SFC volume w/- polymer premix, using drill water and 30bbbls of fluid re-claimed from sump							

Bit Data							
<b>Bit # 6</b>							
Size ("):	8.50	IADC#	447	Nozzles 3 x 13(/32nd")	Drilled over last 24 hrs		Calculated over Bit Run
Mfr:	Security DBS	WOB(avg)	30.00klb		Progress	45m	Cum. Progress 45.0m
Type:	Rock	RPM(avg)	65		On Bottom Hrs	17.00	Cum. On Btm Hrs 17.00
Serial No.:	10851000	RPM (DH)(avg)	65		IADC Drill Hrs	20.00	Cum IADC Drill Hrs 20.00
Bit Model	EBXS16D	F.Rate	450gpm		Total Revs	63400	Cum Total Revs 63400
Depth In	2065m	SPP	2200psi		OB-ROP(avg)	2.65m/hr	Cum. OB-ROP(avg) 2.65m/hr
Depth Out		TFA			HSI		

BHA Data							
<b>BHA # 8</b>							
Weight(Wet)	49.00klb	Length	245m	Torque(max)	110ft-lbs	D.C. (1) Ann Velocity	332fpm
Wt Below Jar(Wet)	35.00klb	String	169.00klb	Torque(Off.Btm)	60ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	176.00klb	Torque(On.Btm)	80ft-lbs	H.W.D.P. Ann Velocity	212fpm
		Slack-Off	157.00klb	Jar Hours	466.5	D.P. Ann Velocity	212fpm
Equipment	Length	OD	ID	Serial #	Hours	Comment	
Bit	1 x 0.23m	8.50in		10851000			
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527			
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3			
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527			
NMDC	1 x 9.32m	6.75in	2.81in	H362			
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436			
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65			
Drill Collar	14 x 9.02m	6.25in	3.00in				
Drilling Jars	1 x 9.58m	6.25in	3.00in				
Drill Collar	3 x 9.01m	6.25in	3.00in				
HWDP	6 x 9.35m	4.50in	2.94in				
Total Length:	245.36m						

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1821.00	2.25	68.00	1817.77	90.51	0.33	90.51	-2.13	Hofco single shot
1915.00	3.75	96.00	1911.64	90.88	0.66	90.88	2.64	Hofco single shot
2006.00	6.75	79.00	2002.25	91.59	1.10	91.59	10.85	Hofco single shot
2053.00	8.50	77.00	2048.83	92.90	1.13	92.90	16.95	Hofco single shot (misrun - assumed)

Summary	
Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	32

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	2	0	15.0
AMC Defoamer	25L can	0	1	0	18.0
AMC PAC-R	25kg sack	0	2	0	53.0
AMC PHPA	25kg sack	0	3	0	20.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	1	0	8.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	10.0
KCl	25kg sack	0	0	0	198.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	2	0	19.0
Sodium Sulfite	25kg sack	0	4	0	14.0
Xanthan Gum	25kg sack	0	1	0	25.0
Xtra-sweep	12lb box	0	0	0	8.0
Diesel fuel	lt	8390	1750	0	14,100.0
Calcium Carbonate 40μ	25 kg sacks	0	192	0	384.0

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	G.D. PZ-7		5.50		97	107	2050	215	2105		1.	80	440	147
											2.	100	620	280
2	G.D PZ-7		5.50		97	107	2050	215	2105		1.	80	400	147
											2.	100	580	280
3	G.D PZ-7		5.50		97						1.			
											2.			

**Megascolides-2**

<b>Date :</b>	29 Jan 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	32	<b>Drilling Supervisor :</b>	Bruce Pilat / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	2065m	Casing MD:	507m	Last BOP Test:	29 Jan 2007
Rig:	Century 11	True Vertical Depth:	2061m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	3m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	25.42	Liner MD:		LTI Free Days:	250
Datum:	WGS 84	Days On Well:	31.31	Liner TVD:			

Current Ops @ 0600: Drill ahead at 2068m.

Planned Operations: Drill 8-1/2" hole to TD. POH, log well.

**Summary of Period 0000 to 2400 Hrs**

Drill 8-1/2" hole 2062 to 2065m. Drop survey and POH. Test BOP's. RIH Bit #6. Slip drill line. Con't RIH.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 67,485	Cum. Cost:	\$ 2,405,193
Projected Cost:	\$ 3,139,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	29 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	29 Jan 2007	0 Days	Blow out prevention drills & Review old safety alerts

**Operations For Period 0000 Hrs to 2400 Hrs on 29 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	2065m	Drill 8-1/2" hole f/ 2062m to 2065m.
PH1	P	TO	0600	1300	7.00	2065m	Drop survey,slug pipe and P.O.H for bit change.
PH1	P	HBHA	1300	1400	1.00	2065m	Handle BHA. Recover survey. LO bit #3RR1. Pull wear bushing.
PH1	P	PT	1400	1600	2.00	2065m	Install test plug. Press test BOP's as per Karoon Gas specs. BO and LO test plug.
PH1	P	HBHA	1600	1700	1.00	2065m	Install wear bushing. MU Bit #6.
PH1	P	TI	1700	2000	3.00	2065m	RIH with Bit #6 to shoe. Fill pipe.
PH1	P	SC	2000	2030	0.50	2065m	Slip drilling line.
PH1	P	TI	2030	2400	3.50	2065m	Con't RIH. Fill pipe at 1000m, & 1500m.

**Operations For Period 0000 Hrs to 0600 Hrs on 30 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TI	0000	0100	1.00	2065m	Con't RIH f/ 1651m to 2049m.
PH1	P	WCU	0100	0300	2.00	2065m	PU kelly, wash and ream 2040m - 2065m. (1m hard fill on bottom)
PH1	P	DA	0300	0600	3.00	2068m	Drill 8-1/2" hole f/ 2065 m to 2068m.

**WBM Data**

Daily Chemical Costs: \$ 1187				Cost To Date: \$ 55260		Engineer : Peter N Aronetz	
Mud Type: KCI-PHPA-POLYMER	Flowline Temp: 56C°	Cl: 9.80x1000 mg/l	Low Gravity Solids: 6.0%	Gels 10s	3		
Sample From: Past Shaker	Nitrates: 0mg/l	Hard/Ca: 140mg/l	High Gravity Solids: 0.0%	Gels 10m	4		
Time: 06:15	Sulphites: 200mg/l	MBT: 5	Solids (corrected): 6.0%	Fann 003	3		
Weight: 9.25ppg	API FL: 5.8cm³/30m	PM: 0.32	H2O: 94.0%	Fann 006	5		
ECD TD: 9.69ppg	API Cake: 1/32nd"	PF: 0.05	Oil: 0.0%	Fann 100	23		
ECD Shoe:	PV 19cp	MF: 0.8	Sand: 0.25% %	Fann 200	34		
Viscosity 55sec/qt	YP 23lb/100ft²	pH: 9.5	Barite: 0	Fann 300	42		
KCl Equiv: 1.6%	CaCO3 Added: 30.9ppb	PHPA Added: 2.00ppb		Fann 600	61		

**Comment:** Start small water addition at flow-line to assist with density control.  
 Prepare heavy pill, using calcium Carbonate.

**Shakers, Volumes and Losses Data**

Available	1008.0bbl	Losses	33.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	566.0bbl	Downhole	3.0bbl	De-Gaser 1	Rig		0
Hole	434.0bbl	Shakers & Equip.	10.0bbl	De-Sander 1	Pioneer	2 Cones	6
Slug		Dumped	5.0bbl	De-Silter 1	Pioneer	10 Cones	6
Reserve	8.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	18
		De-Sander	8.0bbl	Shaker 2	DFE	2x175, 1x140	18
		De-Silter	7.0bbl				
Built	25.0bbl						

**Comment:** Mud tank levels recorded with bit back on bottom after trip for NB7

**Bit Data**

Bit # 3RR1				Wear	I	O1	D	L	B	G	O2	R
					1	1	CT	N	X	I	NO	PR
Size ("):	8.50	IADC#		Nozzles 6 x 11(/32nd")	Drilled over last 24 hrs				Calculated over Bit Run			
Mfr:	Security DBS	WOB(avg)	18.00klb		Progress				3m	Cum. Progress		47.0m
Type:	PDC	RPM(avg)	70		On Bottom Hrs				5.00	Cum. On Btm Hrs		17.00
Serial No.:	10825011	RPM (DH)(avg)	70		IADC Drill Hrs				6.00	Cum IADC Drill Hrs		21.00
Bit Model	SE3653	F.Rate	300gpm		Total Revs				20500	Cum Total Revs		88500
Depth In	2018m	SPP	2250psi		OB-ROP(avg)				0.60m/hr	Cum. OB-ROP(avg)		2.76m/hr
Depth Out	2065m	TFA			HSI							
Bit Run Comment		Run earlier this well										

**Bit Data**

Bit # 6									
Size ("):		8.50	IADC#	447	Nozzles  3 x 13(/32nd")	Drilled over last 24 hrs		Calculated over Bit Run	
Mfr:		Security DBS	WOB(avg)	klb		Progress	0m	Cum. Progress	0.0m
Type:		Rock	RPM(avg)			On Bottom Hrs	0.00	Cum. On Btm Hrs	0.00
Serial No.:		10851000	RPM (DH)(avg)			IADC Drill Hrs	0.00	Cum IADC Drill Hrs	0.00
Bit Model		EBXS16D	F.Rate	gpm		Total Revs	0	Cum Total Revs	0
Depth In		2065m	SPP	psi		OB-ROP(avg)		Cum. OB-ROP(avg)	0.00m/hr
Depth Out			TFA						
						HSI			

**BHA Data**

BHA # 7							
Weight(Wet) 49.00klb	Length 245m	Torque(max) 200ft-lbs	D.C. (1) Ann Velocity 0fpm				
Wt Below Jar(Wet) 35.00klb	String 165.00klb	Torque(Off.Btm) 60ft-lbs	D.C. (2) Ann Velocity 0fpm				
	Pick-Up 175.00klb	Torque(On.Btm) 100ft-lbs	H.W.D.P. Ann Velocity 0fpm				
	Slack-Off 160.00klb	Jar Hours 446.5	D.P. Ann Velocity 0fpm				



Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10851000		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	14 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWD	6 x 9.35m	4.50in	2.94in			
Total Length:	245.36m					

**BHA Data**
**BHA # 8**

Weight(Wet)	49.00klb	Length	245m	Torque(max)	200ft-lbs	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	35.00klb	String	165.00klb	Torque(Off.Btm)	60ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	175.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity	0fpm
		Slack-Off	160.00klb	Jar Hours	446.5	D.P. Ann Velocity	0fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10851000		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	14 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWD	6 x 9.35m	4.50in	2.94in			
Total Length:	245.36m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1821.00	2.25	68.00	1817.77	90.51	0.33	90.51	-2.13	Hofco single shot
1915.00	3.75	96.00	1911.64	90.88	0.66	90.88	2.64	Hofco single shot
2006.00	6.75	79.00	2002.25	91.59	1.10	91.59	10.85	Hofco single shot
2053.00	8.50	77.00	2048.83	92.90	1.13	92.90	16.95	Hofco single shot (misrun - assumed)

**Summary**

Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	32

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
AMC Biocide G	25L can	0	0	0	17.0	
AMC Defoamer	25L can	0	0	0	19.0	
AMC PAC-R	25kg sack	0	0	0	55.0	
AMC PHPA	25kg sack	0	0	0	23.0	
AUS-BEN	25kg sack	0	0	0	0.0	
AUS-DEX	25kg sack	0	0	0	0.0	
AUS-GEL	25kg sack	0	0	0	251.0	
Baryte	25kg sack	0	0	0	456.0	
CaCl	25kg sack	0	0	0	0.0	
Caustic Soda	25kg pail	0	0	0	9.0	
Citric Acid	25kg sack	0	0	0	38.0	
Cement - Class A	40kg sack	0	0	0	0.0	
Kwik-seal C	40lb sack	0	0	0	32.0	
Kwik-seal F	40lb sack	0	0	0	32.0	
Kwik-seal M	40lb sack	0	0	0	32.0	
Lime	20kg sack	0	0	0	10.0	
KCl	25kg sack	0	18	0	198.0	
Rod-free 205L	205L drum	0	0	0	1.0	
Rod-free 25L	25L can	0	0	0	0.0	
NaCl	25kg sack	0	0	0	0.0	
SAPP	25kg sack	0	0	0	0.0	
Soda Ash	25kg sack	0	1	0	21.0	
Sodium Sulfite	25kg sack	0	1	0	18.0	
Xanthan Gum	25kg sack	0	0	0	26.0	
Xtra-sweep	12lb box	0	0	0	8.0	
Diesel fuel	lt	0	2140	0	7,460.0	
Calcium Carbonate 40μ	25 kg sacks	0	66	0	576.0	

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	G.D. PZ-7		5.50		97	107	2050	215	2058		1.	80	920	147
											2.	100	1280	280
2	G.D PZ-7		5.50		97	107	2050	215	2058		1.	80	840	147
											2.	100	1200	280
3	G.D PZ-7		5.50		97						1.			
											2.			

**Megascolides-2**

<b>Date :</b>	28 Jan 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	31	<b>Drilling Supervisor :</b>	Bruce Pilat / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	2062m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	2058m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	44m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	24.42	Liner MD:		LTI Free Days:	249
Datum:	WGS 84	Days On Well:	30.31	Liner TVD:			

Current Ops @ 0600: Drill 8-1/2" hole to 2064m.

Planned Operations: Rack kelly, drop survey, pump slug, rack kelly and POH PDC bit. RIH tri-cone bit and drill 8-1/2" hole to TD.

**Summary of Period 0000 to 2400 Hrs**

RIH with Bit #3RR1. Slip drilling line, con't RIH. Top up hole at 1000m & 1500m. Work tight hole at 1650m. Con't trip in hole. Fire jars to free. PU kelly and ream tight spot. Con't RIH to 2000m. PU kelly and wash to bottom. Drill 8-1/2" hole 2046 to 2062m.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 77,014	Cum. Cost:	\$ 2,337,708
Projected Cost:	\$ 3,139,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	28 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Weekly Safety Meeting ( 2 )	28 Jan 2007	0 Days	Discuss safety alerts and HAZOBs

**Operations For Period 0000 Hrs to 2400 Hrs on 28 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TI	0000	0030	0.50	2018m	RIH with Bit #3RR1 to casing shoe.
PH1	P	SC	0030	0130	1.00	2018m	Pick up kelly, fill pipe. Slip drilling line.
PH1	P	TI	0130	0500	3.50	2018m	Con't RIH, filling pipe at 1000 m and 1500 m.
PH1	P	TIT	0530	0600	0.50	2018m	Work tight hole at 1650m. Fire jars once and came free. PU kelly and ream tight spot. Continue RIH.
PH1	P	TI	0600	0730	1.50	2018m	Con't RIH to 2000m.
PH1	P	TI	0730	0800	0.50	2018m	PU kelly & wash down from 2000m to 2018m.
PH1	P	DA	0800	1730	9.50	2046m	Drill 8-1/2" hole f/ 2018m to 2046m.
PH1	P	CS	1730	1830	1.00	2046m	Circ BH sample.
PH1	P	DA	1830	2400	5.50	2062m	Continue Drill 8-1/2" hole f/ 2046m to 2062m.

**Operations For Period 0000 Hrs to 0600 Hrs on 29 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	2065m	Drill 8-1/2" hole f/ 2062m to 2065m.

**WBM Data**

Daily Chemical Costs: \$ 2303			Cost To Date: \$ 54073			Engineer : Peter N Aronetz		
Mud Type: KCI-PHPA-POLYMER	Flowline Temp:	54C°	Cl:	10.00x1000	Low Gravity Solids:	6.4%	Gels 10s	4
	Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	6
Sample From: Past Shaker	Sulphites:	250mg/l	Hard/Ca:	100mg/l	Solids (corrected):	6.4%	Fann 003	4
Time: 22:15	API FL:	5.8cm³/30m	MBT:	5	H2O:	95.6%	Fann 006	6
Weight: 9.30ppg	API Cake:	1/32nd"	PM:	0.44	Oil:	0.0%	Fann 100	27
ECD TD: 9.69ppg	PV	19cp	PF:	0.12	Sand:	0.25% %	Fann 200	38
ECD Shoe:	YP	26lb/100ft²	MF:	1.22	Barite:	0	Fann 300	45
Viscosity 58sec/qt	CaCO3 Added:	28.4ppb	pH:	10			Fann 600	64
KCI Equiv: 1.5%			PHPA Added:	2.08ppb				

**Comment:** Make up Polymer pre-mix with lease water, fluid from sump too contaminated with solids, weighing 9.2-9.4ppg.  
 Continue running de-sander + de-silter to maintain fluid density at or below 9.3ppg.

**Shakers, Volumes and Losses Data**

Available	1016.0bbl	Losses	102.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	573.0bbl	Downhole	3.0bbl	De-Gaser 1	Rig		0
Hole	434.0bbl	Shakers & Equip.	35.0bbl	De-Sander 1	Pioneer	2 Cones	18
Slug		Dumped	20.0bbl	De-Silter 1	Pioneer	10 Cones	18
Reserve	9.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	24
		De-Sander	24.0bbl	Shaker 2	DFE	2x175, 1x140	24
		De-Silter	20.0bbl				
Built	120.0bbl						

**Comment:** Make up Polymer pre-mix with lease water, fluid from sump too contaminated with solids, weighing 9.2-9.4ppg.  
 Continue running de-sander + de-silter to maintain fluid density at or below 9.3ppg.

**Bit Data**
**Bit # 3RR1**

Size ("):	8.50	IADC#		Nozzles  6 x 11(/32nd")	Drilled over last 24 hrs		Calculated over Bit Run	
Mfr:	Security DBS	WOB(avg)	18.00klb		Progress	44m	Cum. Progress	44.0m
Type:	PDC	RPM(avg)	70		On Bottom Hrs	12.00	Cum. On Btm Hrs	12.00
Serial No.:	10825011	RPM (DH)(avg)	70		IADC Drill Hrs	15.00	Cum IADC Drill Hrs	15.00
Bit Model	SE3653	F.Rate	300gpm		Total Revs	68000	Cum Total Revs	68000
Depth In	2018m	SPP	2250psi		OB-ROP(avg)	3.67m/hr	Cum. OB-ROP(avg)	3.67m/hr
Depth Out		TFA			HSI			
Bit Run Comment		Run earlier this well						

**BHA Data**
**BHA # 7**

Weight(Wet)	49.00klb	Length	245m	Torque(max)	200ft-lbs	D.C. (1) Ann Velocity	222fpm
Wt Below Jar(Wet)	35.00klb	String	165.00klb	Torque(Off.Btm)	60ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	175.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity	141fpm
		Slack-Off	160.00klb	Jar Hours	440.5	D.P. Ann Velocity	141fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10851000		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	14 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	245.36m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1821.00	2.25	68.00	1817.77	90.51	0.33	90.51	-2.13	Hofco single shot
1915.00	3.75	96.00	1911.64	90.88	0.66	90.88	2.64	Hofco single shot
2006.00	6.75	79.00	2002.25	91.59	1.10	91.59	10.85	Hofco single shot
2053.00	8.50	77.00	2048.83	92.90	1.13	92.90	16.95	Hofco single shot (misrun - assumed)

**Summary**

Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	32

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
AMC Biocide G	25L can	0	2	0	17.0	
AMC Defoamer	25L can	0	1	0	19.0	
AMC PAC-R	25kg sack	0	0	0	55.0	
AMC PHPA	25kg sack	0	4	0	23.0	
AUS-BEN	25kg sack	0	0	0	0.0	
AUS-DEX	25kg sack	0	0	0	0.0	
AUS-GEL	25kg sack	0	0	0	251.0	
Baryte	25kg sack	0	0	0	456.0	
CaCl	25kg sack	0	0	0	0.0	
Caustic Soda	25kg pail	0	1	0	9.0	
Citric Acid	25kg sack	0	0	0	38.0	
Cement - Class A	40kg sack	0	0	0	0.0	
Kwik-seal C	40lb sack	0	0	0	32.0	
Kwik-seal F	40lb sack	0	0	0	32.0	
Kwik-seal M	40lb sack	0	0	0	32.0	
Lime	20kg sack	0	1	0	10.0	
KCl	25kg sack	0	0	0	216.0	
Rod-free 205L	205L drum	0	0	0	1.0	
Rod-free 25L	25L can	0	0	0	0.0	
NaCl	25kg sack	0	0	0	0.0	
SAPP	25kg sack	0	0	0	0.0	
Soda Ash	25kg sack	0	0	0	22.0	
Sodium Sulfite	25kg sack	0	4	0	19.0	
Xanthan Gum	25kg sack	0	3	0	26.0	
Xtra-sweep	12lb box	0	0	0	8.0	
Diesel fuel	lt	0	2200	0	9,600.0	
Calcium Carbonate 40μ	25 kg sacks	0	0	0	642.0	

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	G.D. PZ-7		5.50		97	107	2050	215	2058		1.	80	920	147
											2.	100	1280	280
2	G.D PZ-7		5.50		97	107	2050	215	2058		1.	80	840	147
											2.	100	1200	280
3	G.D PZ-7		5.50		97						1.			
											2.			

**Megascolides-2**

<b>Date :</b>	27 Jan 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	30	<b>Drilling Supervisor :</b>	Bruce Pilat / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	2018m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	2014m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	41m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	23.42	Liner MD:		LTI Free Days:	248
Datum:	WGS 84	Days On Well:	29.33	Liner TVD:			

Current Ops @ 0600: Ream tight hole at 1650m. Con't RIH.

Planned Operations: Drill 8-1/2" hole to TD.

**Summary of Period 0000 to 2400 Hrs**

Drill 8-1/2" hole f/ 1977m to 2018m. Circ sample, drop survey, pump slug and POH (slight flow from thermal effect). LO bit #5 and recover survey. MU Bit #3RR1 and RIH.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 66,285	Cum. Cost:	\$ 2,260,694
Projected Cost:	\$ 3,139,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	27 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	27 Jan 2007	0 Days	Greasing crown sheaves & Tripping: hand and foot placement

**Operations For Period 0000 Hrs to 2400 Hrs on 27 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1997m	Drill 8-1/2" hole f/ 1977m to 1997 m
PH1	P	DA	0600	0800	2.00	2002m	Drill 8-1/2" hole f/ 1997m to 2002 m
PH1	P	RS	0800	0830	0.50	2002m	Rig service
PH1	P	DA	0830	1400	5.50	2018m	Drill 8-1/2" hole f/- 2002m to 2018 m
PH1	P	TO	1400	1430	0.50	2018m	Slug pipe, drop survey, rack kelly
PH1	P	TO	1430	2100	6.50	2018m	P.O.H for bit change ( flow check @ regular intervals ). Observe steady, slight flow during trip out - thermal effect.
PH1	P	HBHA	2100	2230	1.50	2018m	Recover Hofco survey, break out bit #5 and gauge stabilizers. Clean work floor. MU PDC Bit #3RR1.
PH1	P	HBHA	2230	2400	1.50	2018m	RIH Bit #3RR1 on BHA.

**Operations For Period 0000 Hrs to 0600 Hrs on 28 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TI	0000	0030	0.50	2018m	RIH with Bit #3RR1 to casing shoe.
PH1	P	SC	0030	0130	1.00	2018m	Pick up kelly, fill pipe. Slip drilling line.
PH1	P	TI	0130	0500	3.50	2018m	Con't RIH, filling pipe at 1000 m and 1500 m.
PH1	P	TIT	0530	0600	0.50	2018m	Work tight hole at 1650m. Fire jars once and came free. PU kelly and ream tight spot. Continue RIH.

**WBM Data**

Daily Chemical Costs: \$ 1226			Cost To Date: \$ 51770			Engineer : Peter N Aronetz		
Mud Type: KCI-PHPA-POLYMER	Flowline Temp:	59C°	Cl:	10.50x1000	Low Gravity Solids:	6.0%	Gels 10s	4
	Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	5
Sample From: Past Shaker	Sulphites:	80mg/l	Hard/Ca:	140mg/l	Solids (corrected):	6.0%	Fann 003	4
Time: 14:00	API FL:	5.6cm³/30m	MBT:	5	H2O:	94.0%	Fann 006	5
Weight: 9.25ppg	API Cake:	1/32nd"	PM:	0.6	Oil:	0.0%	Fann 100	23
ECD TD: 9.68ppg	PV	19cp	PF:	0.18	Sand:	0.25% %	Fann 200	34
ECD Shoe:	YP	23lb/100ft²	MF:	1.2	Barite:	0	Fann 300	42
Viscosity 56sec/qt	CaCO3 Added:	32.0ppb	pH:	10.5			Fann 600	61
KCI Equiv: 1.7%			PHPA Added:	2.11ppb				

**Comment:** Recycling fluid from local sump not successful (high solids content).  
 Make up Polymer pre-mix with lease water.  
 Running de-sander and de-silter to maintain fluid density below 9.3ppg.

**Shakers, Volumes and Losses Data**

Available	998.0bbl	Losses	74.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	485.0bbl	Downhole	2.0bbl	De-Gaser 1	Rig		0
Hole	477.0bbl	Shakers & Equip.	28.0bbl	De-Sander 1	Pioneer	2 Cones	14
Slug		Dumped	10.0bbl	De-Silter 1	Pioneer	10 Cones	14
Reserve	36.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	15
		De-Sander	18.0bbl	Shaker 2	DFE	2x175, 1x140	15
		De-Silter	16.0bbl				
Built	45.0bbl						

**Comment:** Recycling fluid from local sump not successful (high solids content).  
 Make up Polymer pre-mix with lease water.  
 Running de-sander and de-silter to maintain fluid density below 9.3ppg.  
 Tank levels recorded prior to running back in the hole.  
  
 Yesterday's waste-water transfer to sump @ M-1 site confirmed as  
 268m³ or 1685bbls.

**Bit Data**
**Bit # 3RR1**

Size ("):	8.50	IADC#		Nozzles 6 x 11(/32nd")	Drilled over last 24 hrs		Calculated over Bit Run	
Mfr:	Security DBS	WOB(avg)	18.00klb		Progress	0m	Cum. Progress	0.0m
Type:	PDC	RPM(avg)	70		On Bottom Hrs	0.00	Cum. On Btm Hrs	0.00
Serial No.:	10825011	RPM (DH)(avg)	70		IADC Drill Hrs	0.00	Cum IADC Drill Hrs	0.00
Bit Model	SE3653	F.Rate	300gpm		Total Revs	0	Cum Total Revs	0
Depth In	2018m	SPP	2250psi		OB-ROP(avg)		Cum. OB-ROP(avg)	0.00m/hr
Depth Out		TFA			HSI			
Bit Run Comment		Run earlier this well						

**Bit Data**

Bit # 5				Wear	I 2	O1 3	D WT	L S	B 3	G I	O2 NO	R TQ
Size ("):		8.50	IADC#	437	Nozzles 2 x 14(/32nd") 1 x 13(/32nd")		Drilled over last 24 hrs			Calculated over Bit Run		
Mfr:	Security DBS	WOB(avg)	30.00klb	Progress			41m	Cum. Progress		208.0m		
Type:	Rock	RPM(avg)	60	On Bottom Hrs			12.00	Cum. On Btm Hrs		64.00		
Serial No.:	10850552	RPM (DH)(avg)	60	IADC Drill Hrs			14.00	Cum IADC Drill Hrs		74.00		
Bit Model	DBXS12DS	F.Rate	450gpm	Total Revs			34500	Cum Total Revs		241300		
Depth In	1810m	SPP	1700psi	OB-ROP(avg)			3.42m/hr	Cum. OB-ROP(avg)		3.25m/hr		
Depth Out	2018m	TFA	0.4303	HSI			4.24					



**BHA Data**
**BHA # 6**

Weight(Wet)	49.00klb	Length	245m	Torque(max)	150ft-lbs	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	35.00klb	String	170.00klb	Torque(Off.Btm)	60ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	175.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity	0fpm
		Slack-Off	160.00klb	Jar Hours	425.5	D.P. Ann Velocity	0fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10851000		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	14 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	245.36m					

**BHA Data**
**BHA # 7**

Weight(Wet)	49.00klb	Length	245m	Torque(max)	150ft-lbs	D.C. (1) Ann Velocity	222fpm
Wt Below Jar(Wet)	35.00klb	String	170.00klb	Torque(Off.Btm)	60ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	175.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity	141fpm
		Slack-Off	160.00klb	Jar Hours	425.5	D.P. Ann Velocity	141fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10851000		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	14 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	245.36m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1710.00	3.00	47.00	1706.88	87.72	0.74	87.72	-6.27	Hofco single shot
1821.00	2.25	68.00	1817.77	90.51	0.33	90.51	-2.13	Hofco single shot
1915.00	3.75	96.00	1911.64	90.88	0.66	90.88	2.64	Hofco single shot
2006.00	6.75	79.00	2002.25	91.59	1.10	91.59	10.85	Hofco single shot

**Summary**

Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	32

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
AMC Biocide G	25L can	0	0	0	19.0	
AMC Defoamer	25L can	0	1	0	20.0	
AMC PAC-R	25kg sack	0	0	0	55.0	
AMC PHPA	25kg sack	0	2	0	27.0	
AUS-BEN	25kg sack	0	0	0	0.0	
AUS-DEX	25kg sack	0	0	0	0.0	
AUS-GEL	25kg sack	0	0	0	251.0	
Baryte	25kg sack	0	0	0	456.0	
CaCl	25kg sack	0	0	0	0.0	
Caustic Soda	25kg pail	0	1	0	10.0	
Citric Acid	25kg sack	0	0	0	38.0	
Cement - Class A	40kg sack	0	0	0	0.0	
Kwik-seal C	40lb sack	0	0	0	32.0	
Kwik-seal F	40lb sack	0	0	0	32.0	
Kwik-seal M	40lb sack	0	0	0	32.0	
Lime	20kg sack	0	0	0	11.0	
KCl	25kg sack	0	0	0	216.0	
Rod-free 205L	205L drum	0	0	0	1.0	
Rod-free 25L	25L can	0	0	0	0.0	
NaCl	25kg sack	0	0	0	0.0	
SAPP	25kg sack	0	0	0	0.0	
Soda Ash	25kg sack	0	0	0	22.0	
Sodium Sulfite	25kg sack	0	2	0	23.0	
Xanthan Gum	25kg sack	0	1	0	29.0	
Xtra-sweep	12lb box	0	0	0	8.0	
Diesel fuel	lt	0	4400	0	11,800.0	
Calcium Carbonate 40μ	25 kg sacks	0	30	0	642.0	

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	G.D. PZ-7		5.50		97	107	1700	215	2002		1.	70	280	147
											2.	100	480	280
2	G.D PZ-7		5.50		97	107	1700	215	2002		1.	70	280	147
											2.	100	440	280
3	G.D PZ-7		5.50		97						1.			
											2.			

**Megascolides-2**

<b>Date :</b>	26 Jan 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	29	<b>Drilling Supervisor :</b>	Bruce Pilat / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1977m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1973m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	75m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	22.42	Liner MD:		LTI Free Days:	247
Datum:	WGS 84	Days On Well:	28.33	Liner TVD:			

Current Ops @ 0600: Drill 8-1/2" hole to 1997m.

Planned Operations: Drill 8-1/2" hole with tricone bit. Trip out of hole and RIH with PDC bit. Con't drilling 8-1/2" hole to TD.

**Summary of Period 0000 to 2400 Hrs**

Drill 8-1/2" hole f/ 1902m to 1927m. Circulate, conduct rig service and WLS. Con't drill ahead to 1977m.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 72,458	Cum. Cost:	\$ 2,194,409
Projected Cost:	\$ 3,139,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	26 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	26 Jan 2007	0 Days	General housekeeping & Correct use of powered tools

**Operations For Period 0000 Hrs to 2400 Hrs on 26 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1923m	Drill 8 1/2" hole from 1902m to 1923m
PH1	P	DA	0600	0730	1.50	1927m	Drill 8 1/2" hole from 1923m to 1927m
PH1	P	RS	0730	0800	0.50	1927m	Conduct rig service.
PH1	P	SVY	0800	0900	1.00	1927m	Conduct WLS.
PH1	P	DA	0900	2400	15.00	1977m	Con't drill 8-1/2" hole f/ 1927m to 1977m.

**Operations For Period 0000 Hrs to 0600 Hrs on 27 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1997m	Drill 8-1/2" hole f/ 1977m to 1997 m

**WBM Data**

Daily Chemical Costs: \$ 3373			Cost To Date: \$ 50544			Engineer : Peter N Aronetz		
Mud Type: KCI-PHPA-POLYMER	Flowline Temp:	59C°	Cl:	11.00x1000	Low Gravity Solids:	6.4%	Gels 10s	4
	Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	5
Sample From: Past Shaker	Sulphites:	100mg/l	Hard/Ca:	100mg/l	Solids (corrected):	6.4%	Fann 003	4
Time: 22:15	API FL:	5.6cm³/30m	MBT:	5	H2O:	93.6%	Fann 006	5
Weight: 9.30ppg	API Cake:	1/32nd"	PM:	0.39	Oil:	0.0%	Fann 100	24
ECD TD: 9.72ppg	PV	20cp	PF:	0.08	Sand:	0.25% %	Fann 200	35
ECD Shoe:	YP	22lb/100ft²	MF:	0.85	Barite:	0	Fann 300	42
Viscosity 56sec/qt	CaCO3 Added:	31.8ppb	pH:	9.8			Fann 600	62
KCI Equiv: 1.7%			PHPA Added:	2.10ppb				

**Comment:** Recycle 100bbls fluid from local sump and treat to current specifications.  
Running de-sander and de-silter to maintain fluid density at or below 9.3ppg.

Shakers, Volumes and Losses Data							
Available	1027.0bbl	Losses	84.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	603.0bbl	Downhole	3.0bbl	De-Gaser 1	Rig		0
Hole	416.0bbl	Shakers & Equip.	45.0bbl	De-Sander 1	Pioneer	2 Cones	9
Slug		Dumped	15.0bbl	De-Silter 1	Pioneer	10 Cones	9
Reserve	8.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	24
				Shaker 2	DFE	2x175, 1x140	24
				De-Sander	11.0bbl		
		De-Silter	10.0bbl				
Built	120.0bbl						
<b>Comment:</b> Recycle 100bbls fluid from local sump and treat to current specifications. Running de-sander and de-silter to maintain fluid density at or below 9.3ppg.  Transfer an estimated 1600 bbls fluid (exact amount to be confirmed) from local sump to location M-1, to prevent overflowing of sump in case of heavy rains.							

Bit Data						
Bit # 5						
Size ("):	8.50	IADC#	437	Nozzles	Drilled over last 24 hrs	Calculated over Bit Run
Mfr:	Security DBS	WOB(avg)	30.00klb	2 x 14/(32nd") 1 x 13/(32nd")	Progress 75m	Cum. Progress 167.0m
Type:	Rock	RPM(avg)	65		On Bottom Hrs 20.00	Cum. On Btm Hrs 52.00
Serial No.:	10850552	RPM (DH)(avg)	65		IADC Drill Hrs 22.00	Cum IADC Drill Hrs 60.00
Bit Model	DBXS12DS	F.Rate	450gpm		Total Revs 80500	Cum Total Revs 206800
Depth In	1810m	SPP	1750psi		OB-ROP(avg) 3.75m/hr	Cum. OB-ROP(avg) 3.21m/hr
Depth Out		TFA	0.4303	HSI 4.24		

BHA Data						
BHA # 6						
Weight(Wet)	49.00klb	Length	245m	Torque(max)	110ft-lbs	D.C. (1) Ann Velocity 0fpm
Wt Below Jar(Wet)	35.00klb	String	158.00klb	Torque(Off.Btm)	60ft-lbs	D.C. (2) Ann Velocity 0fpm
		Pick-Up	168.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity 0fpm
		Slack-Off	154.00klb	Jar Hours	412	D.P. Ann Velocity 0fpm
Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10851000		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	14 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	245.36m					

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1596.00	3.25	354.00	1593.03	82.47	0.37	82.47	-8.12	Hofco single shot
1710.00	3.00	47.00	1706.88	87.72	0.74	87.72	-6.27	Hofco single shot
1821.00	2.25	68.00	1817.77	90.51	0.33	90.51	-2.13	Hofco single shot
1915.00	3.75	96.00	1911.64	90.88	0.66	90.88	2.64	Hofco single shot

Summary	
Company	Pax On
Karooon Gas Ltd	4
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	32

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	19.0
AMC Defoamer	25L can	0	0	0	21.0
AMC PAC-R	25kg sack	0	0	0	55.0
AMC PHPA	25kg sack	0	4	0	29.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	1	0	11.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	0	0	216.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	0	0	22.0
Sodium Sulfite	25kg sack	0	2	0	25.0
Xanthan Gum	25kg sack	0	3	0	30.0
Xtra-sweep	12lb box	0	0	0	8.0
Diesel fuel	lt	0	3600	0	16,200.0
Calcium Carbonate 40µ	25 kg sacks	0	144	0	672.0

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	G.D. PZ-7	5.50		97	107	1750	215	1974		1. 80	340	147	
										2. 100	440	280	
2	G.D PZ-7	5.50		97	107	1750	215	1974		1. 80	340	147	
										2. 100	460	280	
3	G.D PZ-7	5.50		97						1.			
										2.			

**Megascolides-2**

<b>Date :</b>	25 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	28	<b>Drilling Supervisor :</b>	Chris Dann / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1902m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1899m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	57m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	21.42	Liner MD:		LTI Free Days:	246
Datum:	WGS 84	Days On Well:	27.33	Liner TVD:			

Current Ops @ 0600: Drill 8-1/2" hole at 1923m

Planned Operations: Drill to core point. Trip out and RIH with coring BHA. Cut core #1.

**Summary of Period 0000 to 2400 Hrs**

Drill 8 1/2" hole from 1845m to 1902m with 1/2 hour rig service

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 67,585	Cum. Cost:	\$ 2,121,951
Projected Cost:	\$ 3,139,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	25 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	25 Jan 2007	0 Days	General housekeeping & Hand and foot placement, general body placement

**Operations For Period 0000 Hrs to 2400 Hrs on 25 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1860m	Drill 8 1/2" hole from 1845m to 1860m
PH1	P	DA	0600	0700	1.00	1862m	Drill 8 1/2" hole from 1860m to 1862m
PH1	P	RS	0700	0730	0.50	1862m	Rig service.
PH1	P	DA	0730	2400	16.50	1902m	Drill 8-1/2" hole from 1862m to 1902m.

**Operations For Period 0000 Hrs to 0600 Hrs on 26 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1923m	Drill 8 1/2" hole from 1902m to 1923m

**WBM Data**

Daily Chemical Costs: \$ 2600			Cost To Date: \$ 47171			Engineer : Peter N Aronetz		
Mud Type: KCI-PHPA-POLYMER	Flowline Temp:	59C°	CI:	11.40x1000	Low Gravity Solids:	5.7%	Gels 10s	3
	Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	3
Sample From: Past Shaker	Sulphites:	150mg/l	Hard/Ca:	150mg/l	Solids (corrected):	5.7%	Fann 003	2
Time: 22:15	API FL:	5.7cm³/30m	MBT:	5.5	H2O:	94.3%	Fann 006	4
Weight: 9.20ppg	API Cake:	1/32nd"	PM:	0.43	Oil:	0.0%	Fann 100	22
ECD TD: 9.60ppg	PV	19cp	PF:	0.1	Sand:	0.25% %	Fann 200	34
ECD Shoe:	YP	21lb/100ft²	MF:	0.9	Barite:	0	Fann 300	42
Viscosity 55sec/qt	CaCO3 Added:	27.3ppb	pH:	10			Fann 600	61
KCI Equiv: 1.7%			PHPA Added:	2.18ppb				

 Comment: Recycle 80bbls fluid from local sump and treat to current specifications.  
 Run de-sander to keep density at 9.2ppg. Pre-mix weighted to 9.1ppg.

Shakers, Volumes and Losses Data							
Available	991.0bbl	Losses	60.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	580.0bbl	Downhole	3.0bbl	De-Gaser 1	Rig		0
Hole	400.0bbl	Shakers & Equip.	35.0bbl	De-Sander 1	Pioneer	2 Cones	4
Slug		Dumped	15.0bbl	De-Silter 1	Pioneer	10 Cones	2
Reserve	11.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	24
		De-Sander	4.0bbl	Shaker 2	DFE	2x175, 1x140	24
		De-Silter	3.0bbl				
Built	95.0bbl						

**Comment:** Recycle 80bbls fluid from local sump and treat to current specifications.  
 Run de-sander to keep density at 9.2ppg. Pre-mix weighted to 9.1ppg.

Bit Data							
Bit # 5							
Size ("):	8.50	IADC#	437	Nozzles 2 x 14/(32nd") 1 x 13/(32nd")	Drilled over last 24 hrs		Calculated over Bit Run
Mfr:	Security DBS	WOB(avg)	30.00klb		Progress	57m	Cum. Progress 92.0m
Type:	Rock	RPM(avg)	65		On Bottom Hrs	20.00	Cum. On Btm Hrs 32.00
Serial No.:	10850552	RPM (DH)(avg)	65		IADC Drill Hrs	24.00	Cum IADC Drill Hrs 38.00
Bit Model	DBXS12DS	F.Rate	450gpm		Total Revs	78800	Cum Total Revs 126300
Depth In	1810m	SPP	1650psi		OB-ROP(avg)	2.85m/hr	Cum. OB-ROP(avg) 2.88m/hr
Depth Out		TFA	0.4303	HSI	4.24		

BHA Data							
BHA # 6							
Weight(Wet)	49.00klb	Length	245m	Torque(max)	130ft-lbs	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	35.00klb	String	154.00klb	Torque(Off.Btm)	40ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	165.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity	0fpm
		Slack-Off	149.00klb	Jar Hours	389.5	D.P. Ann Velocity	0fpm
Equipment	Length	OD	ID	Serial #	Hours	Comment	
Bit	1 x 0.23m	8.50in		10851000			
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527			
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3			
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527			
NMDC	1 x 9.32m	6.75in	2.81in	H362			
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436			
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65			
Drill Collar	14 x 9.02m	6.25in	3.00in				
Drilling Jars	1 x 9.58m	6.25in	3.00in				
Drill Collar	3 x 9.01m	6.25in	3.00in				
HWDP	6 x 9.35m	4.50in	2.94in				
Total Length:	245.36m						

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1493.00	4.50	350.00	1490.27	75.58	0.17	75.58	-7.11	Hofco single shot
1596.00	3.25	354.00	1593.03	82.47	0.37	82.47	-8.12	Hofco single shot
1710.00	3.00	47.00	1706.88	87.72	0.74	87.72	-6.27	Hofco single shot
1821.00	2.25	68.00	1817.77	90.51	0.33	90.51	-2.13	Hofco single shot

Summary	
Company	Pax On
Karooon Gas Ltd	5
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	33

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	1	0	19.0
AMC Defoamer	25L can	0	2	0	21.0
AMC PAC-R	25kg sack	0	0	0	55.0
AMC PHPA	25kg sack	0	4	0	33.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	2	0	12.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	0	0	216.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	2	0	22.0
Sodium Sulfite	25kg sack	0	2	0	27.0
Xanthan Gum	25kg sack	0	2	0	33.0
Xtra-sweep	12lb box	0	0	0	8.0
Diesel fuel	lt	0	4000	0	19,800.0
Calcium Carbonate 40μ	25 kg sacks	0	60	0	816.0

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	G.D. PZ-7	5.50		97	107	1700	215	1899		1.	80	280	147
										2.	100	420	280
2	G.D PZ-7	5.50		97	107	1700	215	1899		1.	80	280	147
										2.	100	420	280
3	G.D PZ-7	5.50		97						1.			
										2.			



**Megascolides-2**

<b>Date :</b>	24 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	27	<b>Drilling Supervisor :</b>	Chris Dann / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1845m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1842m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	35m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	20.42	Liner MD:		LTI Free Days:	245
Datum:	WGS 84	Days On Well:	26.33	Liner TVD:			

Current Ops @ 0600: Con't drill 8-1/2" hole at 1860m

Planned Operations: Drill 8-1/2" hole to core point. Trip out and RIH with coring BHA. Cut core #1.

**Summary of Period 0000 to 2400 Hrs**

PU 3 extra DC's. RIH Bit #5 on BHA #6 to casing shoe. Slip and cut drilling line. Continue RIH, filling up pipe at shoe and 1200m. Wash f/ 1784m to bottom. Drill 8-1/2" hole 1810 to 1845m with WLS.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 82,215	Cum. Cost:	\$ 2,054,366
Projected Cost:	\$ 3,139,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	24 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Alcohol & drug screening ( 2 )	24 Jan 2007	0 Days	All personnel take part in drug testing.
Pre-Tour Meetings ( 2 )	24 Jan 2007	0 Days	Slipping and cutting drilling line & Guidelines for operating high pressure cleaner

**Operations For Period 0000 Hrs to 2400 Hrs on 24 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	HBHA	0000	0230	2.50	1810m	Pick up and make up 3ea 6 1/4" drill collars below drilling jars - RIH with BHA and bit # 5 to casing shoe at 507m
PH1	P	SC	0230	0400	1.50	1810m	Hang traveling blocks, slip 48' and cut 138' of drilling line, fill drill string and reset AOI block height sensor
PH1	P	TI	0400	0800	4.00	1810m	Run in hole with bit # 5 - fill pipe at ~1200m. Con't RIH.
PH1	P	TI	0800	0900	1.00	1810m	PU kelly, break circ and wash f/ 1784m to 1810m - no fill.
PH1	P	DA	0900	1530	6.50	1833m	Drill 8-1/2" hole 1810m to 1833m.
PH1	P	RS	1530	1600	0.50	1833m	Circulate and conduct rig service.
PH1	P	SVY	1600	1630	0.50	1833m	Conduct wireline survey.
PH1	P	DA	1630	2400	7.50	1845m	Con't drill 8-1/2" hole to 1845m.

**Operations For Period 0000 Hrs to 0600 Hrs on 25 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1860m	Drill 8 1/2" hole from 1845m to 1860m

**WBM Data**

Daily Chemical Costs: \$ 2630			Cost To Date: \$ 44571			Engineer : Peter N Aronetz		
Mud Type: KCl-PHPA-POLYMER	Flowline Temp:	57C°	Cl:	11.00x1000	Low Gravity Solids:	6.0%	Gels 10s	2
	Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	3
Sample From: Past Shaker	Sulphites:	200mg/l	Hard/Ca:	160mg/l	Solids (corrected):	6.0%	Fann 003	2
Time: 22:20	API FL:	5.5cm³/30m	MBT:	5	H2O:	94.0%	Fann 006	4
Weight: 9.25ppg	API Cake:	1/32nd"	PM:	0.26	Oil:	0.0%	Fann 100	22
ECD TD: 9.69ppg	PV	19cp	PF:	0.03	Sand:	0.25% %	Fann 200	34
ECD Shoe:	YP	23lb/100ft²	MF:	0.75	Barite:	0	Fann 300	42
Viscosity 54sec/qt	CaCO3 Added:	26.5ppb	pH:	9			Fann 600	61
KCl Equiv: 1.6%			PHPA Added:	2.18ppb				

**Comment:** Recycle a further 40bbls fluid from local sump and treat to current spec.  
 MW after trip 9.3ppg, dropping back to 9.2+ppg during day. Pre-mix  
 added un-weighted (8.6ppg).

**Shakers, Volumes and Losses Data**

Available	1048.0bbl	Losses	63.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	656.0bbl	Downhole	3.0bbl	De-Gaser 1	Rig		0
Hole	388.0bbl	Shakers & Equip.	35.0bbl	De-Sander 1	Pioneer	2 Cones	2
Slug		Dumped	20.0bbl	De-Silter 1	Pioneer	10 Cones	2
Reserve	4.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	18
		De-Sander	2.0bbl	Shaker 2	DFE	2x175, 1x140	18
		De-Silter	3.0bbl				
Built	40.0bbl						

**Comment:** Recycle a further 40bbls fluid from local sump and treat to current spec.  
 MW after trip 9.3ppg, dropping back to 9.2+ppg during day. Pre-mix  
 added un-weighted (8.6ppg).

**Bit Data**
**Bit # 5**

Size ("):	8.50	IADC#	437	Nozzles	Drilled over last 24 hrs		Calculated over Bit Run	
Mfr:	Security DBS	WOB(avg)	32.00klb	2 x 14/(32nd") 1 x 13/(32nd")	Progress	35m	Cum. Progress	35.0m
Type:	Rock	RPM(avg)	65		On Bottom Hrs	12.00	Cum. On Btm Hrs	12.00
Serial No.:	10850552	RPM (DH)(avg)	65		IADC Drill Hrs	14.00	Cum IADC Drill Hrs	14.00
Bit Model	DBXS12DS	F.Rate	450gpm		Total Revs	47500	Cum Total Revs	47500
Depth In	1810m	SPP	1600psi		OB-ROP(avg)	2.92m/hr	Cum. OB-ROP(avg)	2.92m/hr
Depth Out		TFA	0.4303	HSI 4.24				

**BHA Data**
**BHA # 6**

Weight(Wet)	49.00klb	Length	245m	Torque(max)	100ft-lbs	D.C. (1) Ann Velocity	332fpm
Wt Below Jar(Wet)	35.00klb	String	156.00klb	Torque(Off.Btm)	10ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	159.00klb	Torque(On.Btm)	90ft-lbs	H.W.D.P. Ann Velocity	212fpm
		Slack-Off	147.00klb	Jar Hours	366	D.P. Ann Velocity	212fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10851000		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	14 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	245.36m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1493.00	4.50	350.00	1490.27	75.58	0.17	75.58	-7.11	Hofco single shot
1596.00	3.25	354.00	1593.03	82.47	0.37	82.47	-8.12	Hofco single shot
1710.00	3.00	47.00	1706.88	87.72	0.74	87.72	-6.27	Hofco single shot
1821.00	2.25	68.00	1817.77	90.51	0.33	90.51	-2.13	Hofco single shot

**Summary**

Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	21
RMN Drilling Fluids	1
BHI	2
ACS Laboratories	1
Eurest	3
Corpro Systems Ltd	1
Total on Rig	33

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	1	0	20.0
AMC Defoamer	25L can	0	1	0	23.0
AMC PAC-R	25kg sack	0	4	0	55.0
AMC PHPA	25kg sack	0	1	0	37.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	0	0	14.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	0	0	216.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	0	0	24.0
Sodium Sulfite	25kg sack	0	2	0	29.0
Xanthan Gum	25kg sack	0	4	0	35.0
Xtra-sweep	12lb box	0	0	0	8.0
Diesel fuel	lt	16200	2200	0	23,800.0
Calcium Carbonate 40µ	25 kg sacks	0	0	0	876.0

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	G.D. PZ-7	5.50		97	107	1600	215	1840		1.	70	230	147
										2.	100	400	280
2	G.D PZ-7	5.50		97	107	1600	215	1840		1.	70	240	147
										2.	100	400	280
3	G.D PZ-7	5.50		97						1.			
										2.			

**Megascolides-2**

<b>Date :</b>	23 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	26	<b>Drilling Supervisor :</b>	Chris Dann / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1810m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1807m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	32m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	19.42	Liner MD:		LTI Free Days:	244
Datum:	WGS 84	Days On Well:	25.33	Liner TVD:			

Current Ops @ 0600: Con't RIH with Bit #5.

Planned Operations: Drill 8-1/2" hole to core point. POH and change BHA to coring assembly. RIH and cut core.

**Summary of Period 0000 to 2400 Hrs**

Drill 8-1/2" hole from 1778m to 1810m. Circ, drop survey and POH for bit change. Make up new bit & RIH BHA.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 66,129	Cum. Cost:	\$ 1,972,151
Projected Cost:	\$ 3,039,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	23 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	23 Jan 2007	0 Days	General housekeeping & Drifting drill pipe

**Operations For Period 0000 Hrs to 2400 Hrs on 23 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1792m	Drill 8 1/2" hole from 1778m to 1792m
PH1	P	DA	0600	1600	10.00	1810m	Drill 8 1/2" hole from 1792m to 1810m
PH1	P	DA	1600	1630	0.50	1810m	Circulate hole clean. Drop survey, pump slug and rack back kelly.
PH1	P	TO	1630	2300	6.50	1810m	POH from 1810 to surface.
PH1	P	HBHA	2300	2330	0.50	1810m	Retreive Hofco survey (misrun), break out bit, and gauge stabilizers. Clean up work floor.
PH1	P	TI	2330	2400	0.50	1810m	MU new bit. RIH on BHA to 45m.

**Operations For Period 0000 Hrs to 0600 Hrs on 24 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	HBHA	0000	0230	2.50	1810m	Pick up and make up 3ea 6 1/4" drill collars below drilling jars - RIH with BHA and bit # 5 to casing shoe at 507m
PH1	P	SC	0230	0400	1.50	1810m	Hang traveling blocks, slip 48' and cut 138' of drilling line, fill drill string and reset AOI block height sensor
PH1	P	TI	0400	0600	2.00	1810m	(IN PROGRESS) Run in hole with bit # 5 - fill pipe at ~1200m. Con't RIH.

**WBM Data**

Daily Chemical Costs: \$ 1544			Cost To Date: \$ 41941			Engineer : Peter N Aronetz		
Mud Type: KCI-PHPA-POLYMER	Flowline Temp:	60C°	Cl:	10.90x1000	Low Gravity Solids:	5.7%	Gels 10s	4
	Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	5
Sample From: Past Shaker	Sulphites:	220mg/l	Hard/Ca:	60mg/l	Solids (corrected):	5.7%	Fann 003	4
Time: 16:45	API FL:	5.8cm³/30m	MBT:	5.5	H2O:	94.3%	Fann 006	5
Weight: 9.20ppg	API Cake:	1/32nd"	PM:	0.43	Oil:	0.0%	Fann 100	25
ECD TD: 9.66ppg	PV	20cp	PF:	0.08	Sand:	0.25% %	Fann 200	36
ECD Shoe:	YP	25lb/100ft²	MF:	0.93	Barite:	0	Fann 300	45
Viscosity 56sec/qt	CaCO3 Added:	27.6ppb	pH:	9.8			Fann 600	65
KCI Equiv: 1.7%			PHPA Added:	2.21ppb				

**Comment:** Recycle 40bbls fluid from local sump and treat to current spec.  
 Fluid system stable. Use hydro-cyclone SC equipment intermittently.  
 With the flow-line temperature approaching 60°C and after checking  
 w/- RMN management, rheology now being run at 60°C.

**Shakers, Volumes and Losses Data**

Available	980.0bbl	Losses	50.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	512.0bbl	Downhole	2.0bbl	De-Gaser 1	Rig		0
Hole	429.0bbl	Shakers & Equip.	30.0bbl	De-Sander 1	Pioneer	2 Cones	4
Slug		Dumped	10.0bbl	De-Silter 1	Pioneer	10 Cones	2
Reserve	39.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	17
		De-Sander	4.0bbl	Shaker 2	DFE	2x175, 1x140	17
		De-Silter	4.0bbl				
Built	40.0bbl						

**Comment:** Recycle 40bbls fluid from local sump and treat to current spec.  
 Fluid system stable. Use hydro-cyclone SC equipment intermittently.  
 With the flow-line temperature approaching 60°C and after checking  
 w/- RMN management, rheology now being run at 60°C.

**Bit Data**

Bit # 4				Wear	I 2	O1 4	D WT	L S	B E	G I	O2 SS	R PR
Size ("):	8.50	IADC#	447X	Nozzles 3 x 13(/32nd")		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	Security DBS	WOB(avg)	30.00klb			Progress	32m	Cum. Progress	232.0m			
Type:	Rock	RPM(avg)	70			On Bottom Hrs	14.00	Cum. On Btm Hrs	62.00			
Serial No.:	743418	RPM (DH)(avg)	70			IADC Drill Hrs	16.00	Cum IADC Drill Hrs	75.00			
Bit Model	XS16D	F.Rate	450gpm			Total Revs	59368	Cum Total Revs	376346			
Depth In	1578m	SPP	1750psi			OB-ROP(avg)	2.29m/hr	Cum. OB-ROP(avg)	3.74m/hr			
Depth Out	1810m	TFA	0.3889			HSI	5.19					

**Bit Data**

Bit # 5												
Size ("):		8.50	IADC#		437	Nozzles		Drilled over last 24 hrs		Calculated over Bit Run		
Mfr:		Security DBS	WOB(avg)		klb	2 x 14(/32nd") 1 x 13(/32nd")		Progress		0m	Cum. Progress	0.0m
Type:		Rock	RPM(avg)					On Bottom Hrs		0.00	Cum. On Btm Hrs	0.00
Serial No.:		10850552	RPM (DH)(avg)					IADC Drill Hrs		0.00	Cum IADC Drill Hrs	0.00
Bit Model		DBXS12DS	F.Rate		gpm			Total Revs		0	Cum Total Revs	0
Depth In		1810m	SPP		psi			OB-ROP(avg)			Cum. OB-ROP(avg)	0.00m/hr
Depth Out			TFA		0.4303	HSI						

**BHA Data**
**BHA # 5**

Weight(Wet)	41.00klb	Length	218m	Torque(max)	100ft-lbs	D.C. (1) Ann Velocity	332fpm
Wt Below Jar(Wet)	37.00klb	String	147.00klb	Torque(Off.Btm)	10ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	152.00klb	Torque(On.Btm)	70ft-lbs	H.W.D.P. Ann Velocity	212fpm
		Slack-Off	140.00klb	Jar Hours	352	D.P. Ann Velocity	212fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10881881		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	11 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	218.30m					

**BHA Data**
**BHA # 6**

Weight(Wet)	49.00klb	Length	245m	Torque(max)	100ft-lbs	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	35.00klb	String	156.00klb	Torque(Off.Btm)	10ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	159.00klb	Torque(On.Btm)	90ft-lbs	H.W.D.P. Ann Velocity	0fpm
		Slack-Off	147.00klb	Jar Hours	352	D.P. Ann Velocity	0fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10851000		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	14 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	245.36m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1399.00	4.00	352.00	1396.52	68.71	0.25	68.71	-6.01	Hofco single shot
1493.00	4.50	350.00	1490.27	75.58	0.17	75.58	-7.11	Hofco single shot
1596.00	3.25	354.00	1593.03	82.47	0.37	82.47	-8.12	Hofco single shot
1710.00	3.00	47.00	1706.88	87.72	0.74	87.72	-6.27	Hofco single shot

Summary	
Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	21
RMN Drilling Fluids	1
BHI	2
ACS Laboratories	1
Eurest	3
Corpro Systems Ltd	1
Total on Rig	33

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	21.0
AMC Defoamer	25L can	24	0	0	24.0
AMC PAC-R	25kg sack	32	2	0	59.0
AMC PHPA	25kg sack	20	3	0	38.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	0	0	14.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	0	0	216.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	0	0	24.0
Sodium Sulfite	25kg sack	0	2	0	31.0
Xanthan Gum	25kg sack	16	1	0	39.0
Xtra-sweep	12lb box	0	0	0	8.0
Diesel fuel	lt	0	3900	0	9,800.0
Calcium Carbonate 40μ	25 kg sacks	720	36	0	876.0

Pumps														
Pump Data - Last 24 Hrs								Slow Pump Data						
No.		Type	Liner	MW	Eff	SPM	SPP	Flow	Depth	Ck. Line	SPM		SPP	Flow
			(in)	(ppg)	(%)	(SPM)	(psi)	(gpm)	(m)	(psi)	(SPM)		(psi)	(gpm)
1	G.D. PZ-7		5.50		97	107	1750	215	1800		1.	70	240	147
											2.	100	440	280
2	G.D PZ-7		5.50		97	107	1750	215	1800		1.	70	240	147
											2.	100	440	280
3	G.D PZ-7		5.50		97						1.			
											2.			



**Megascolides-2**

<b>Date :</b>	22 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	25	<b>Drilling Supervisor :</b>	Chris Dann / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1778m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1775m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	56m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	18.42	Liner MD:		LTI Free Days:	243
Datum:	WGS 84	Days On Well:	24.33	Liner TVD:			

Current Ops @ 0600: Drill 8-1/2" hole at 1792m

Planned Operations: Drill 8-1/2" hole to core point. POH and change BHA to coring assy. RIH and cut core.

**Summary of Period 0000 to 2400 Hrs**

Conduct WLS and wiper trip to 1530m. RIH and drill 8-1/2" hole 1722 to 1750m. Rig repair (1 hr). Con't drill 8-1/2" hole to 1769m. Rig service (1/2 hr). Rig repair (1/2 hr). Drill 8 1/2" hole to 1778m.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 73,924	Cum. Cost:	\$ 1,906,022
Projected Cost:	\$ 3,039,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	22 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	22 Jan 2007	0 Days	Correct selection and maintenance of elevators & Correct use of non-powered tools

**Operations For Period 0000 Hrs to 2400 Hrs on 22 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	SVY	0000	0030	0.50	1722m	Flow check well and run WLS at 1710m
PH1	P	PS	0030	0100	0.50	1722m	Circulate well, spot weighted pill and rack kelly
PH1	P	WT	0100	0230	1.50	1722m	Pull out of hole to 1530m for wiper trip - run in hole to 1710m
PH1	P	RW	0230	0300	0.50	1722m	Pick up kelly and wash to 1722m - 1mt of fill on bottom
PH1	P	DA	0300	0600	3.00	1736m	Drill 8 1/2" hole from 1722m to 1736m
PH1	P	DA	0600	1000	4.00	1750m	Drill 8 1/2" hole from 1736m to 1750m
PH1	TP (RE)	RR	1000	1100	1.00	1750m	Repair hydromatic drive - key dislodged from driven sprocket on hydromatic input shaft
PH1	P	DA	1100	1715	6.25	1769m	Drill 8 1/2" hole from 1750m to 1769m.
PH1	P	RS	1715	1745	0.50	1769m	Rig Service
PH1	TP (RE)	RR	1745	1815	0.50	1769m	Work on weight indicator - bleed and lubricate to eliminate false readings
PH1	P	DA	1815	2400	5.75	1778m	Drill 8 1/2" hole from 1769m to 1778m

**Operations For Period 0000 Hrs to 0600 Hrs on 23 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1792m	Drill 8 1/2" hole from 1778m to 1792m

**WBM Data**

Daily Chemical Costs: \$ 6625			Cost To Date: \$ 40397			Engineer : Peter N Aronetz		
Mud Type: KCI-PHPA-POLYMER	Flowline Temp:	58C°	Cl:	11.80x1000	Low Gravity Solids:	5.3%	Gels 10s	3
	Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	4
Sample From: Past Shaker	Sulphites:	200mg/l	Hard/Ca:	80mg/l	Solids (corrected):	5.3%	Fann 003	3
Time: 22:30	API FL:	6.0cm³/30m	MBT:	6	H2O:	94.7%	Fann 006	5
Weight: 9.15ppg	API Cake:	1/32nd"	PM:	0.53	Oil:	0.0%	Fann 100	26
ECD TD: 9.62ppg	PV	23cp	PF:	0.15	Sand:	0.3% %	Fann 200	38
ECD Shoe:	YP	25lb/100ft²	MF:	1.05	Barite:	0	Fann 300	48
Viscosity 56sec/qt	CaCO3 Added:	26.7ppb	pH:	10.2			Fann 600	71
KCI Equiv: 1.8%			PHPA Added:	2.13ppb				

**Comment:** Treat system for water added and raise density to 9.1+ppg.  
 Higher clay content of formation accelerates K+ ion depletion, carry out  
 KCl addition to bring concentration back to ~1.5%.  
 Use CaCO3 to maintain density at 9.1 - 9.2ppg.

**Shakers, Volumes and Losses Data**

Available	990.0bbl	Losses	90.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	610.0bbl	Downhole	3.0bbl	De-Gaser 1	Rig		0
Hole	376.0bbl	Shakers & Equip.	60.0bbl	De-Sander 1	Pioneer	2 Cones	2
Slug		Dumped	20.0bbl	De-Silter 1	Pioneer	10 Cones	2
Reserve	4.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	24
		De-Sander	3.0bbl	Shaker 2	DFE	2x175, 1x140	24
		De-Silter	4.0bbl				
Built	10.0bbl						

**Comment:** Treat system for water added and raise density to 9.1+ppg.  
 Higher clay content of formation accelerates K+ ion depletion, carry out  
 KCl addition to bring concentration back to ~1.5%.  
 Use CaCO3 to maintain density at 9.1 - 9.2ppg.

**Bit Data**
**Bit # 4**

Size ("):	8.50	IADC#	447X	Nozzles	Drilled over last 24 hrs		Calculated over Bit Run	
Mfr:	Security DBS	WOB(avg)	30.00klb	3 x 13/(32nd")	Progress	56m	Cum. Progress	200.0m
Type:	Rock	RPM(avg)	75		On Bottom Hrs	16.00	Cum. On Btm Hrs	48.00
Serial No.:	743418	RPM (DH)(avg)	75		IADC Drill Hrs	20.00	Cum IADC Drill Hrs	59.00
Bit Model	XS16D	F.Rate	445gpm		Total Revs	170794	Cum Total Revs	316978
Depth In	1578m	SPP	1700psi		OB-ROP(avg)	3.50m/hr	Cum. OB-ROP(avg)	4.17m/hr
Depth Out		TFA	0.3889	HSI	5.19			

**BHA Data**
**BHA # 5**

Weight(Wet)	41.00klb	Length	218m	Torque(max)	90ft-lbs	D.C. (1) Ann Velocity	329fpm
Wt Below Jar(Wet)	37.00klb	String	144.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	150.00klb	Torque(On.Btm)	70ft-lbs	H.W.D.P. Ann Velocity	210fpm
		Slack-Off	136.00klb	Jar Hours	336	D.P. Ann Velocity	210fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10881881		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	11 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	218.30m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1399.00	4.00	352.00	1396.52	68.71	0.25	68.71	-6.01	Hofco single shot
1493.00	4.50	350.00	1490.27	75.58	0.17	75.58	-7.11	Hofco single shot
1596.00	3.25	354.00	1593.03	82.47	0.37	82.47	-8.12	Hofco single shot
1710.00	3.00	47.00	1706.88	87.72	0.74	87.72	-6.27	Hofco single shot

**Summary**

Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Corpro Systems Ltd	1
Total on Rig	33

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	21.0
AMC Defoamer	25L can	0	0	0	0.0
AMC PAC-R	25kg sack	0	2	0	29.0
AMC PHPA	25kg sack	0	6	0	21.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	1	0	14.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	66	0	216.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	2	0	24.0
Sodium Sulfite	25kg sack	0	3	0	33.0
Xanthan Gum	25kg sack	0	5	0	24.0
Xtra-sweep	12lb box	0	0	0	8.0
Diesel fuel	lt	0	4300	0	13,700.0
Calcium Carbonate 40µ	25 kg sacks	0	192	0	192.0

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	G.D. PZ-7		5.50		97	107	1700	225	1778		1.	70	240	147
											2.	100	460	280
2	G.D PZ-7		5.50		97	107	1700	225	1778		1.	70	240	147
											2.	100	440	280
3	G.D PZ-7		5.50		97						1.			
											2.			

**Megascolides-2**

<b>Date :</b>	21 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	24	<b>Drilling Supervisor :</b>	Chris Dann / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1722m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1719m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	86m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	17.42	Liner MD:		LTI Free Days:	242
Datum:	WGS 84	Days On Well:	23.33	Liner TVD:			

Current Ops @ 0600: Drill 8-1/2" hole at 1736m

Planned Operations: Drill 8-1/2" hole to core point - POH and change BHA to coring assy - RIH and cut core.

**Summary of Period 0000 to 2400 Hrs**

Work tight hole 1627 to 1636m - Drill 8 1/2" hole from 1636m to 1722m - Circulate for sample & WLS.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 66,585	Cum. Cost:	\$ 1,832,098
Projected Cost:	\$ 3,039,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	21 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	21 Jan 2007	0 Days	Guidlines for operating winch & Correct selection and mtce of elevators
Weekly Safety Meeting ( 2 )	21 Jan 2007	0 Days	Discuss and review weekly safety items.

**Operations For Period 0000 Hrs to 2400 Hrs on 21 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	WTH	0000	0030	0.50	1636m	Circulate, wash & ream tight hole 1627m to 1636m on drill pipe connection
PH1	P	DA	0030	0600	5.50	1656m	Drill 8 1/2" hole from 1636m to 1656m
PH1	P	DA	0600	0800	2.00	1665m	Drill 8 1/2" hole from 1656m to 1665m
PH1	P	RS	0800	0830	0.50	1665m	Circulate and rig service.
PH1	P	DA	0830	2330	15.00	1722m	Drill 8-1/2" hole from 1665m to 1722m.
PH1	P	CS	2330	2400	0.50	1722m	Circulate botttom hole sample prior to WLS.

**Operations For Period 0000 Hrs to 0600 Hrs on 22 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	SVY	0000	0030	0.50	1722m	Flow check well and run WLS at 1710m
PH1	P	PS	0030	0100	0.50	1722m	Circulate well, spot weighted pill and rack kelly
PH1	P	WT	0100	0230	1.50	1722m	Pull out of hole to 1530m for wiper trip - run in hole to 1710m
PH1	P	RW	0230	0300	0.50	1722m	Pick up kelly and wash to 1722m - 1mt of fill on bottom
PH1	P	DA	0300	0600	3.00	1736m	Drill 8 1/2" hole from 1722m to 1736m

**WBM Data**

Daily Chemical Costs: \$ 4714			Cost To Date: \$ 33772			Engineer : Peter N Aronetz		
Mud Type: KCI-PHPA-POLYMER	Flowline Temp:	54C°	Cl:	9.60x1000	Low Gravity Solids:	4.0%	Gels 10s	2
	Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	2
Sample From: Past Shaker	Sulphites:	250mg/l	Hard/Ca:	80mg/l	Solids (corrected):	4.0%	Fann 003	2
Time: 22:00	API FL:	6.5cm³/30m	MBT:	4.5	H2O:	96.0%	Fann 006	3
Weight: 8.95ppg	API Cake:	1/32nd"	PM:	0.33	Oil:	0.0%	Fann 100	16
ECD TD: 9.24ppg	PV	18cp	PF:	0.03	Sand:	0.20 %	Fann 200	26
ECD Shoe:	YP	15lb/100ft²	MF:	0.8	Barite:	0	Fann 300	33
Viscosity 48sec/qt	CaCO3 Added:	6.3ppb	pH:	9.3			Fann 600	51
KCI Equiv: 1.4%			PHPA Added:	1.82ppb				

**Comment:** Re-cycling 120bbbls of fluid from sump on location.  
 Giving preference to using fluid from local sump, as fluid level in there has increased significantly, partially on account of very wet wether.  
 Inadvertent addition of 60bbbls lease-water to system results in lower readings for main fluid parameters. Remedial action under way.

**Shakers, Volumes and Losses Data**

Available	1069.0bbl	Losses	48.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	635.0bbl	Downhole	9.0bbl	De-Gaser 1	Rig		0
Hole	364.0bbl	Shakers & Equip.	25.0bbl	De-Sander 1	Pioneer	2 Cones	2
Slug		Dumped	10.0bbl	De-Silter 1	Pioneer	10 Cones	2
Reserve	70.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	24
		De-Sander	2.0bbl	Shaker 2	DFE	2x175, 1x140	24
		De-Silter	2.0bbl				
Built	180.0bbl						

**Comment:** Re-cycling 120bbbls of fluid from sump on location.  
 Giving preference to using fluid from local sump, as fluid level in there has increased significantly, partially on account of very wet wether.  
 Inadvertent addition of 60bbbls lease-water to system results in lower readings for main fluid parameters. Remedial action under way.

**Bit Data**
**Bit # 4**

Size ("):	8.50	IADC#	447X	Nozzles	Drilled over last 24 hrs		Calculated over Bit Run	
Mfr:	Security DBS	WOB(avg)	30.00klb	3 x 13(/32nd")	Progress	86m	Cum. Progress	144.0m
Type:	Rock	RPM(avg)	75		On Bottom Hrs	19.00	Cum. On Btm Hrs	31.00
Serial No.:	743418	RPM (DH)(avg)	75		IADC Drill Hrs	23.00	Cum IADC Drill Hrs	39.00
Bit Model	XS16D	F.Rate	450gpm		Total Revs	89249	Cum Total Revs	146184
Depth In	1578m	SPP	1630psi		OB-ROP(avg)	4.53m/hr	Cum. OB-ROP(avg)	4.65m/hr
Depth Out		TFA	0.3889	HSI	5.19			

**BHA Data**
**BHA # 5**

Weight(Wet)	41.00klb	Length	218m	Torque(max)	120ft-lbs	D.C. (1) Ann Velocity	332fpm
Wt Below Jar(Wet)	37.00klb	String	140.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	140.00klb	Torque(On.Btm)	50ft-lbs	H.W.D.P. Ann Velocity	212fpm
		Slack-Off	128.00klb	Jar Hours	317	D.P. Ann Velocity	212fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10881881		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	11 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	218.30m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1399.00	4.00	352.00	1396.52	68.71	0.25	68.71	-6.01	Hofco single shot
1493.00	4.50	350.00	1490.27	75.58	0.17	75.58	-7.11	Hofco single shot
1596.00	3.25	354.00	1593.03	82.47	0.37	82.47	-8.12	Hofco single shot
1710.00	3.00	47.00	1706.88	87.72	0.74	87.72	-6.27	Hofco single shot

**Summary**

Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Corpro Systems Ltd	1
Total on Rig	33

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	21.0
AMC Defoamer	25L can	0	1	0	0.0
AMC PAC-R	25kg sack	0	4	0	31.0
AMC PHPA	25kg sack	0	4	0	27.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	0	0	15.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	0	0	282.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	2	0	26.0
Sodium Sulfite	25kg sack	0	2	0	36.0
Xanthan Gum	25kg sack	0	3	0	29.0
Xtra-sweep	12lb box	0	0	0	8.0
Diesel fuel	lt	0	3800	0	18,000.0
Calcium Carbonate 40µ	25 kg sacks	0	192	0	384.0

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	G.D. PZ-7	5.50		97	107	1500	225	1712		1.	70	200	147
										2.	100	400	280
2	G.D PZ-7	5.50		97	107	1500	225	1712		1.	70	200	147
										2.	100	400	280
3	G.D PZ-7	5.50		97						1.			
										2.			



**Megascolides-2**

<b>Date :</b>	20 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	23	<b>Drilling Supervisor :</b>	Chris Dann / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1636m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1633m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	58m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	16.42	Liner MD:		LTI Free Days:	241
Datum:	WGS 84	Days On Well:	22.33	Liner TVD:			

Current Ops @ 0600: Con't drill 8-1/2" hole at 1656m

Planned Operations: Drill 8-1/2" hole to core point depth - trip out of hole and change BHA to coring assembly - RIH & cut core

**Summary of Period 0000 to 2400 Hrs**

Complete POH. Run in hole with bit # 4 - wash to bottom - no fill - drill 8 1/2" hole from 1578m to 1636m with WLS at 1596m. Work tight hole 1617 - 1627m.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 81,639	Cum. Cost:	\$ 1,765,513
Projected Cost:	\$ 3,039,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	20 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	20 Jan 2007	0 Days	Racking back DC's & Guidelines for operating winch

**Operations For Period 0000 Hrs to 2400 Hrs on 20 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TO	0000	0015	0.25	1578m	Pull out of hole with Bit # 3
PH1	P	HBHA	0015	0200	1.75	1578m	Break out bit # 3 & make up bit # 4 - gauge stabilizers & clean rig floor
PH1	P	TI	0200	0630	4.50	1578m	Run in hole with bit # 4 to 1380m - fill drill string at 500m & 1,000m
PH1	P	TI	0630	0700	0.50	1578m	PU kelly, wash to 1578m (no fill).
PH1	P	DA	0700	1600	9.00	1608m	Drill 8-1/2" hole from 1578 m to 1608 m.
PH1	P	SVY	1600	1630	0.50	1608m	Circulate, flow check, conduct wireline survey.
PH1	P	DA	1630	2300	6.50	1636m	Drill 8-1/2" hole from 1608 m to 1636 m
PH1	P	WTH	2300	2400	1.00	1636m	Work tight hole f/ 1617 - 1627 m. LO single and continue to work tight hole.

**Operations For Period 0000 Hrs to 0600 Hrs on 21 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	WTH	0000	0030	0.50	1636m	Circulate, wash & ream tight hole 1627m to 1636m on drill pipe connection
PH1	P	DA	0030	0600	5.50	1656m	Drill 8 1/2" hole from 1636m to 1656m

**WBM Data**

Daily Chemical Costs: \$ 2054			Cost To Date: \$ 29058			Engineer : Peter N Aronetz		
Mud Type: KCI-PHPA-POLYMER	Flowline Temp:	54C°	Cl:	11.00x1000	Low Gravity Solids:	4.3%	Gels 10s	3
	Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	3
Sample From: Below Shaker	Sulphites:	200mg/l	Hard/Ca:	160mg/l	Solids (corrected):	4.3%	Fann 003	2
Time: 22:45	API FL:	6.8cm³/30m	MBT:	5	H2O:	95.7%	Fann 006	3
Weight: 9.00ppg	API Cake:	1/32nd"	PM:	0.44	Oil:	0.0%	Fann 100	20
ECD TD: 9.35ppg	PV	20cp	PF:	0.13	Sand:	.25 %	Fann 200	30
ECD Shoe:	YP	21lb/100ft²	MF:	1.18	Barite:	0	Fann 300	38
Viscosity 54sec/qt	CaCO3 Added:	7.6ppb	pH:	10			Fann 600	57
KCl Equiv: 1.6%			PHPA Added:	1.89ppb				

**Comment:** Re-cycling 100bbls of fluid from sump on location. Add KCl to bring concentration back to 1.5%, also add CaCO3 to maintain WT at or above 8.9ppg. Add a further pallet (48sx) of CaCO3 to raise WT to 9.0ppg. Formations exhibit signs of being tectonically stressed. Leave orders to ensure, recycled pre-mix is weighted to 9.1ppg, (CaCO3 only) before being added to system.

**Shakers, Volumes and Losses Data**

Available	937.0bbl	Losses	72.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	582.0bbl	Downhole	16.0bbl	De-Gaser 1	Rig		0
Hole	345.0bbl	Shakers & Equip.	40.0bbl	De-Sander 1	Pioneer	2 Cones	2
Slug		Dumped	10.0bbl	De-Silter 1	Pioneer	10 Cones	2
Reserve	10.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	16
		De-Sander	3.0bbl	Shaker 2	DFE	2x175, 1x140	16
		De-Silter	3.0bbl				
Built	120.0bbl						

**Comment:** Re-cycling 100bbls of fluid from sump on location. Add KCl to bring concentration back to 1.5%, also add CaCO3 to maintain WT at or above 8.9ppg. Add a further pallet (48sx) of CaCO3 to raise WT to 9.0ppg. Formations exhibit signs of being tectonically stressed.

**Bit Data**

Bit # 3				Wear	I	O1	D	L	B	G	O2	R
					1	0	CT	N	X	I	NO	PR
Size ("):	8.50	IADC#		Nozzles 6 x 11(/32nd")		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	Security DBS	WOB(avg)	12.00klb			Progress		0m	Cum. Progress		157.0m	
Type:	PDC	RPM(avg)	120			On Bottom Hrs		0.00	Cum. On Btm Hrs		27.00	
Serial No.:	10825011	RPM (DH)(avg)	120			IADC Drill Hrs		0.00	Cum IADC Drill Hrs		36.00	
Bit Model	SE3653Z	F.Rate	450gpm			Total Revs		0	Cum Total Revs		174096	
Depth In	1421m	SPP	1100psi			OB-ROP(avg)			Cum. OB-ROP(avg)		5.81m/hr	
Depth Out	1578m	TFA	0.5568			HSI	2.40					

**Bit Data**

Bit # 4											
Size ("):		8.50	IADC#	447X	Nozzles  3 x 13(/32nd")	Drilled over last 24 hrs		Calculated over Bit Run			
Mfr:	Security DBS	WOB(avg)	30.00klb	Progress		58m	Cum. Progress	58.0m			
Type:	Rock	RPM(avg)	75	On Bottom Hrs		12.00	Cum. On Btm Hrs	12.00			
Serial No.:	743418	RPM (DH)(avg)	75	IADC Drill Hrs		16.00	Cum IADC Drill Hrs	16.00			
Bit Model	XS16D	F.Rate	450gpm	Total Revs		56935	Cum Total Revs	56935			
Depth In	1578m	SPP	1630psi	OB-ROP(avg)		4.83m/hr	Cum. OB-ROP(avg)	4.83m/hr			
Depth Out		TFA	0.3889	HSI		5.19					

**BHA Data**
**BHA # 4**

Weight(Wet)	41.00klb	Length	218m	Torque(max)	50ft-lbs	D.C. (1) Ann Velocity	332fpm
Wt Below Jar(Wet)	37.00klb	String	134.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	140.00klb	Torque(On.Btm)	40ft-lbs	H.W.D.P. Ann Velocity	212fpm
		Slack-Off	128.00klb	Jar Hours	279	D.P. Ann Velocity	212fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10881881		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	11 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	218.30m					

**BHA Data**
**BHA # 5**

Weight(Wet)	41.00klb	Length	218m	Torque(max)	50ft-lbs	D.C. (1) Ann Velocity	332fpm
Wt Below Jar(Wet)	37.00klb	String	134.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	140.00klb	Torque(On.Btm)	40ft-lbs	H.W.D.P. Ann Velocity	212fpm
		Slack-Off	128.00klb	Jar Hours	294.5	D.P. Ann Velocity	212fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10881881		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	11 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	218.30m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1296.00	4.75	357.00	1293.82	60.89	0.58	60.89	-5.29	Hofco single shot
1399.00	4.00	352.00	1396.52	68.71	0.25	68.71	-6.01	Hofco single shot
1493.00	4.50	350.00	1490.27	75.58	0.17	75.58	-7.11	Hofco single shot
1596.00	3.25	354.00	1593.03	82.47	0.37	82.47	-8.12	Hofco single shot

Summary	
Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Corpro Systems Ltd	1
Total on Rig	33

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	21.0
AMC Defoamer	25L can	0	1	0	1.0
AMC PAC-R	25kg sack	0	2	0	35.0
AMC PHPA	25kg sack	0	4	0	31.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	0	0	15.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	12	0	282.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	0	0	28.0
Sodium Sulfite	25kg sack	0	3	0	38.0
Xanthan Gum	25kg sack	0	0	0	32.0
Xtra-sweep	12lb box	0	0	0	8.0
Diesel fuel	lt	16860	2860	0	21,800.0
Calcium Carbonate 40μ	25 kg sacks	0	64	0	576.0

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	G.D. PZ-7		5.50		97	107	1500	225	1617		1.	70	200	147
2	G.D PZ-7		5.50		97						2.	100	400	280
3	G.D PZ-7		5.50		97	107	1500	225	1617		1.	70	200	147
											2.	100	400	210

**Megascolides-2**

<b>Date :</b>	19 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	22	<b>Drilling Supervisor :</b>	Chris Dann / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1578m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1575m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	54m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	15.42	Liner MD:		LTI Free Days:	240
Datum:	WGS 84	Days On Well:	21.33	Liner TVD:			

Current Ops @ 0600: Con't RIH with Bit #4.  
Planned Operations: Drill 8-1/2" hole with WLS every ~100 m.

**Summary of Period 0000 to 2400 Hrs**

Drill ahead from 1524 m to 1578 m. POH for bit change.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 70,162	Cum. Cost:	\$ 1,683,874
Projected Cost:	\$ 3,039,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	19 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	19 Jan 2007	0 Days	Use of Non-powered tools & Racking back DC's

**Operations For Period 0000 Hrs to 2400 Hrs on 19 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1546m	Drill 8 1/2" hole from 1524m to 1546m
PH1	P	DA	0600	1130	5.50	1561m	Drill 8 1/2" hole from 1546m to 1561m
PH1	P	RS	1130	1200	0.50	1561m	Rig Service
PH1	P	DA	1200	2100	9.00	1578m	Drill 8-1/2" hole from 1561 to 1578 m
PH1	P	TO	2100	2400	3.00	1578m	Flow check, pump weighted pill, pull out of hole.

**Operations For Period 0000 Hrs to 0600 Hrs on 20 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TO	0000	0015	0.25	1578m	Pull out of hole with Bit # 3
PH1	P	HBHA	0015	0200	1.75	1578m	Break out bit # 3 & make up bit # 4 - gauge stabilizers & clean rig floor
PH1	P	TI	0200	0600	4.00	1578m	(IN PROGRESS) Run in hole with bit # 4 to 1380m - fill drill string at 500m & 1,000m

**WBM Data**

Daily Chemical Costs: \$ 1877				Cost To Date: \$ 27004		Engineer : Peter N Aronetz	
Mud Type:	KCl-PHPA-POLYMER	Flowline Temp:	54C°	Cl:	9.80x1000 mg/l	Low Gravity Solids:	3.6%
Sample From:	Below Shaker	Nitrates:	0mg/l	Hard/Ca:	80mg/l	High Gravity Solids:	0.0%
Time:	20:45	Sulphites:	250mg/l	MBT:	4.5	Solids (corrected):	3.6%
Weight:	8.95ppg	API FL:	7.0cm³/30m	PM:	0.53	H2O:	96.4%
ECD TD:	9.30ppg	API Cake:	1/32nd"	PF:	0.15	Oil:	0.0%
ECD Shoe:		PV	20cp	MF:	1.25	Sand:	.20 %
Viscosity	54sec/qt	YP	21lb/100ft²	pH:	10.5	Barite:	0
KCl Equiv:	1.4%	CaCO3 Added:	4.4ppb	PHPA Added:	1.89ppb		

**Comment:** Re-cycling 120bbls of fluid from sump on location.  
Treat fluid to maintain parameters.  
Running hydro-cyclone solids control equipment <10% of the time,  
to prevent system WT from dropping below the requested 8.9ppg.

Shakers, Volumes and Losses Data							
Available	889.0bbl	Losses	133.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	492.0bbl	Downhole	19.0bbl	De-Gaser 1	Rig		0
Hole	333.0bbl	Shakers & Equip.	90.0bbl	De-Sander 1	Pioneer	2 Cones	2
Slug		Dumped	20.0bbl	De-Silter 1	Pioneer	10 Cones	2
Reserve	64.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	21
		De-Sander	2.0bbl	Shaker 2	DFE	2x175, 1x140	21
		De-Silter	2.0bbl				
Built	120.0bbl						
<b>Comment:</b> Re-cycling 120bbls of fluid from sump on location. Treat fluid to maintain parameters. Running hydro-cyclone solids control equipment <10% of the time, to prevent system WT from dropping below the requested 8.9ppg. Pit levels recorded prior to POOH.							

Bit Data							
<b>Bit # 3</b>							
Size ("):	8.50	IADC#		Nozzles	Drilled over last 24 hrs		Calculated over Bit Run
Mfr:	Security DBS	WOB(avg)	12.00klb	6 x 11/(32nd")	Progress	54m	Cum. Progress 157.0m
Type:	PDC	RPM(avg)	120		On Bottom Hrs	15.00	Cum. On Btm Hrs 27.00
Serial No.:	10825011	RPM (DH)(avg)	120		IADC Drill Hrs	20.00	Cum IADC Drill Hrs 36.00
Bit Model	SE3653Z	F.Rate	450gpm		Total Revs	91218	Cum Total Revs 174096
Depth In	1421m	SPP	1100psi		OB-ROP(avg)	3.60m/hr	Cum. OB-ROP(avg) 5.81m/hr
Depth Out		TFA	0.5568	HSI 2.40			

BHA Data							
<b>BHA # 4</b>							
Weight(Wet)	41.00klb	Length	218m	Torque(max)	60ft-lbs	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	37.00klb	String	135.00klb	Torque(Off.Btm)	10ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	137.00klb	Torque(On.Btm)	45ft-lbs	H.W.D.P. Ann Velocity	0fpm
		Slack-Off	127.00klb	Jar Hours	279	D.P. Ann Velocity	0fpm
Equipment	Length	OD	ID	Serial #	Hours	Comment	
Bit	1 x 0.23m	8.50in		10881881			
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527			
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3			
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527			
NMDC	1 x 9.32m	6.75in	2.81in	H362			
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436			
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65			
Drill Collar	11 x 9.02m	6.25in	3.00in				
Drilling Jars	1 x 9.58m	6.25in	3.00in				
Drill Collar	3 x 9.01m	6.25in	3.00in				
HWDP	6 x 9.35m	4.50in	2.94in				
Total Length:	218.30m						

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1193.00	5.75	338.00	1191.25	51.85	0.27	51.85	-3.14	Hofco single shot
1296.00	4.75	357.00	1293.82	60.89	0.58	60.89	-5.29	Hofco single shot
1399.00	4.00	352.00	1396.52	68.71	0.25	68.71	-6.01	Hofco single shot
1493.00	4.50	350.00	1490.27	75.58	0.17	75.58	-7.11	Hofco single shot

Summary	
Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	21
RMN Drilling Fluids	1
BHI	2
ACS Laboratories	1
Eurest	3
Corpro Systems Ltd	1
Total on Rig	33

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	2.0
AMC PAC-R	25kg sack	0	2	0	37.0
AMC PHPA	25kg sack	0	5	0	35.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	1	0	15.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	2	0	294.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	0	0	28.0
Sodium Sulfite	25kg sack	0	4	0	41.0
Xanthan Gum	25kg sack	0	0	0	32.0
Xtra-sweep	12lb box	0	0	0	8.0
Diesel fuel	lt	0	3800	0	7,800.0
Calcium Carbonate 40μ	25 kg sacks	0	32	0	640.0

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	G.D. PZ-7	5.50		97	0	0	0			1.			
										2.			
2	G.D PZ-7	5.50		97	107	1100	225	1578		1.	70	100	147
										2.	100	280	210
3	G.D PZ-7	5.50		97	107	1100	225	1578		1.	70	140	147
										2.	100	300	210



**Megascolides-2**

<b>Date :</b>	18 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	21	<b>Drilling Supervisor :</b>	Chris Dann / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1524m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1521m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	103m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	14.42	Liner MD:		LTI Free Days:	239
Datum:	WGS 84	Days On Well:	20.33	Liner TVD:			

Current Ops @ 0600: Drill 8 1/2" hole at 1546m  
 Planned Operations: Drill 8 1/2" hole with WLS every ~100m

**Summary of Period 0000 to 2400 Hrs**

Finish RIH with Bit #3. Wash to bottom. Drill 8 1/2" hole from 1421m to 1505m. WLS at 1493m. Drill 8 1/2" hole from 1505m to 1524 m.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 119,482	Cum. Cost:	\$ 1,613,712
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	18 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	18 Jan 2007	0 Days	Running in hole & General housekeeping

**Operations For Period 0000 Hrs to 2400 Hrs on 18 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TI	0000	0200	2.00	1421m	Run in hole with bit # 3 to 498m
PH1	P	SC	0200	0230	0.50	1421m	Slip 33' drilling line & break circulation
PH1	P	TI	0230	0630	4.00	1421m	Continue to run in hole to 1339m - break circulation at 1009m
PH1	P	TI	0630	0700	0.50	1421m	Pick up kelly. Wash/ream from 1399 m to 1421 m.
PH1	P	DA	0700	1900	12.00	1505m	Drill from 1421m to 1505 m.
PH1	P	SVY	1900	2000	1.00	1505m	Circulate, flow check, conduct wire line survey.
PH1	P	DA	2000	2400	4.00	1524m	Drill 8-1/2" hole from 1505 m to 1524 m.

**Operations For Period 0000 Hrs to 0600 Hrs on 19 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1546m	Drill 8 1/2" hole from 1524m to 1546m

**WBM Data**

Daily Chemical Costs: \$ 1597				Cost To Date: \$ 25127		Engineer : Peter N Aronetz	
Mud Type:	KCl-PHPA-POLYMER	Flowline Temp:	49C°	Cl:	11.00x1000 mg/l	Low Gravity Solids:	3.9%
Sample From:	Below Shaker	Nitrates:	0mg/l	Hard/Ca:	180mg/l	High Gravity Solids:	0.0%
Time:	22:20	Sulphites:	250mg/l	MBT:	5.5	Solids (corrected):	3.9%
Weight:	8.95ppg	API FL:	7.2cm³/30m	PM:	0.35	H2O:	96.1%
ECD TD:	9.41ppg	API Cake:	1/32nd"	PF:	0.06	Oil:	0.0%
ECD Shoe:		PV	21cp	MF:	0.9	Sand:	.25 %
Viscosity	57sec/qt	YP	24lb/100ft²	pH:	9.8	Barite:	0
KCl Equiv:	1.7%	CaCO3 Added:	2.8ppb	PHPA Added:	1.70ppb		

**Comment:** Re-cycling 80bbls of fluid from sump on location.  
 Treat fluid to maintain parameters.  
 Adding 24sx CaCO3 to system, to maintain fluid density at 8.9-9.0ppg



Shakers, Volumes and Losses Data							
Available	903.0bbl	Losses	97.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	564.0bbl	Downhole	18.0bbl	De-Gaser 1	Rig		0
Hole	322.0bbl	Shakers & Equip.	60.0bbl	De-Sander 1	Pioneer	2 Cones	2
Slug		Dumped	15.0bbl	De-Silter 1	Pioneer	10 Cones	2
Reserve	17.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	16
				Shaker 2	DFE	2x175, 1x140	16
				De-Sander			
		De-Silter	2.0bbl				
Built	80.0bbl						

**Comment:** Re-cycling 80bbls of fluid from sump on location.

Bit Data										
Bit # 3										
Size ("):		8.50	IADC#		Nozzles		Drilled over last 24 hrs		Calculated over Bit Run	
Mfr:	Security DBS	WOB(avg)	12.00klb	6 x 11(/32nd")		Progress	103m	Cum. Progress		103.0m
Type:	PDC	RPM(avg)	120			On Bottom Hrs	12.00	Cum. On Btm Hrs		12.00
Serial No.:	10825011	RPM (DH)(avg)	120			IADC Drill Hrs	16.00	Cum IADC Drill Hrs		16.00
Bit Model	SE3653Z	F.Rate	450gpm			Total Revs	82878	Cum Total Revs		82878
Depth In	1421m	SPP	1100psi			OB-ROP(avg)	8.58m/hr	Cum. OB-ROP(avg)		8.58m/hr
Depth Out		TFA	0.5568	HSI	2.46					

BHA Data							
BHA # 4							
Weight(Wet)	41.00klb	Length	218m	Torque(max)	60ft-lbs	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	37.00klb	String	132.00klb	Torque(Off.Btm)	10ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	132.00klb	Torque(On.Btm)	45ft-lbs	H.W.D.P. Ann Velocity	0fpm
		Slack-Off	125.00klb	Jar Hours	258.5	D.P. Ann Velocity	0fpm
Equipment	Length	OD	ID	Serial #	Hours	Comment	
Bit	1 x 0.23m	8.50in		10881881			
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527			
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3			
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527			
NMDC	1 x 9.32m	6.75in	2.81in	H362			
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436			
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65			
Drill Collar	11 x 9.02m	6.25in	3.00in				
Drilling Jars	1 x 9.58m	6.25in	3.00in				
Drill Collar	3 x 9.01m	6.25in	3.00in				
HWDP	6 x 9.35m	4.50in	2.94in				
Total Length:	218.30m						

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1193.00	5.75	338.00	1191.25	51.85	0.27	51.85	-3.14	Hofco single shot
1296.00	4.75	357.00	1293.82	60.89	0.58	60.89	-5.29	Hofco single shot
1399.00	4.00	352.00	1396.52	68.71	0.25	68.71	-6.01	Hofco single shot
1493.00	4.50	350.00	1490.27	75.58	0.17	75.58	-7.11	Hofco single shot

Summary	
Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Corpro Systems Ltd	1
Total on Rig	33

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	3.0
AMC PAC-R	25kg sack	0	5	0	39.0
AMC PHPA	25kg sack	0	2	0	40.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	0	0	16.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	0	0	296.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	0	0	28.0
Sodium Sulfite	25kg sack	0	2	0	45.0
Xanthan Gum	25kg sack	0	0	0	32.0
Xtra-sweep	12lb box	0	0	0	8.0
Diesel fuel	lt	0	2400	0	11,600.0
Calcium Carbonate 40μ	25 kg sacks	720	48	0	672.0

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	G.D. PZ-7		5.50		97	0	0	0			1.			
											2.			
2	G.D PZ-7		5.50		97	107	1100	225	1421		1.	70	150	147
											2.	100	290	210
3	G.D PZ-7		5.50		97	107	1100	225	1421		1.	70	150	147
											2.	100	280	210

**Megascolides-2**

<b>Date :</b>	17 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	20	<b>Drilling Supervisor :</b>	Chris Dann / Brian Assels	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1421m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1419m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	64m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	13.42	Liner MD:		LTI Free Days:	238
Datum:	WGS 84	Days On Well:	19.33	Liner TVD:			

Current Ops @ 0600:	Run in hole at 1330m with bit # 3
Planned Operations:	Continue to run in hole to 1421m with bit # 3 - Establish new cutting pattern and drill ahead with surveys ~100 intervals

**Summary of Period 0000 to 2400 Hrs**

Drill 8 1/2" hole from 1357m to 1421m with WLS at 1399m - Circulate and slug drill string - Pull out of hole - Change bits & install new wear bushing - Run BHA in hole

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 68,148	Cum. Cost:	\$ 1,494,230
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	17 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	17 Jan 2007	0 Days	General housekeeping and Racking back drill pipe on rig floor

**Operations For Period 0000 Hrs to 2400 Hrs on 17 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1377m	Drill 8 1/2" hole from 1357m to 1377m
PH1	P	DA	0600	0800	2.00	1383m	Drill 8 1/2" hole from 1377m to 1383m
PH1	P	RS	0800	0830	0.50	1383m	Rig Service
PH1	P	DA	0830	1230	4.00	1411m	Drill 8 1/2" hole from 1383m to 1411m
PH1	P	SVY	1230	1330	1.00	1411m	Circulate, flow check, BOP drill and WLS
PH1	P	DA	1330	1600	2.50	1421m	Drill 8 1/2" hhole from 1411m to 1421m
PH1	P	CMD	1600	1700	1.00	1421m	Circulate hole clean and mix weighted pill
PH1	P	TO	1700	2130	4.50	1421m	Flow check, spot weighted pill, pull out of hole to surface
PH1	P	HBHA	2130	2300	1.50	1421m	Break out bit, clean rig floor and install wear bushing in well head
PH1	P	TI	2300	2400	1.00	1421m	Make up bit # 3 and run in hole - check gauge on stabilizers

**Operations For Period 0000 Hrs to 0600 Hrs on 18 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TI	0000	0200	2.00	1421m	Run in hole with bit # 3 to 498m
PH1	P	SC	0200	0230	0.50	1421m	Slip 33' drilling line & break circulation
PH1	P	TI	0230	0600	3.50	1421m	(IN PROGRESS) Continue to run in hole to 1339m - break circulation at 1009m

**WBM Data**

Daily Chemical Costs: \$ 2263				Cost To Date: \$ 23530		Engineer : Peter N Aronetz	
Mud Type: KCI-PHPA-POLYMER	Flowline Temp: 53C°	Cl: 12.00x1000 mg/l	Low Gravity Solids: 3.5%	Gels 10s	3		
Sample From: Below Shaker	Nitrates: 0mg/l	Hard/Ca: 200mg/l	High Gravity Solids: 0.0%	Gels 10m	4		
Time: 17:00	Sulphites: 250mg/l	MBT: 4.5	Solids (corrected): 3.5%	Fann 003	3		
Weight: 8.90ppg	API FL: 7.3cm³/30m	PM: 0.43	H2O: 96.5%	Fann 006	5		
ECD TD: 9.35ppg	API Cake: 1/32nd"	PF: 0.1	Oil: 0.0%	Fann 100	23		
ECD Shoe:	PV 19cp	MF: 1	Sand: .2 %	Fann 200	35		
Viscosity 53sec/qt	YP 24lb/100ft²	pH: 10	Barite: 0	Fann 300	43		
KCl Equiv: 1.8%	CaCO3 Added: 0.0ppb	PHPA Added: 1.73ppb		Fann 600	62		

**Comment:** Re-cycling 120bbbls of fluid from sump on location.  
 Reclaim a further 50bbbls of fluid from sump @ M-1 site.  
 Treat fluid to maintain parameters.  
 Mix heavy Pill, using 24sx 40µ Calcium Carbonate.  
 Mud volumes reported w/- bit @ SFC.

**Shakers, Volumes and Losses Data**

Available	919.0bbl	Losses	79.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	389.0bbl	Downhole	22.0bbl	De-Gaser 1	Rig		0
Hole	339.0bbl	Shakers & Equip.	34.0bbl	De-Sander 1	Pioneer	2 Cones	2
Slug		Dumped	20.0bbl	De-Silter 1	Pioneer	10 Cones	2
Reserve	191.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	14
		De-Sander	3.0bbl	Shaker 2	DFE	2x175, 1x140	14
		De-Silter					
Built	170.0bbl						

**Comment:** Re-cycling 120bbbls of fluid from sump on location.  
 Reclaim a further 50bbbls of fluid from sump @ M-1 site.  
 Mud volumes reported w/- bit @ SFC.

**Bit Data**

Bit # 2				Wear	I	O1	D	L	B	G	O2	R		
					1	2	BF	N	X	I	WT	PR		
Size ("):	8.50	IADC#		Nozzles 5 x 11(/32nd")		Drilled over last 24 hrs				Calculated over Bit Run				
Mfr:	Security DBS	WOB(avg)	15.00klb			Progress				64m	Cum. Progress		911.0m	
Type:	PDC	RPM(avg)	120			On Bottom Hrs				16.00	Cum. On Btm Hrs		85.00	
Serial No.:	10881881	RPM (DH)(avg)	120			IADC Drill Hrs				14.00	Cum IADC Drill Hrs		113.00	
Bit Model	FM3553	F.Rate	450gpm			Total Revs				69010	Cum Total Revs		497399	
Depth In	510m	SPP	1200psi			OB-ROP(avg)				4.00m/hr	Cum. OB-ROP(avg)		10.72m/hr	
Depth Out	1421m	TFA	0.464			HSI		3.45						
Bit Wear Comment		Bit also suffered "DL" Cutter Delamination												
Bit Run Comment		Rerun Bit from Megascolides # 1well												

**Bit Data**

Bit # 3										
Size ("):		8.50	IADC#		Nozzles		Drilled over last 24 hrs		Calculated over Bit Run	
Mfr:		Security DBS	WOB(avg)		klb	6 x 11(/32nd")		Progress		m
Type:		PDC	RPM(avg)					On Bottom Hrs		NaN
Serial No.:		10825011	RPM (DH)(avg)					IADC Drill Hrs		NaN
Bit Model		SE3653Z	F.Rate		gpm			Total Revs		
Depth In		1421m	SPP		psi			OB-ROP(avg)		
Depth Out			TFA		0.5568	HSI				

**BHA Data**
**BHA # 3**

Weight(Wet)	41.00klb	Length	218m	Torque(max)	140ft-lbs	D.C. (1) Ann Velocity	332fpm
Wt Below Jar(Wet)	37.00klb	String	125.00klb	Torque(Off.Btm)	10ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	128.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity	212fpm
		Slack-Off	119.00klb	Jar Hours	242.5	D.P. Ann Velocity	212fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10881881		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	11 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	218.30m					

**BHA Data**
**BHA # 4**

Weight(Wet)	41.00klb	Length	218m	Torque(max)	140ft-lbs	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	37.00klb	String	125.00klb	Torque(Off.Btm)	10ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	128.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity	0fpm
		Slack-Off	119.00klb	Jar Hours	242.5	D.P. Ann Velocity	0fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10881881		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	11 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	218.30m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1090.00	5.50	347.00	1088.74	42.25	0.30	42.25	-0.09	Hofco single shot
1193.00	5.75	338.00	1191.25	51.85	0.27	51.85	-3.14	Hofco single shot
1296.00	4.75	357.00	1293.82	60.89	0.58	60.89	-5.29	Hofco single shot
1399.00	4.00	352.00	1396.52	68.71	0.25	68.71	-6.01	Hofco single shot

**Summary**

Company	Pax On
Karoon Gas Ltd	4
Century Drilling Ltd	22
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	32

Bulk Stocks														
Name				Unit		In		Used		Adjust		Balance		
AMC Biocide G				25L can		0		0		0		23.0		
AMC Defoamer				25L can		0		0		0		3.0		
AMC PAC-R				25kg sack		0		4		0		44.0		
AMC PHPA				25kg sack		0		2		0		42.0		
AUS-BEN				25kg sack		0		0		0		0.0		
AUS-DEX				25kg sack		0		0		0		0.0		
AUS-GEL				25kg sack		0		0		0		251.0		
Baryte				25kg sack		0		0		0		456.0		
CaCl				25kg sack		0		0		0		0.0		
Caustic Soda				25kg pail		0		1		0		16.0		
Citric Acid				25kg sack		0		0		0		38.0		
Cement - Class A				40kg sack		0		0		0		0.0		
Kwik-seal C				40lb sack		0		0		0		32.0		
Kwik-seal F				40lb sack		0		0		0		32.0		
Kwik-seal M				40lb sack		0		0		0		32.0		
Lime				20kg sack		0		0		0		11.0		
KCl				25kg sack		0		12		0		296.0		
Rod-free 205L				205L drum		0		0		0		1.0		
Rod-free 25L				25L can		0		0		0		0.0		
NaCl				25kg sack		0		0		0		0.0		
SAPP				25kg sack		0		0		0		0.0		
Soda Ash				25kg sack		0		0		0		28.0		
Sodium Sulfite				25kg sack		0		2		0		47.0		
Xanthan Gum				25kg sack		0		2		0		32.0		
Xtra-sweep				12lb box		0		0		0		8.0		
Diesel fuel				lt		0		3000		0		14,000.0		
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	G.D. PZ-7	5.50		97	107	1200	225	1383			1.	70	150	147
											2.	100	300	210
2	G.D PZ-7	5.50		97	0			1383			1.			
											2.			
3	G.D PZ-7	5.50		97	107	1200	225	1383			1.	70	150	147
											2.	100	300	210

**Megascolides-2**

<b>Date :</b>	16 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	19	<b>Drilling Supervisor :</b>	Chris Dann	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1357m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1355m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	136m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	12.42	Liner MD:		LTI Free Days:	237
Datum:	WGS 84	Days On Well:	18.33	Liner TVD:			

Current Ops @ 0600: Drilling 8 1/2" hole at 1377m

Planned Operations: Continue to drill 8 1/2" hole with WLS every ~100m

**Summary of Period 0000 to 2400 Hrs**

Drill 8 1/2" hole from 1221m to 1357m with WLS at 1296m

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 62,060	Cum. Cost:	\$ 1,426,082
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	16 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	16 Jan 2007	0 Days	General Housekeeping & Correct use of non powered tools

**Operations For Period 0000 Hrs to 2400 Hrs on 16 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1261m	Drill 8 1/2" hole from 1221m to 1261m
PH1	P	DA	0600	1300	7.00	1308m	Drill 8 1/2" hole from 1261m to 1308m
PH1	P	SVY	1300	1330	0.50	1308m	Circulate, flow check and Wire Line Survey
PH1	P	DA	1330	2300	9.50	1355m	Drill 8 1/2" hole from 1308m to 1355m
PH1	P	RS	2300	2330	0.50	1355m	Rig Service
PH1	P	DA	2330	2400	0.50	1357m	Drill 8 1/2" hole from 1355m to 1357m

**Operations For Period 0000 Hrs to 0600 Hrs on 17 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1377m	Drill 8 1/2" hole from 1357m to 1377m

**WBM Data**

Daily Chemical Costs: \$ 3075			Cost To Date: \$ 21267			Engineer : Peter N Aronetz		
Mud Type: KCl-PHPA-POLYMER	Flowline Temp:	50C°	Cl:	10.50x1000	Low Gravity Solids:	2.8%	Gels 10s	3
	Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	4
Sample From: Below Shaker	Sulphites:	200mg/l	Hard/Ca:	100mg/l	Solids (corrected):	2.8%	Fann 003	3
Time: 22:50	API FL:	7.4cm³/30m	MBT:	5.5	H2O:	97.2%	Fann 006	5
Weight: 8.80ppg	API Cake:	1/32nd"	PM:	0.46	Oil:	0.0%	Fann 100	23
ECD TD: 9.26ppg	PV	18cp	PF:	0.1	Sand:	.15 %	Fann 200	34
ECD Shoe:	YP	24lb/100ft²	MF:	1	Barite:	0	Fann 300	42
Viscosity 55sec/qt	CaCO3 Added:	0.0ppb	pH:	10			Fann 600	60
KCl Equiv: 1.7%			PHPA Added:	1.83ppb				

**Comment:** Treat fluid to maintain parameters.

Receive instructions to increase fluid density, reduce running hrs of de-sander+de-silter. Target: 8.9ppg.

Penetrating more reactive shales, K+ ion depletes faster, MBT on the increase. Ramp up KCl additions to make up for increased depletion and requirement for extra MW, but still trying to stay close to 1.5%.

Receive supplies of 40µ CaCO3, PHPA, Biocide+Defoamer and XTRA SWEEP.

AMC D/T: 06571, UNIMIN D/T 130725; GST C/N 14538, -981;

**Shakers, Volumes and Losses Data**

Available	828.0bbl	Losses	143.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	538.0bbl	Downhole	20.0bbl	De-Gaser 1	Rig		0
Hole	286.0bbl	Shakers & Equip.	74.0bbl	De-Sander 1	Pioneer	2 Cones	22
Slug		Dumped	20.0bbl	De-Silter 1	Pioneer	10 Cones	18
Reserve	4.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	24
		De-Sander	29.0bbl	Shaker 2	DFE	2x175, 1x140	24
		De-Silter					
Built	160.0bbl						

**Comment:** Re-cycling 40bbbls of fluid from sump on location.

Reclaim a further 100bbbls of fluid from sump @ M-1 site.

Treat fluid to maintain parameters.

Receive instructions to increase fluid density, reduce running hrs of de-sander+de-silter. Target: 8.9ppg.

**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 136m Cum. Progress 847.0m
Type:	PDC	RPM(avg)	120		On Bottom Hrs 16.00 Cum. On Btm Hrs 69.00
Serial No.:	10881881	RPM (DH)(avg)	120		IADC Drill Hrs 23.00 Cum IADC Drill Hrs 99.00
Bit Model	FM3553	F.Rate	450gpm		Total Revs 99748 Cum Total Revs 428389
Depth In	510m	SPP	1200psi		OB-ROP(avg) 8.50m/hr Cum. OB-ROP(avg) 12.28m/hr
Depth Out		TFA	0.464	HSI 3.45	

Bit Wear Comment Bit also suffered "DL" Cutter Delamination

Bit Run Comment Rerun Bit from Megascoldes # 1well

**BHA Data**
**BHA # 3**

Weight(Wet)	41.00klb	Length	218m	Torque(max)	140ft-lbs	D.C. (1) Ann Velocity	332fpm
Wt Below Jar(Wet)	37.00klb	String	125.00klb	Torque(Off.Btm)	10ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	126.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity	212fpm
		Slack-Off	122.00klb	Jar Hours	228	D.P. Ann Velocity	212fpm



Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10881881		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	11 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	218.30m					

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
987.00	5.00	357.00	986.17	32.96	0.37	32.96	1.25	Hofco single shot
1090.00	5.50	347.00	1088.74	42.25	0.30	42.25	-0.09	Hofco single shot
1193.00	5.75	338.00	1191.25	51.85	0.27	51.85	-3.14	Hofco single shot
1296.00	4.75	357.00	1293.82	60.89	0.58	60.89	-5.29	Hofco single shot

Summary	
Company	Pax On
Karoon Gas Ltd	3
Century Drilling Ltd	21
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	30

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
AMC Biocide G	25L can	16	1	0	23.0	
AMC Defoamer	25L can	3	0	0	3.0	
AMC PAC-R	25kg sack	0	8	0	48.0	
AMC PHPA	25kg sack	30	4	0	44.0	
AUS-BEN	25kg sack	0	0	0	0.0	
AUS-DEX	25kg sack	0	0	0	0.0	
AUS-GEL	25kg sack	0	0	0	251.0	
Baryte	25kg sack	0	0	0	456.0	
CaCl	25kg sack	0	0	0	0.0	
Caustic Soda	25kg pail	0	0	0	17.0	
Citric Acid	25kg sack	0	0	0	38.0	
Cement - Class A	40kg sack	0	0	0	0.0	
Kwik-seal C	40lb sack	0	0	0	32.0	
Kwik-seal F	40lb sack	0	0	0	32.0	
Kwik-seal M	40lb sack	0	0	0	32.0	
Lime	20kg sack	0	0	0	11.0	
KCl	25kg sack	0	42	0	308.0	
Rod-free 205L	205L drum	0	0	0	1.0	
Rod-free 25L	25L can	0	0	0	0.0	
NaCl	25kg sack	0	0	0	0.0	
SAPP	25kg sack	0	0	0	0.0	
Soda Ash	25kg sack	0	8	0	28.0	
Sodium Sulfite	25kg sack	0	3	0	49.0	
Xanthan Gum	25kg sack	0	0	0	34.0	
Xtra-sweep	12lb box	4	0	0	8.0	
Diesel fuel	lt	0	4500	0	17,000.0	

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	G.D. PZ-7	5.50		97	107	1200	225	1355		1.	70	110	147
2	G.D PZ-7	5.50		97	0					2.	100	300	210
3	G.D PZ-7	5.50		97	107	1200	225	1355		1.	70	120	147
										2.	100	300	210

**Megascolides-2**

<b>Date :</b>	15 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	18	<b>Drilling Supervisor :</b>	Chris Dann	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1221m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1219m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	218m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	11.42	Liner MD:		LTI Free Days:	236
Datum:	WGS 84	Days On Well:	17.33	Liner TVD:			

Current Ops @ 0600: Drilling 8 1/2" hole at 1261m  
 Planned Operations: Continue to drill 8 1/2" hole with wire line surveys ~100m

**Summary of Period 0000 to 2400 Hrs**

Drill 8 1/2" hole from 1003m to 1221m with wire line surveys at 1090m & 1193m

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 61,612	Cum. Cost:	\$ 1,364,022
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	15 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	15 Jan 2007	0 Days	Drilling and general rig floor operations & Body placement and fatigue reduction

**Operations For Period 0000 Hrs to 2400 Hrs on 15 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1045m	Drill 8 1/2" hole from 1003m to 1045m
PH1	P	DA	0600	0700	1.00	1055m	Drill 8 1/2" hole from 1045m to 1055m
PH1	P	RS	0700	0730	0.50	1055m	Rig Service
PH1	P	DA	0730	1230	5.00	1102m	Drill 8 1/2" hole from 1055m to 1102m
PH1	P	SVY	1230	1300	0.50	1102m	Circulate, flow check and Wire Line Survey
PH1	P	DA	1300	2200	9.00	1205m	Drill 8 1/2" hole from 1102m to 1205m
PH1	P	SVY	2200	2230	0.50	1205m	Circulate, flow check and Wire Line Survey
PH1	P	DA	2230	2400	1.50	1221m	Drill 8 1/2" hole from 1205m to 1221m

**Operations For Period 0000 Hrs to 0600 Hrs on 16 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1261m	Drill 8 1/2" hole from 1221m to 1261m

**WBM Data**

Daily Chemical Costs: \$ 2727			Cost To Date: \$ 18192		Engineer : Peter N Aronetz	
Mud Type:	Flowline Temp:	48C°	Cl:	8.50x1000	Low Gravity Solids:	1.9%
KCI-PHPA-POLYMER	Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%
Sample From: Below Shaker	Sulphites:	150mg/l	Hard/Ca:	280mg/l	Solids (corrected):	1.9%
Time: 22:45	API FL:	7.8cm³/30m	MBT:	3.5	H2O:	98.1%
Weight: 8.65ppg	API Cake:	1/32nd"	PM:	0.18	Oil:	0.0%
ECD TD: 8.99ppg	PV	16cp	PF:	0.1	Sand:	0.2 %
ECD Shoe:	YP	18lb/100ft²	MF:	1.1	Barite:	0
Viscosity 50sec/qt	CaCO3 Added:	0.0ppb	pH:	9.2		
KCl Equiv: 0.8%			PHPA Added:	1.93ppb		

**Comment:** Re-cycling 180bbbls of fluid from sump on location.  
Treat fluid to maintain parameters.

Received supplies of Xanthan Gum, Soda Ash+Sod.Sulphite.  
AMC D/T: 06163, PST C/N 53082.  
Returned 3 plts (96sx) AUS-DEX to PST-HALLAM Whse.

**Shakers, Volumes and Losses Data**

Available	811.0bbl	Losses	190.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	550.0bbl	Downhole	34.0bbl	De-Gaser 1	Rig		0
Hole	257.0bbl	Shakers & Equip.	109.0bbl	De-Sander 1	Pioneer	2 Cones	24
Slug		Dumped	20.0bbl	De-Silter 1	Pioneer	10 Cones	24
Reserve	4.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	24
		De-Sander	27.0bbl	Shaker 2	DFE	2x175, 1x140	24
		De-Silter					
Built	190.0bbl						

**Comment:** Re-cycling 180bbbls of fluid from sump on location.  
Treat fluid to maintain parameters.

Received supplies of Xanthan Gum, Soda Ash+Sod.Sulphite.  
AMC D/T: 06163, PST C/N 53082.  
Returned 3 plts (96sx) AUS-DEX to PST-HALLAM Whse.

**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 218m Cum. Progress 711.0m
Type:	PDC	RPM(avg)	110		On Bottom Hrs 15.00 Cum. On Btm Hrs 53.00
Serial No.:	10881881	RPM (DH)(avg)	110		IADC Drill Hrs 22.00 Cum IADC Drill Hrs 76.00
Bit Model	FM3553	F.Rate	450gpm		Total Revs 100465 Cum Total Revs 328641
Depth In	510m	SPP	1100psi		OB-ROP(avg) 14.53m/hr Cum. OB-ROP(avg) 13.42m/hr
Depth Out		TFA	0.464	HSI 3.45	
Bit Wear Comment		Bit also suffered "DL" Cutter Delamination			
Bit Run Comment		Rerun Bit from Megascollides # 1well			

**BHA Data**
**BHA # 3**

Weight(Wet)	41.00klb	Length	218m	Torque(max)	150ft-lbs	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	37.00klb	String	116.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	117.00klb	Torque(On.Btm)	120ft-lbs	H.W.D.P. Ann Velocity	0fpm
		Slack-Off	115.00klb	Jar Hours	205	D.P. Ann Velocity	0fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10881881		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	11 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	218.30m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
884.00	4.00	7.00	883.49	24.91	0.27	24.91	1.05	Hofco single shot
987.00	5.00	357.00	986.17	32.96	0.37	32.96	1.25	Hofco single shot
1090.00	5.50	347.00	1088.74	42.25	0.30	42.25	-0.09	Hofco single shot
1193.00	5.75	338.00	1191.25	51.85	0.27	51.85	-3.14	Hofco single shot

**Summary**

Company	Pax On
Karoon Gas Ltd	3
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	1	0	8.0
AMC Defoamer	25L can	0	0	0	0.0
AMC PAC-R	25kg sack	0	4	0	56.0
AMC PHPA	25kg sack	0	5	0	18.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	-96	0	0	0.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	1	0	17.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	18	0	350.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	40	4	0	36.0
Sodium Sulfite	25kg sack	42	2	0	52.0
Xanthan Gum	25kg sack	30	2	0	34.0
Xtra-sweep	12lb box	0	0	0	4.0
Diesel fuel	lt	15920	3320	8900	21,500.0

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	G.D. PZ-7		5.50		97	107	1100	225	1215		1.	70	150	147
2	G.D PZ-7		5.50		97	0					2.	100	290	210
3	G.D PZ-7		5.50		97	107	1100	225	1215		1.	70	150	147
											2.	100	290	210

**Megascolides-2**

<b>Date :</b>	14 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	17	<b>Drilling Supervisor :</b>	Chris Dann	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	1003m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1002m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	182m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	10.42	Liner MD:		LTI Free Days:	235
Datum:	WGS 84	Days On Well:	16.33	Liner TVD:			

Current Ops @ 0600: Drill 8 1/2" hole at 1045m

Planned Operations: Drill ahead with WLS ~100m

**Summary of Period 0000 to 2400 Hrs**

Drill 8 1/2" hole from 821m to 1003m with WLS at 875m &amp; 987m

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 63,633	Cum. Cost:	\$ 1,302,410
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	14 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	14 Jan 2007	0 Days	Weekly safety meeting - Need for better comms on rig

**Operations For Period 0000 Hrs to 2400 Hrs on 14 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	870m	Drill 8 1/2" hole from 821m to 870m
PH1	P	DA	0600	0800	2.00	887m	Drill 8 1/2" hole from 870m to 887m
PH1	P	SVY	0800	0830	0.50	887m	Circulate, flow check and WLS (no reading)
PH1	P	DA	0830	0930	1.00	896m	Drill 8 1/2" hole from 887m to 896m
PH1	U (OTH)	SVY	0930	1000	0.50	896m	Circulate, flow check and WLS
PH1	P	DA	1000	2300	13.00	999m	Drill 8 1/2" hole from 896m to 999m
PH1	P	SVY	2300	2330	0.50	999m	Circulate, SPR, flow check and WLS
PH1	P	DA	2330	2400	0.50	1003m	Drill 8 1/2" hole from 999m to 1003m

**Operations For Period 0000 Hrs to 0600 Hrs on 15 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1045m	Drill 8 1/2" hole from 1003m to 1045m

**WBM Data**

Daily Chemical Costs: \$ 5349				Cost To Date: \$ 15465				Engineer : Peter N Aronetz	
Mud Type:	KCI-PHPA-POLYMER	Flowline Temp:	45C°	Cl:	8.43x1000	Low Gravity Solids:	1.6%	Gels 10s	2
		Nitrates:	0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	3
Sample From:	Below Shaker	Sulphites:	200mg/l	Hard/Ca:	200mg/l	Solids (corrected):	1.6%	Fann 003	3
Time:	22:50	API FL:	8.0cm³/30m	MBT:	3	H2O:	98.4%	Fann 006	4
Weight:	8.60ppg	API Cake:	1/32nd"	PM:	0.24	Oil:	0.0%	Fann 100	18
ECD TD:	8.94ppg	PV	15cp	PF:	0.08	Sand:	0.10 %	Fann 200	26
ECD Shoe:		YP	19lb/100ft²	MF:	1.48	Barite:	0	Fann 300	33
Viscosity	51sec/qt	CaCO3 Added:	0.0ppb	pH:	9.5			Fann 600	48
KCl Equiv:	1.0%			PHPA Added:	2.06ppb				

**Comment:** Re-cycling 140bbbls of fluid from sump on location.  
 Reclaimed a further 100bbbls of fluid from sump @ M-1 site.  
 Treat fluid to maintain parameters.

Shakers, Volumes and Losses Data							
Available	811.0bbl	Losses	141.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	596.0bbl	Downhole	4.0bbl	De-Gaser 1	Rig		0
Hole	211.0bbl	Shakers & Equip.	104.0bbl	De-Sander 1	Pioneer	2 Cones	24
Slug		Dumped	20.0bbl	De-Silter 1	Pioneer	10 Cones	24
Reserve	4.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	24
		De-Sander	13.0bbl	Shaker 2	DFE	2x175, 1x140	24
		De-Silter					
Built	190.0bbl						
<b>Comment:</b> Re-cycling 140bbbls of fluid from sump on location. Reclaimed a further 100bbbls of fluid from sump @ M-1 site. Treat fluid to maintain parameters.							

Bit Data							
<b>Bit # 2</b>							
Size ("):	8.50	IADC#		Nozzles	Drilled over last 24 hrs		Calculated over Bit Run
Mfr:	Security DBS	WOB(avg)	10.00klb	5 x 11(/32nd")	Progress	182m	Cum. Progress 493.0m
Type:	PDC	RPM(avg)	100		On Bottom Hrs	16.00	Cum. On Btm Hrs 38.00
Serial No.:	10881881	RPM (DH)(avg)	100		IADC Drill Hrs	22.00	Cum IADC Drill Hrs 54.00
Bit Model	FM3553	F.Rate	450gpm		Total Revs	93544	Cum Total Revs 228176
Depth In	510m	SPP	1000psi		OB-ROP(avg)	11.38m/hr	Cum. OB-ROP(avg) 12.97m/hr
Depth Out		TFA	0.464	HSI 3.45			
Bit Wear Comment		Bit also suffered "DL" Cutter Delamination					
Bit Run Comment		Rerun Bit from Megascorides # 1well					

BHA Data							
<b>BHA # 3</b>							
Weight(Wet)	41.00klb	Length	218m	Torque(max)	150ft-lbs	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	37.00klb	String	93.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	93.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity	0fpm
		Slack-Off	92.00klb	Jar Hours	182.5	D.P. Ann Velocity	0fpm
Equipment	Length	OD	ID	Serial #	Hours	Comment	
Bit	1 x 0.23m	8.50in		10881881			
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527			
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3			
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527			
NMDC	1 x 9.32m	6.75in	2.81in	H362			
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436			
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65			
Drill Collar	11 x 9.02m	6.25in	3.00in				
Drilling Jars	1 x 9.58m	6.25in	3.00in				
Drill Collar	3 x 9.01m	6.25in	3.00in				
HWDP	6 x 9.35m	4.50in	2.94in				
Total Length:	218.30m						

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
705.00	3.00	360.00	704.79	14.62	0.30	14.62	0.00	Totco single shot (assumed azimuth)
771.00	3.00	7.00	770.70	18.07	0.17	18.07	0.21	Hofco single shot
884.00	4.00	7.00	883.49	24.91	0.27	24.91	1.05	Hofco single shot
987.00	5.00	357.00	986.17	32.96	0.37	32.96	1.25	Hofco single shot



Summary	
Company	Pax On
Karooon Gas Ltd	3
Century Drilling Ltd	20
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	29

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	1	0	9.0
AMC Defoamer	25L can	0	1	0	0.0
AMC PAC-R	25kg sack	0	5	0	60.0
AMC PHPA	25kg sack	0	10	0	23.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	251.0
Baryte	25kg sack	0	0	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	0	0	18.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb sack	0	0	0	32.0
Lime	20kg sack	0	0	0	11.0
KCl	25kg sack	0	10	0	368.0
Rod-free 205L	205L drum	0	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	0	8	0	0.0
Sodium Sulfite	25kg sack	0	3	0	12.0
Xanthan Gum	25kg sack	0	7	0	6.0
Xtra-sweep	12lb box	0	0	0	4.0
Diesel fuel		0	2900	0	8,900.0

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	G.D. PZ-7	5.50		97	107	1000	225	999		1. 2.	70 100	120 240	147 210
2	G.D PZ-7	5.50		97	0					1. 2.			
3	G.D PZ-7	5.50		97	107	1000	225	999		1. 2.	70 100	120 240	147 210

### Megascolides-2

Date :	13 Jan 2007	Well Site Manager :	Chris Dann	Rig Manager :	Agus Nugroho
Report Number	16	Drilling Supervisor :	Chris Dann	Drilling Company :	Century Drilling Ltd
Easting	403212	Northing	5767583	Geologist :	Dave Horner

### Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	821m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	821m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	170m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	9.42	Liner MD:		LTI Free Days:	234
Datum:	WGS 84	Days On Well:	15.33	Liner TVD:			

Current Ops @ 0600: Drill 8 1/2" hole at 870m  
Planned Operations: Continue to drill 8 1/2" hole and run WLS at ~100m intervals

### Summary of Period 0000 to 2400 Hrs

Drill 8 1/2" hole from 651m to 821m with WLS at 705m & 771m

### Well Costs - AFE Number:

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 60,254	Cum. Cost:	\$ 1,238,777
Projected Cost:	\$ 2,839,256						

### HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	13 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	13 Jan 2007	0 Days	Drilling and general rig floor operation - Running wire line surveys

### Operations For Period 0000 Hrs to 2400 Hrs on 13 Jan 2007

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	717m	Drill 8 1/2" hole from 651m to 717m
PH1	P	SVY	0600	0700	1.00	717m	Circulate, flow check and run Totco deviation survey
PH1	P	DA	0700	1530	8.50	773m	Drill 8 1/2" hole from 717m to 773m
PH1	P	SVY	1530	1600	0.50	773m	Circulate, flow check and run directional survey (no reading obtained)
PH1	P	DA	1600	1730	1.50	783m	Drill 8 1/2" hole from 773m to 783m
PH1	P	SVY	1730	1800	0.50	783m	Circulate, flow check and run directional survey
PH1	P	DA	1800	2400	6.00	821m	Drill 8 1/2" hole from 783m to 821m

### Operations For Period 0000 Hrs to 0600 Hrs on 14 Jan 2007

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	870m	Drill 8 1/2" hole from 821m to 870m

### WBM Data

Daily Chemical Costs: \$ 2574				Cost To Date: \$ 10116		Engineer : Peter N Aronetz	
Mud Type:	KCI-PHPA-POLYMER	Flowline Temp:	41C°	Cl:	8.40x1000 mg/l	Low Gravity Solids:	1.5%
Sample From:	Below Shaker	Nitrates:	0mg/l	Hard/Ca:	240mg/l	High Gravity Solids:	0.0%
Time:	22:30	Sulphites:	250mg/l	MBT:	3	Solids (corrected):	1.5%
Weight:	8.60ppg	API FL:	8.4cm³/30m	PM:	0.28	H2O:	98.5%
ECD TD:	8.88ppg	API Cake:	1/32nd"	PF:	0.12	Oil:	0.0%
ECD Shoe:		PV	13cp	MF:	1.55	Sand:	0.15 %
Viscosity	49sec/qt	YP	14lb/100ft²	pH:	10	Barite:	0
KCl Equiv:	1.4%	CaCO3 Added:	0.0ppb	PHPA Added:	1.80ppb		

**Comment:** Re-cycling 140bbls of fluid from sump on location.  
Phase in XANTHAN GUM to improve low-end rheology.  
Still building up PHPA concentration.

Shakers, Volumes and Losses Data							
Available	761.0bbl	Losses	51.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	585.0bbl	Downhole	6.0bbl	De-Gaser 1	Rig		0
Hole	172.0bbl	Shakers & Equip.	8.0bbl	De-Sander 1	Pioneer	2 Cones	24
Slug		Dumped	10.0bbl	De-Silter 1	Pioneer	10 Cones	24
Reserve	4.0bbl	Centrifuges		Shaker 1	DFE	2x140, 1x84	24
		De-Sander	27.0bbl	Shaker 2	DFE	2x140, 1x84	24
		De-Silter					
Built	160.0bbl						
<b>Comment:</b> Re-cycling 140bbls of fluid from sump on location. Phase in XANTHAN GUM to improve low-end rheology. Still building up PHPA concentration.							

Bit Data							
<b>Bit # 2</b>							
Size ("):	8.50	IADC#		<b>Nozzles</b>	<b>Drilled over last 24 hrs</b>	<b>Calculated over Bit Run</b>	
Mfr:	Security DBS	WOB(avg)	10.00klb	5 x 11(/32nd")	Progress	170m	Cum. Progress 311.0m
Type:	PDC	RPM(avg)	90		On Bottom Hrs	16.00	Cum. On Btm Hrs 22.00
Serial No.:	10881881	RPM (DH)(avg)	90		IADC Drill Hrs	22.00	Cum IADC Drill Hrs 32.00
Bit Model	FM3553	F.Rate	450gpm		Total Revs	101875	Cum Total Revs 134632
Depth In	510m	SPP	1000psi		OB-ROP(avg)	10.62m/hr	Cum. OB-ROP(avg) 14.14m/hr
Depth Out		TFA	0.464	HSI			
Bit Wear Comment		Bit also suffered "DL" Cutter Delamination					
Bit Daily Comment		HSI 3.45					
Bit Run Comment		Rerun Bit from Megascollides # 1well					

BHA Data							
<b>BHA # 3</b>							
Weight(Wet)	41.00klb	Length	218m	Torque(max)	150ft-lbs	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	37.00klb	String	93.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	93.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity	0fpm
		Slack-Off	92.00klb	Jar Hours	160	D.P. Ann Velocity	0fpm
Equipment	Length	OD	ID	Serial #	Hours	Comment	
Bit	1 x 0.23m	8.50in		10881881			
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527			
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3			
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527			
NMDC	1 x 9.32m	6.75in	2.81in	H362			
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436			
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65			
Drill Collar	11 x 9.02m	6.25in	3.00in				
Drilling Jars	1 x 9.58m	6.25in	3.00in				
Drill Collar	3 x 9.01m	6.25in	3.00in				
HWDP	6 x 9.35m	4.50in	2.94in				
Total Length:	218.30m						

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
419.00	0.75	360.00	418.94	6.29	0.22	6.29	0.00	Totco single shot (assumed azimuth)
503.00	1.00	360.00	502.93	7.57	0.09	7.57	0.00	Totco single shot (assumed azimuth)
705.00	3.00	360.00	704.79	14.62	0.30	14.62	0.00	Totco single shot (assumed azimuth)
771.00	3.00	7.00	770.70	18.07	0.17	18.07	0.21	Hofco single shot

Summary	
Company	Pax On
Karoon Gas Ltd	3
Century Drilling Ltd	19
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	28

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
AMC Biocide G	25L can	0	1	0	10.0	
AMC Defoamer	25L can	0	1	0	1.0	
AMC PAC-R	25kg sack	0	0	0	65.0	
AMC PHPA	25kg sack	0	15	0	33.0	
AUS-BEN	25kg sack	0	0	0	0.0	
AUS-DEX	25kg sack	0	0	0	96.0	
AUS-GEL	25kg sack	0	0	0	251.0	
Baryte	25kg sack	0	0	0	456.0	
CaCl	25kg sack	0	0	0	0.0	
Caustic Soda	25kg pail	0	0	0	18.0	
Citric Acid	25kg sack	0	0	0	38.0	
Cement - Class A	40kg sack	0	0	0	0.0	
Kwik-seal C	40lb sack	0	0	0	32.0	
Kwik-seal F	40lb sack	0	0	0	32.0	
Kwik-seal M	40lb sack	0	0	0	32.0	
Lime	20kg sack	0	0	0	11.0	
KCl	25kg sack	0	12	0	378.0	
Rod-free 205L	205L drum	0	0	0	1.0	
Rod-free 25L	25L can	0	0	0	0.0	
NaCl	25kg sack	0	0	0	0.0	
SAPP	25kg sack	0	0	0	0.0	
Soda Ash	25kg sack	0	0	0	8.0	
Sodium Sulfite	25kg sack	0	5	0	15.0	
Xanthan Gum	25kg sack	0	0	0	13.0	
Xtra-sweep	12lb box	0	0	0	4.0	
Diesel fuel		0	3400	0	11,800.0	

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	G.D. PZ-7	5.50		97	107	1000	225	821		1.	70	100	147
										2.	100	310	210
2	G.D PZ-7	5.50		97	0					1.			
										2.			
3	G.D PZ-7	5.50		97	107	1000	225	821		1.	70	100	147
										2.	100	310	210

### Megascolides-2

Date :	12 Jan 2007	Well Site Manager :	Chris Dann	Rig Manager :	Agus Nugroho
Report Number	15	Drilling Supervisor :	Chris Dann	Drilling Company :	Century Drilling Ltd
Easting	403212	Northing	5767583	Geologist :	Dave Horner

### Well Details

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	651m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	651m	Casing TVD:	507m	FIT/LOT:	20.0ppg /
RT - AMSL:	156.20m	24 Hr Progress:	141m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	8.42	Liner MD:		LTI Free Days:	233
Datum:	WGS 84	Days On Well:	14.33	Liner TVD:			

Current Ops @ 0600: Circulate for deviation survey at 717m

Planned Operations: Continue to drill 8 1/2" hole - run deviation surveys

### Summary of Period 0000 to 2400 Hrs

Calibrate PVT system, Pressure test casing, Drill shoe track and 3m of new hole 510 - 513m, Conduct FIT to 20.0ppg EMW, Drill 8 1/2" hole from 513m to 651m

### Well Costs - AFE Number:

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 81,385	Cum. Cost:	\$ 1,178,523
Projected Cost:	\$ 2,839,256						

### HSE Summary

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	12 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	12 Jan 2007	0 Days	General housekeeping and Operating rig tongs

### Operations For Period 0000 Hrs to 2400 Hrs on 12 Jan 2007

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	TP (RE)	RR	0000	0800	8.00	510m	Calibrate PVT system
PH1	P	CMD	0800	0830	0.50	510m	Prepare mud tanks and circulate well with water using pill tank
PH1	TP (RE)	RR	0830	0900	0.50	510m	Repair pressure testing unit prior to pressure testing casing
PH1	P	PT	0900	1000	1.00	510m	Presure test casing down drill string and annulus to 2,500psi for 15 minutes
PH1	P	DFS	1000	1130	1.50	510m	Drill out shoe track from 490m to 507m - Drill out cement to 510m
PH1	P	DA	1130	1200	0.50	513m	Drill 8 1/2" hole from 510m to 513m
PH1	P	CMD	1200	1230	0.50	513m	Circulate and displace well to drilling mud
PH1	P	LOT	1230	1300	0.50	513m	Conduct FIT to 20.0ppg EMW without leak off
PH1	P	OTH	1300	1330	0.50	513m	Rig down pressure test equipment and conduct slow pump rates
PH1	P	DA	1330	1900	5.50	604m	Drill 8 1/2" hole from 513m to 604m
PH1	P	SVY	1900	1930	0.50	604m	Circulate hole clean, flow check and run directional survey (no reading)
PH1	P	DA	1930	2230	3.00	642m	Drill 8 1/2" hole from 604m to 642m
PH1	U	SVY	2230	2300	0.50	642m	Circulate hole clean, flow check and run directional survey (no reading)
PH1	P	DA	2300	2330	0.50	651m	Drill 8 1/2" hole from 642m to 651m
PH1	U	SVY	2330	2400	0.50	651m	Circulate hole clean, flow check and run directional survey (no reading)

### Operations For Period 0000 Hrs to 0600 Hrs on 13 Jan 2007

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	717m	Drill 8 1/2" hole from 651m to 717m

**WBM Data**

Daily Chemical Costs: \$ 1794				Cost To Date: \$ 7542				Engineer : Peter N Aronetz	
Mud Type: FluidReclaimed fm ME	Flowline Temp: 36C°	Cl: 8.90x1000 mg/l	Low Gravity Solids: 1.5%	Gels 10s	1				
				Gels 10m	1				
Sample From: Below Shaker	Sulphites: 0mg/l	Hard/Ca: 300mg/l	Solids (corrected): 1.5%	Fann 003	1				
				Fann 006	2				
Time: 22:30	API FL: 8.8cm³/30m	MBT: 3.5	H2O: 98.5%	Fann 100	9				
Weight: 8.60ppg	API Cake: 1/32nd"	PM: 0.46	Oil: 0.0%	Fann 200	13				
ECD TD: 8.82ppg	PV 8cp	PF: 0.12	Sand: .5 %	Fann 300	17				
ECD Shoe:	YP 9lb/100ft²	MF: 1.25	Barite: 0	Fann 600	25				
Viscosity 42sec/qt	CaCO3 Added: 0.0ppb	pH: 10.2							
KCl Equiv: 1.4%		PHPA Added: 0.61ppb							

**Comment:** Reclaim a further 150bbbls of fluid from M-1 sump, density slowly increasing at that source. Last load check: 8.8ppg.  
 Treatment with KCl+PHPA, also phase in Sodium Sulphite.  
 Occasional run-off over shaker after PHPA additions.  
 Aiming to raise PHPA concentration further, to compensate for lower KCl concentration.  
 With resumption of drilling de-sander+de-silter on line and working well.  
 KCl=1.4%; PHPA=0.61ppb; FL=8.8ml/30min;  
 Report format does not recognise certain decimal entries (corrected by IDS 13/1/07).

**Shakers, Volumes and Losses Data**

Available	652.0bbl	Losses	150.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	512.0bbl	Downhole	11.0bbl	De-Gaser 1	Rig		0
Hole	136.0bbl	Shakers & Equip.	104.0bbl	De-Sander 1	Pioneer	2 Cones	8
Slug		Dumped	30.0bbl	De-Silter 1	Pioneer	10 Cones	8
Reserve	4.0bbl	Centrifuges		Shaker 1	DFE	2x140, 1x84	15
		De-Sander	5.0bbl	Shaker 2	DFE	2x140, 1x84	15
		De-Silter					
Built	180.0bbl						

**Comment:** Reclaim a further 150bbbls of fluid from M-1 sump, density slowly increasing at that source. Last load check: 8.8ppg.  
 Treatment with KCl+PHPA, also phase in Sodium Sulphite.  
 Occasional run-off over shaker after PHPA additions.  
 Aiming to raise PHPA concentration further, to compensate for lower KCl concentration.  
 With resumption of drilling de-sander+de-silter on line and working well.

**Bit Data**
**Bit # 2**

Size ("):	8.50	IADC#	Nozzles	Drilled over last 24 hrs	Calculated over Bit Run
Mfr: Security DBS	WOB(avg) 13.00klb	5 x 11/(32nd")	Progress 141m	Cum. Progress 141.0m	
Type: PDC	RPM(avg) 90		On Bottom Hrs 6.00	Cum. On Btm Hrs 6.00	
Serial No.: 10881881	RPM (DH)(avg) 90		IADC Drill Hrs 10.00	Cum IADC Drill Hrs 10.00	
Bit Model FM3553	F.Rate 450gpm		Total Revs 32757	Cum Total Revs 32757	
Depth In 510m	SPP 1000psi		OB-ROP(avg) 23.50m/hr	Cum. OB-ROP(avg) 23.50m/hr	
Depth Out	TFA 0.464	HSI			

Bit Wear Comment Bit also suffered "DL" Cutter Delamination

Bit Run Comment Rerun Bit from Megascolides # 1well

**BHA Data**
**BHA # 3**

Weight(Wet) 41.00klb	Length 218m	Torque(max) 160ft-lbs	D.C. (1) Ann Velocity 332fpm
Wt Below Jar(Wet) 37.00klb	String 84.00klb	Torque(Off.Btm) 5ft-lbs	D.C. (2) Ann Velocity 0fpm
	Pick-Up 84.00klb	Torque(On.Btm) 120ft-lbs	H.W.D.P. Ann Velocity 212fpm
	Slack-Off 84.00klb	Jar Hours 138	D.P. Ann Velocity 212fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10881881		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	11 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	218.30m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
204.00	1.00	360.00	203.98	1.83	0.20	1.83	0.00	Totco single shot (assumed azimuth)
316.00	1.50	360.00	315.96	4.27	0.13	4.27	0.00	Totco single shot (assumed azimuth)
419.00	0.75	360.00	418.94	6.29	0.22	6.29	0.00	Totco single shot (assumed azimuth)
503.00	1.00	360.00	502.93	7.57	0.09	7.57	0.00	Totco single shot (assumed azimuth)

**Summary**

Company	Pax On
Karoon Gas Ltd	3
Century Drilling Ltd	19
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	28

Bulk Stocks														
Name				Unit		In	Used	Adjust		Balance				
AMC Biocide G				25L can		0	1	0		11.0				
AMC Defoamer				25L can		0	1	0		2.0				
AMC PAC-R				25kg sack		0	0	0		65.0				
AMC PHPA				25kg sack		0	10	0		48.0				
AUS-BEN				25kg sack		0	0	0		0.0				
AUS-DEX				25kg sack		0	0	0		96.0				
AUS-GEL				25kg sack		0	1	0		251.0				
Baryte				25kg sack		0	0	0		456.0				
CaCl				25kg sack		0	0	0		0.0				
Caustic Soda				25kg pail		0	0	0		18.0				
Citric Acid				25kg sack		0	0	0		38.0				
Cement - Class A				40kg sack		0	0	0		0.0				
Kwik-seal C				40lb sack		0	0	0		32.0				
Kwik-seal F				40lb sack		0	0	0		32.0				
Kwik-seal M				40lb sack		0	0	0		32.0				
Lime				20kg sack		0	0	0		11.0				
KCl				25kg sack		0	12	0		390.0				
Rod-free 205L				205L drum		0	0	0		1.0				
Rod-free 25L				25L can		0	0	0		0.0				
NaCl				25kg sack		0	0	0		0.0				
SAPP				25kg sack		0	0	0		0.0				
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		13.0				
Xtra-sweep				12lb box		0	0	0		4.0				
Diesel fuel						0	1800	0		15,200.0				
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	G.D. PZ-7	5.50		97	107	1000	225				1.	70	50	147
											2.	100	180	210
2	G.D PZ-7	5.50		97	107	1000	225				1.	70	60	147
											2.	100	180	210
3	G.D PZ-7	5.50		97	0						1.			
											2.			



**Megascolides-2**

<b>Date :</b>	11 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	14	<b>Drilling Supervisor :</b>	Chris Dann	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	510m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	510m	Casing TVD:	507m	FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	7.42	Liner MD:		LTI Free Days:	232
Datum:	WGS 84	Days On Well:	13.33	Liner TVD:			

Current Ops @ 0600: Calibrate & check PVT system

Planned Operations: Pressure test casing - drill shoe track & 3m of new hole - displace well to mud - perform LOT - Drill 8 1/2" hole

**Summary of Period 0000 to 2400 Hrs**

Run in hole to tag cement at 490m - Slip & cut drilling line - Calibrate PVT system

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 37,885	Cum. Cost:	\$ 1,097,138
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	11 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	11 Jan 2007	0 Days	Tripping drill pipe on rig floor & Setting and testing crown-o-matic

**Operations For Period 0000 Hrs to 2400 Hrs on 11 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TI	0000	0330	3.50	510m	Run in hole with bit #2 on BHA #3 and tag cement at 490m. Lay out 3 joints of drill pipe (Work on AOI & BHI PVT systems)
PH1	P	SC	0330	0630	3.00	510m	Slip and cut 140' drilling line - PVT systems not functioning correctly
PH1	TP (RE)	RR	0630	0730	1.00	510m	Work on PVT calibration & repair crown saver valve
PH1	TP (RE)	RR	0730	0900	1.50	510m	Work on PVT calibration - adjust mast over well centre
PH1	TP (RE)	RR	0900	2400	15.00	510m	Work on PVT calibration - unspool drilling line from draw works and check drilling line clamp installation - repair crown saver valve

**Operations For Period 0000 Hrs to 0600 Hrs on 12 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	TP (RE)	RR	0000	0600	6.00	510m	(IN PROGRESS) Calibrate PVT system

**WBM Data**

Daily Chemical Costs: \$ 0				Cost To Date: \$ 5748				Engineer : Peter N Aronetz	
Mud Type: FluidReclaimed fm ME	Flowline Temp:	CI:	8.10x1000 mg/l	Low Gravity Solids:	0.8%	Gels 10s		0	
Sample From: Suction	Nitrates: 0mg/l	Hard/Ca:	300mg/l	High Gravity Solids:	0.0%	Gels 10m		1	
Time: 22:00	Sulphites: 0mg/l	MBT:	1.5	Solids (corrected):	0.8%	Fann 003		1	
Weight: 8.50ppg	API FL: 11.0cm³/30m	PM:	0.35	H2O:	99.2%	Fann 006		2	
ECD TD:	API Cake: 1/32nd"	PF:	0.12	Oil:	0.0%	Fann 100		11	
ECD Shoe:	PV 10cp	MF:	0.75	Sand:	0 %	Fann 200		16	
Viscosity 51sec/qt	YP 10lb/100ft²	pH:	10	Barite:	0	Fann 300		20	
KCl Equiv: 1.0%	CaCO3 Added: 0.0ppb	PHPA Added:	0.00ppb			Fann 600		30	

**Comment:** No circulation or chemical addition last 24 hours, repeated movement of drilling fluid between tanks.  
 Dumped fluid is water, displaced out of the well, while RIH w/ drill string

Shakers, Volumes and Losses Data							
Available	621.0bbl	Losses	26.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	0.0bbl	Downhole	0.0bbl	De-Gaser 1	Rig		0
Hole	106.0bbl	Shakers & Equip.	10.0bbl	De-Sander 1	Pioneer	2 Cones	0
Slug		Dumped	16.0bbl	De-Silter 1	Pioneer	10 Cones	0
Reserve	515.0bbl	Centrifuges		Shaker 1	DFE	2x140, 1x84	0
		De-Sander		Shaker 2	DFE	2x140, 1x84	0
		De-Silter					
Built	0.0bbl						
<b>Comment:</b> No circulation or chemical addition last 24 hours, repeated movement of drilling fluid between tanks. Dumped fluid is water, displaced out of the well, while RIH w/ drill string							

Bit Data							
<b>Bit # 2</b>							
Size ("):	8.50	IADC#		Nozzles	Drilled over last 24 hrs	Calculated over Bit Run	
Mfr:	Security DBS	WOB(avg)	klb	5 x 11(/32nd")	Progress	m	Cum. Progress 0.0m
Type:	PDC	RPM(avg)			On Bottom Hrs	NaN	Cum. On Btm Hrs 0.00
Serial No.:	10881881	RPM (DH)(avg)			IADC Drill Hrs	NaN	Cum IADC Drill Hrs 0.00
Bit Model	FM3553	F.Rate	gpm		Total Revs		Cum Total Revs 0
Depth In	510m	SPP	psi		OB-ROP(avg)		Cum. OB-ROP(avg) 0.00m/hr
Depth Out		TFA	0.464	HSI			
Bit Wear Comment		Bit also suffered "DL" Cutter Delamination					
Bit Run Comment		Rerun Bit from Megascoldes # 1well					

BHA Data							
<b>BHA # 3</b>							
Weight(Wet)	41.00klb	Length	218m	Torque(max)		D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	37.00klb	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	128.5	D.P. Ann Velocity	0fpm
Equipment	Length	OD	ID	Serial #	Hours	Comment	
Bit	1 x 0.23m	8.50in		10881881			
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527			
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3			
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527			
NMDC	1 x 9.32m	6.75in	2.81in	H362			
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436			
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65			
Drill Collar	11 x 9.02m	6.25in	3.00in				
Drilling Jars	1 x 9.58m	6.25in	3.00in				
Drill Collar	3 x 9.01m	6.25in	3.00in				
HWDP	6 x 9.35m	4.50in	2.94in				
Total Length:	218.30m						

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
204.00	1.00	360.00	203.98	1.83	0.20	1.83	0.00	Totco single shot (assumed azimuth)
316.00	1.50	360.00	315.96	4.27	0.13	4.27	0.00	Totco single shot (assumed azimuth)
419.00	0.75	360.00	418.94	6.29	0.22	6.29	0.00	Totco single shot (assumed azimuth)
503.00	1.00	360.00	502.93	7.57	0.09	7.57	0.00	Totco single shot (assumed azimuth)

Summary	
Company	Pax On
Karoon Gas Ltd	3
Century Drilling Ltd	19
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	28

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
AMC Biocide G	25L can	0	0	0	12.0	
AMC Defoamer	25L can	0	0	0	3.0	
AMC PAC-R	25kg sack	0	0	0	65.0	
AMC PHPA	25kg sack	0	0	0	58.0	
AUS-BEN	25kg sack	0	0	0	0.0	
AUS-DEX	25kg sack	0	0	0	96.0	
AUS-GEL	25kg sack	0	0	0	252.0	
Baryte	25kg sack	0	0	0	456.0	
CaCl	25kg sack	0	0	0	0.0	
Caustic Soda	25kg pail	0	0	0	18.0	
Citric Acid	25kg sack	0	0	0	38.0	
Cement - Class A	40kg sack	0	0	0	0.0	
Kwik-seal C	40lb sack	0	0	0	32.0	
Kwik-seal F	40lb sack	0	0	0	32.0	
Kwik-seal M	40lb sack	0	0	0	32.0	
Lime	20kg sack	0	0	0	11.0	
KCl	25kg sack	0	0	0	402.0	
Rod-free 205L	205L drum	0	0	0	1.0	
Rod-free 25L	25L can	0	0	0	0.0	
NaCl	25kg sack	0	0	0	0.0	
SAPP	25kg sack	0	0	0	0.0	
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	13.0	
Xtra-sweep	12lb box	0	0	0	4.0	
Diesel fuel		0	900	0	17,000.0	

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	G.D. PZ-7	5.50		97	0					1.			
2	G.D PZ-7	5.50		97	0					2.			
3	G.D PZ-7	5.50		97	0					1.			
										2.			

**Megascolides-2**

<b>Date :</b>	10 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Steve Young
<b>Report Number</b>	13	<b>Drilling Supervisor :</b>	Chris Dann	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	12.250in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	510m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	510m	Casing TVD:	507m	FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	6.42	Liner MD:		LTI Free Days:	231
Datum:	WGS 84	Days On Well:	12.33	Liner TVD:			

Current Ops @ 0600: Slip & Cut Drilling Line

Planned Operations: Work on AOI & BHI PVT systems, Adjust mast over well centre, drill out shoe track, conduct LOT, drill 8 1/2" hole

**Summary of Period 0000 to 2400 Hrs**

Pressure test BOP components - work on AOI & BHI PVT systems - dump & clean mud tanks, prepare mud to drill out. Unable to install wear bushing (damaged). Make up BHA.

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 61,115	Cum. Cost:	\$ 1,059,253
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	10 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	10 Jan 2007	0 Days	Nipple up BOPs and Pressure Testing

**Operations For Period 0000 Hrs to 2400 Hrs on 10 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SC	P	BOP	0000	1000	10.00	510m	Pick up & make up test plug on 4 1/2" drill pipe - pressure test BOPs - Annular 300/2000psi 10/10min - Pipe Rams, Blind rams, 2ea Choke line valves, 2ea Kill Line valves & choke line to 300/2500psi 10/10min. - lay out drill pipe
SC	P	BOP	1000	1200	2.00	510m	Pick up pup joint and make up with 2ea FOSV, Kelly & test plug - Pressure test 2ea FOSV & Lower Kelly Cock 300/2500psi 10/10min. (Work on AOI PVT system)
SC	P	BOP	1200	1530	3.50	510m	Pressure test Upper Kelly Cock, 4" Standpipe valve, 2" Kill Line valve, 4" Mud Pump Valves, Kelly Hose & Mud Lines to 300/2500psi 10/10min (Work on AOI PVT system)
SC	P	BOP	1530	1630	1.00	510m	Rack Kelly & Lay out pup joint, FOSVs and test plug - pick up cup tester on drill pipe (Work on AOI PVT system)
SC	P (RE)	RR	1630	1730	1.00	510m	Replace outside kill line valve on mud cross (Work on AOI PVT system)
SC	P	BOP	1730	1830	1.00	510m	Pressure test A Section to casing BTC connection and outside kill line valve 300/2500psi 10/10min (Work on AOI PVT system)
SC	P	BOP	1830	1930	1.00	510m	Lay out cup tester and attempt to install wear bushing - unable to install - damaged (Work on AOI PVT system)
SC	P	BOP	1930	2200	2.50	510m	Nipple up bell nipple and flow line from BOPs to shale shakers (Work on AOI & BHI PVT systems)
PH1	P	HBHA	2200	2400	2.00	510m	Pick up and make up BHA # 3 on 8 1/2" bit #2 - rerun from Megascolides # 1 RE (Work on AOI & BHI PVT systems)

**Operations For Period 0000 Hrs to 0600 Hrs on 11 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TI	0000	0330	3.50	510m	Run in hole with bit #2 on BHA #3 and tag cement at 490m. Lay out 3 joints of drill pipe (Work on AOI & BHI PVT systems)
PH1	P	SC	0330	0600	2.50	510m	(IN PROGRESS) Slip and cut 140' drilling line - PVT systems not functioning correctly

**WBM Data**

Daily Chemical Costs: \$ 2853			Cost To Date: \$ 5748			Engineer : Peter N Aronetz	
Mud Type: FluidReclaimed fm ME	Flowline Temp:	CI:	8.20x1000	Low Gravity Solids:	1.2%	Gels 10s	0
	Nitrates: 0mg/l		mg/l	High Gravity Solids:	0.0%	Gels 10m	1
Sample From: Suction	Sulphites: 0mg/l	Hard/Ca:	280mg/l	Solids (corrected):	1.2%	Fann 003	1
Time: 11:00	API FL: 11.0cm³/30m	MBT:	1.5	H2O:	98.8%	Fann 006	2
Weight: 8.55ppg	API Cake: 1/32nd"	PM:	0.33	Oil:	0.0%	Fann 100	11
ECD TD:	PV 10cp	PF:	0.1	Sand:	0.0 %	Fann 200	16
ECD Shoe:	YP 10lb/100ft²	MF:	0.75	Barite:	0	Fann 300	20
Viscosity 52sec/qt	CaCO3 Added: 0.0ppb	pH:	10			Fann 600	30
KCl Equiv: 1.0%		PHPA Added:	0.00ppb				

**Comment:** Treat reclaimed fluid in tanks with chemicals listed. Mud check reflects properties of treated fluid. Attempt to get maximum shearing of newly added PHPA.

**Shakers, Volumes and Losses Data**

Available	648.0bbl	Losses	6.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	0.0bbl	Downhole	0.0bbl	De-Gaser 1	Rig		0
Hole	123.0bbl	Shakers & Equip.	0.0bbl	De-Sander 1	Pioneer	2 Cones	0
Slug		Dumped	6.0bbl	De-Silter 1	Pioneer	10 Cones	0
Reserve	525.0bbl	Centrifuges		Shaker 1	DFE	2x140, 1x84	0
		De-Sander		Shaker 2	DFE	2x140, 1x84	0
		De-Silter					
Built	0.0bbl						

**Comment:** Treat reclaimed fluid in tanks with chemicals listed. Mud check reflects properties of treated fluid. Attempt to get maximum shearing of newly added PHPA.

**Bit Data**
**Bit # 2**

Size ("):	8.50	IADC#	Nozzles	Drilled over last 24 hrs	Calculated over Bit Run
Mfr: Security DBS	WOB(avg)	klb	5 x 11/(32nd")	Progress	m
Type: PDC	RPM(avg)			On Bottom Hrs	NaN
Serial No.: 10881881	RPM (DH)(avg)			IADC Drill Hrs	NaN
Bit Model FM3553	F.Rate	gpm		Total Revs	
Depth In 510m	SPP	psi		OB-ROP(avg)	
Depth Out	TFA	0.464	HSI		

Bit Wear Comment Bit also suffered "DL" Cutter Delamination

Bit Run Comment Rerun Bit from Megascollides # 1well

**BHA Data**
**BHA # 3**

Weight(Wet)	41.00klb	Length	218m	Torque(max)	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	37.00klb	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	D.P. Ann Velocity	0fpm

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.23m	8.50in		10881881		
Near Bit Stab	1 x 1.61m	8.50in	2.94in	S6527		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527		
NMDC	1 x 9.32m	6.75in	2.81in	H362		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65		
Drill Collar	11 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in			
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
Total Length:	218.30m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
204.00	1.00	360.00	203.98	1.83	0.20	1.83	0.00	Totco single shot (assumed azimuth)
316.00	1.50	360.00	315.96	4.27	0.13	4.27	0.00	Totco single shot (assumed azimuth)
419.00	0.75	360.00	418.94	6.29	0.22	6.29	0.00	Totco single shot (assumed azimuth)
503.00	1.00	360.00	502.93	7.57	0.09	7.57	0.00	Totco single shot (assumed azimuth)

**Summary**

Company	Pax On
Karoon Gas Ltd	3
Century Drilling Ltd	20
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	29

Bulk Stocks														
Name				Unit		In		Used		Adjust		Balance		
AMC Biocide G				25L can		0		1		0		12.0		
AMC Defoamer				25L can		0		0		0		3.0		
AMC PAC-R				25kg sack		0		6		0		65.0		
AMC PHPA				25kg sack		0		2		0		58.0		
AUS-BEN				25kg sack		0		0		0		0.0		
AUS-DEX				25kg sack		0		0		0		96.0		
AUS-GEL				25kg sack		0		0		0		252.0		
Baryte				25kg sack		0		0		0		456.0		
CaCl				25kg sack		0		0		0		0.0		
Caustic Soda				25kg pail		0		0		0		18.0		
Citric Acid				25kg sack		0		0		0		38.0		
Cement - Class A				40kg sack		0		0		0		0.0		
Kwik-seal C				40lb sack		0		0		0		32.0		
Kwik-seal F				40lb sack		0		0		0		32.0		
Kwik-seal M				40lb sack		0		0		0		32.0		
Lime				20kg sack		0		0		0		11.0		
KCl				25kg sack		0		18		0		402.0		
Rod-free 205L				205L drum		0		0		0		1.0		
Rod-free 25L				25L can		0		0		0		0.0		
NaCl				25kg sack		0		0		0		0.0		
SAPP				25kg sack		0		0		0		0.0		
Soda Ash				25kg sack		0		0		0		8.0		
Sodium Sulfite				25kg sack		0		0		0		20.0		
Xanthan Gum				25kg sack		0		3		0		13.0		
Xtra-sweep				12lb box		0		0		0		4.0		
Diesel fuel						0		900		0		17,900.0		
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	G.D. PZ-7		5.50		97	0					1.			
2	G.D PZ-7		5.50		97	0					2.			
3	G.D PZ-7		5.50		97	0					1.			
											2.			

**Megascolides-2**

<b>Date :</b>	09 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Steve Young
<b>Report Number</b>	12	<b>Drilling Supervisor :</b>	Chris Dann	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	12.250in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	510m	Casing MD:	507m	Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	510m	Casing TVD:	507m	FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	5.42	Liner MD:		LTI Free Days:	230
Datum:	WGS 84	Days On Well:	11.33	Liner TVD:			

Current Ops @ 0600:	Pressure test BOPs
Planned Operations:	Pressure test BOP equipment, pick up and make up 8 1/2" BHA, run in hole, slip and cut drilling line, drill out shoe track, conduct LOT

**Summary of Period 0000 to 2400 Hrs**

PU landing joint & RIH 9-5/8" casing to 507m. RU head & cement (no cement returns, partial losses), Conduct top up cement job, wait on cement, slack off casing, nipple up BOPs

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 74,385	Cum. Cost:	\$ 998,138
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	09 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	09 Jan 2007	0 Days	Cement 9 5/8" casing and Nipple up BOPs

**Operations For Period 0000 Hrs to 2400 Hrs on 09 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	P	CRN	0000	0030	0.50	510m	Pick up landing joint, attempt to install circulating swedge, change out circulating swedge, install circulating swedge and landing joint on casing
SH	P	CRN	0030	0130	1.00	510m	Run casing in hole to 507m, make up circulating hose, reciprocate and circulate casing twice hole volume. Cementing pre-job safety meeting
SH	P	CRN	0130	0400	2.50	510m	Break out circulating swedge and make up Halliburton cement head. Pump 15bbls fresh water spacer, pressure test surface lines to 300/2500psi. Mix pump & displace lead and tail cement slurries - no cement to surface and lost returns prior to bump plug with 2,500psi for 10 minutes - floats held
SH	P	TUC	0400	0530	1.50	510m	Rig up to, and cut window in conductor pipe
SH	P	TUC	0530	0900	3.50	510m	Make up cement stinger in conductor and conduct top up cement job - dump and clean shaker tank compartments
SH	P	WOW	0900	1330	4.50	510m	Wait on Cement - hook up BOP lines, prepare equipment to nipple up BOPs, Dump and clean mud tanks
SH	P	RRD	1330	1400	0.50	510m	Slack off on casing, lay out cement head and casing stabbing board
SH	P	RRD	1400	1500	1.00	510m	Break out and lay out casing landing joint
SH	P	RRD	1500	1530	0.50	510m	Cut and layout conductor riser pipe
SH	P	BOP	1530	2330	8.00	510m	Install A section, DSA and 11" 5000 BOPs - nipple up BOP components
SH	P	BOP	2330	2400	0.50	510m	Function Test BOPs

**Operations For Period 0000 Hrs to 0600 Hrs on 10 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SC	P	BOP	0000	0600	6.00	510m	(IN PROGRESS) Pick up & make up test plug on 4 1/2" drill pipe - pressure test BOPs - Annular 300/2000psi 10/10min - Pipe Rams, Blind rams, 2ea Choke line valves, 2ea Kill Line valves & choke line to 300/2500psi 10/10min. - lay out drill pipe



**WBM Data**

Daily Chemical Costs: \$ 0				Cost To Date: \$ 2895				Engineer : Peter N Aronetz	
Mud Type: FluidReclaimed fm ME	Flowline Temp:			Cl:	6.40x1000	Low Gravity Solids:	0.9%	Gels 10s	0
	Nitrates: 0mg/l				mg/l	High Gravity Solids:	0.1%	Gels 10m	0
Sample From: Suction	Sulphites: 0mg/l			Hard/Ca:	320mg/l	Solids (corrected):	0.1%	Fann 003	1
Time: 21:00	API FL: 12.5cm³/30m			MBT:	1.5	H2O:	99.1%	Fann 006	1
Weight: 8.50ppg	API Cake: 1/32nd"			PM:	0.15	Oil:	0.0%	Fann 100	4
ECD TD:	PV 5cp			PF:	0.15	Sand:	0 %	Fann 200	6
ECD Shoe:	YP 4lb/100ft²			MF:	1.9	Barite:	0.7	Fann 300	9
Viscosity 30sec/qt	CaCO3 Added: 0.0ppb			pH:	9			Fann 600	14
KCl Equiv: 0.0%				PHPA Added:	0.00ppb				

**Comment:** At completion of cement job, dump all fluid remaining from SFC hole+ flush tanks clean. Re-fill with 480bbls fluid reclaimed from M-1 sump.  
 Suspend recycling, when density of reclaimed fluid increases past 8.5ppg.  
 Top up with 50bbls water from Day Tank. Prepare for chemical addition  
 No mud chemicals used last 24hrs.

Properties reported are from untreated, reclaimed fluid.  
 Fluid in well (9 5/8" casing) is water.

**Shakers, Volumes and Losses Data**

Available	654.0bbl	Losses	481.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	0.0bbl	Downhole	0.0bbl	De-Gaser 1	Rig		0
Hole	124.0bbl	Shakers & Equip.	0.0bbl	De-Sander 1	Pioneer	2 Cones	0
Slug		Dumped	481.0bbl	De-Silter 1	Pioneer	10 Cones	0
Reserve	530.0bbl	Centrifuges		Shaker 1	DFE	3x84	5
		De-Sander		Shaker 2	DFE	3x84	5
		De-Silter					
Built	0.0bbl						

**Comment:** At completion of cement job, dump all fluid remaining from SFC hole+ flush tanks clean. Re-fill with 480bbls fluid reclaimed from M-1 sump.  
 Suspend recycling, when density of reclaimed fluid increases past 8.5ppg.  
 Top up with 50bbls water from Day Tank. Prepare for chemical addition. Fluid in well (9 5/8" casing) is water.

**BHA Data**
**BHA # 2**

Weight(Wet)	Length	203m	Torque(max)	D.C. (1) Ann Velocity
Wt Below Jar(Wet)	String		Torque(Off.Btm)	D.C. (2) Ann Velocity
	Pick-Up		Torque(On.Btm)	H.W.D.P. Ann Velocity
	Slack-Off		Jar Hours	128.5
				D.P. Ann Velocity

BHA Run Comment Clean out run after delay

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.30m	12.25in				
Bit Sub	1 x 0.73m	7.94in	2.88in			
X/Over	1 x 0.70m	7.50in	2.88in			
Drill Collar	1 x 108.49m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in	HOFCO		
Drill Collar	1 x 26.76m	6.25in	3.00in			
HWDP	1 x 56.10m	6.25in	2.94in			
Total Length:	202.66m					

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
204.00	1.00	360.00	203.98	1.83	0.20	1.83	0.00	Totco single shot (assumed azimuth)
316.00	1.50	360.00	315.96	4.27	0.13	4.27	0.00	Totco single shot (assumed azimuth)
419.00	0.75	360.00	418.94	6.29	0.22	6.29	0.00	Totco single shot (assumed azimuth)
503.00	1.00	360.00	502.93	7.57	0.09	7.57	0.00	Totco single shot (assumed azimuth)

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

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
AMC Biocide G	25L can	0	0	0	13.0	
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-BEN	25kg sack	0	0	0	0.0	
AUS-DEX	25kg sack	0	0	0	96.0	
AUS-GEL	25kg sack	0	0	0	252.0	
Baryte	25kg sack	0	0	0	456.0	
CaCl	25kg sack	0	0	0	0.0	
Caustic Soda	25kg pail	0	0	0	18.0	
Citric Acid	25kg sack	0	0	0	38.0	
Cement - Class A	40kg sack	0	0	0	0.0	
Kwik-seal C	40lb sack	0	0	0	32.0	
Kwik-seal F	40lb sack	0	0	0	32.0	
Kwik-seal M	40lb 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	
Rod-free 25L	25L can	0	0	0	0.0	
NaCl	25kg sack	0	0	0	0.0	
SAPP	25kg sack	0	0	0	0.0	
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	4.0	
Diesel fuel		0	600	0	18,800.0	

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	G.D. PZ-7	5.50		97	105	800	211			1.			
2	G.D PZ-7	5.50		97	105	800	211			2.			
3	G.D PZ-7	5.50		97	0					1.			
										2.			

**Megascolides-2**

<b>Date :</b>	08 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Steve Young
<b>Report Number</b>	11	<b>Drilling Supervisor :</b>	Chris Dann	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	12.250in	Casing O.D.:	9.625in	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	510m	Casing MD:	507m	Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	510m	Casing TVD:	507m	FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	4.42	Liner MD:		LTI Free Days:	226
Datum:	WGS 84	Days On Well:	10.33	Liner TVD:			

Current Ops @ 0600:	Rig up to conduct top up cement job
Planned Operations:	Run & cement 9 5/8" casing with shoe set at 506.63m, WOC, Slack off casing & remove landing joint, Nipple up A section & BOPs. Test BOP equipment

**Summary of Period 0000 to 2400 Hrs**

Wash to TD at 510m, Circulate to maintain hole condition while waiting on rig equipment to run 9 5/8" casing, Pull out of hole, Rig up & run 9 5/8" casing to 502m

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 135,785	Cum. Cost:	\$ 923,753
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	08 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	08 Jan 2007	0 Days	Running in drill pipe on the rig floor & Running casing

**Operations For Period 0000 Hrs to 2400 Hrs on 08 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	TP (RE)	RW	0000	0030	0.50	510m	Pick up 4 1/2" drill pipe & wash from 483m to 510m - no fill
SH	TP (RE)	RR	0030	0900	8.50	510m	Rotate & reciprocate drill string while circulating to maintain hole condition while waiting on rig equipment to run 9 5/8" casing - Work on modifying casing stabbing board and installing flare & vent lines to flare pit
SH	TP (RE)	RR	0900	1000	1.00	510m	Flow check, pull one stand of drill pipe. Pick up, install & lay out casing stabbing board. Run in hole to 510m
SH	TP (RE)	RR	1000	1230	2.50	510m	Rotate & reciprocate drill string while circulating to maintain hole condition while waiting on rig equipment to run 9 5/8" casing - inspect modified casing stabbing board
SH	TP (RE)	RR	1230	1300	0.50	510m	flow check, pump slug & rack kelly
SH	TP (RE)	RR	1300	1500	2.00	510m	Pull out of hole to run 9 5/8" casing
SH	TP (RE)	RR	1500	1530	0.50	510m	Break and lay out 12 1/4" bit, bit sub & crossover sub - clean floor of excess equipment
SH	TP (RE)	RR	1530	1600	0.50	510m	Rig up 9 5/8" casing running equipment
SH	TP (RE)	RR	1600	1630	0.50	510m	Pick up and run 9 5/8" casing double with float shoe and float collar
SH	TP (RE)	RR	1630	1730	1.00	510m	Rig up casing stabbing board
SH	P	CRN	1730	2400	6.50	510m	Run 9 5/8" casing to 502m

**Operations For Period 0000 Hrs to 0600 Hrs on 09 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	P	CRN	0000	0030	0.50	510m	Pick up landing joint, attempt to install circulating swedge, change out circulating swedge, install circulating swedge and landing joint on casing
SH	P	CRN	0030	0130	1.00	510m	Run casing in hole to 507m, make up circulating hose, reciprocate and circulate casing twice hole volume. Cementing pre-job safety meeting

Operations For Period 0000 Hrs to 0600 Hrs on 09 Jan 2007							
Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	P	CRN	0130	0400	2.50	510m	Break out circulating swedge and make up Halliburton cement head. Pump 15bbls fresh water spacer, pressure test surface lines to 300/2500psi. Mix pump & displace lead and tail cement slurries - no cement to surface and lost returns prior to bump plug with 2,500psi for 10 minutes - floats held
SH	P	TUC	0400	0530	1.50	510m	Rig up to, and cut window in conductor pipe
SH	P	TUC	0530	0600	0.50	510m	(IN PROGRESS) Make up cement stinger in conductor and conduct top up cement job - dump and clean shaker tank compartments

WBM Data									
Daily Chemical Costs: \$ 378				Cost To Date: \$ 2895			Engineer : Peter N Aronetz		
Mud Type:	FluidReclaimed fm ME	Flowline Temp:	39C°	CI:	4.60x1000 mg/l	Low Gravity Solids:	4.5%	Gels 10s	11
Sample From:	Below Shakers	Nitrates:	0mg/l	Hard/Ca:	660mg/l	High Gravity Solids:	0.4%	Gels 10m	16
		Sulphites:	0mg/l			Solids (corrected):	4.8%	Fann 003	7
Time:	12:00	API FL:	23.6cm³/30m	MBT:	16	H2O:	95.2%	Fann 006	8
Weight:	9.10ppg	API Cake:	3/32nd"	PM:	0.1	Oil:	0.0%	Fann 100	9
ECD TD:		PV	4cp	PF:	0	Sand:	0.1 %	Fann 200	11
ECD Shoe:		YP	9lb/100ft²	MF:	0.52	Barite:	5.1	Fann 300	13
Viscosity	36sec/qt	CaCO3 Added:	0.0ppb	pH:	8			Fann 600	17
KCl Equiv:	0.0%			PHPA Added:	0.00ppb				

**Comment:** Prepare 30bbls Barite-based heavy pill, pump before POOH

Shakers, Volumes and Losses Data							
Available	605.0bbl	Losses	74.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	231.0bbl	Downhole	10.0bbl	De-Gaser 1	Rig		0
Hole	227.0bbl	Shakers & Equip.	18.0bbl	De-Sander 1	Pioneer	2 Cones	11
Slug		Dumped	35.0bbl	De-Silter 1	Pioneer	10 Cones	11
Reserve	147.0bbl	Centrifuges		Shaker 1	DFE	3x84	18
		De-Sander	11.0bbl	Shaker 2	DFE	3x84	18
		De-Silter					
Built	0.0bbl						

**Comment:** Prepare 30bbls Barite-based heavy pill, pump before POOH

Bit Data												
Bit # 1RR1				Wear	I	O1	D	L	B	G	O2	R
					2	2	WT	A	E	I	SS	TD
Size ("):	12.25	IADC#	116	Nozzles 3 x 20/(32nd")		Drilled over last 24 hrs			Calculated over Bit Run			
Mfr:	Security DBS	WOB(avg)	0.00klb			Progress			0m	Cum. Progress		0.0m
Type:	Rock	RPM(avg)	50			On Bottom Hrs			0.00	Cum. On Btm Hrs		0.00
Serial No.:	10826043	RPM (DH)(avg)	50			IADC Drill Hrs			0.00	Cum IADC Drill Hrs		0.00
Bit Model	XS/S	F.Rate	442gpm			Total Revs			0	Cum Total Revs		0
Depth In	510m	SPP	650psi			OB-ROP(avg)				Cum. OB-ROP(avg)		0.00m/hr
Depth Out	510m	TFA	0.92									
						HSI						

BHA Data						
BHA # 2						
Weight(Wet)	Length	203m	Torque(max)	90ft-lbs	D.C. (1) Ann Velocity	98fpm
Wt Below Jar(Wet)	String	75.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
	Pick-Up	75.00klb	Torque(On.Btm)	75ft-lbs	H.W.D.P. Ann Velocity	83fpm
	Slack-Off	75.00klb	Jar Hours	128.5	D.P. Ann Velocity	83fpm
BHA Run Comment		Clean out run after delay				

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.30m	12.25in				
Bit Sub	1 x 0.73m	7.94in	2.88in			
X/Over	1 x 0.70m	7.50in	2.88in			
Drill Collar	1 x 108.49m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in	HOFCO		
Drill Collar	1 x 26.76m	6.25in	3.00in			
HWD	1 x 56.10m	6.25in	2.94in			
Total Length:	202.66m					

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
204.00	1.00	360.00	203.98	1.83	0.20	1.83	0.00	Totco single shot (assumed azimuth)
316.00	1.50	360.00	315.96	4.27	0.13	4.27	0.00	Totco single shot (assumed azimuth)
419.00	0.75	360.00	418.94	6.29	0.22	6.29	0.00	Totco single shot (assumed azimuth)
503.00	1.00	360.00	502.93	7.57	0.09	7.57	0.00	Totco single shot (assumed azimuth)

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

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	0	0	13.0
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-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	252.0
Baryte	25kg sack	0	38	0	456.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	0	0	18.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb 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
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
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	4.0
Diesel fuel		13500	2400	0	19,400.0

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	G.D. PZ-7	5.50		97	105	650	211			1.			
2	G.D PZ-7	5.50		97	105	650	211			2.			
3	G.D PZ-7	5.50		97	0					1.			
										2.			

**Megascolides-2**

<b>Date :</b>	07 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Steve Young
<b>Report Number</b>	10	<b>Drilling Supervisor :</b>	Chris Dann	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	12.250in	Casing O.D.:	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	510m	Casing MD:	Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	510m	Casing TVD:	FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	23m	TOL MD:	Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	3.42	Liner MD:	LTI Free Days:	225
Datum:	WGS 84	Days On Well:	9.33	Liner TVD:		

Current Ops @ 0600: Rotate and reciprocate drill string while circulating to maintain hole condition while waiting on equipment to run 9 5/8" casing

Planned Operations: Circulate to maintain hole condition while waiting on equipment to run 9 5/8" casing - Trip out of hole - Rig up to run 9 5/8" casing - Run & cement 9 5/8" casing

**Summary of Period 0000 to 2400 Hrs**

Drill 12 1/4" hole from 487m to 510m - Circulate clean & survey - Trip out to run casing - Rig up to run 9 5/8" casing - Make up shoe track & 2nd casing joint - Layout casing double & run 12 1/4" bit in hole to condition hole while waiting on equipment to run 9 5/8" casing

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 59,584	Cum. Cost:	\$ 787,968
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	07 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	07 Jan 2007	0 Days	Racking back drill collars on rig floor & Running casing

**Operations For Period 0000 Hrs to 2400 Hrs on 07 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	P	DA	0000	0600	6.00	510m	Drill 12 1/4" hole from 487m to 510m
SH	P	CMD	0600	0700	1.00	510m	Pump Hi-vis sweep, circulate clean, flow check & check for fill, spot heavy slug & drop survey
SH	P	TO	0700	1200	5.00	510m	Pull out of hole with 12 1/4" drilling assembly to run 9 5/8" casing - lay out 12 1/4" stabilizer (unable to service break)
SH	P	HBHA	1200	1230	0.50	510m	Lay out 2 ea 8" drill collars
SH	P	HT	1230	1300	0.50	510m	Clean rig floor and remove excess equipment
SH	P	RRC	1300	1600	3.00	510m	Rig up to run 9 5/8" casing
SH	P	CRN	1600	1730	1.50	510m	Pick up shoe joint & test float - Install centralizer - Pick up float collar joint & make up to shoe joint with Halliburton Weld A ( Power tong malfunctioning & correct rotary tong jaw not on location) Casing stabbing board not functional
SH	TP (RE)	RR	1730	1930	2.00	510m	Work on casing power tong & source rotary tong jaws in Wacol Qld.
SH	TP (RE)	RR	1930	2130	2.00	510m	Lay out double joint of 9 5/8" casing & measure casing stabbing board for modification
SH	TP (RE)	HBHA	2130	2400	2.50	510m	Pick up & make up 12 1/4" bit (#1RR1) on 6 1/4" drill collars - run in hole to 483m to condition hole while waiting on equipment to run 9 5/8" casing

**Operations For Period 0000 Hrs to 0600 Hrs on 08 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	TP (RE)	RW	0000	0030	0.50	510m	Pick up 4 1/2" drill pipe & wash from 483m to 510m - no fill
SH	TP (RE)	RR	0030	0600	5.50	510m	(IN PROGRESS) Rotate & reciprocate drill string while circulating to maintain hole condition while waiting on rig equipment to run 9 5/8" casing - Work on modifying casing stabbing board and installing flare & vent lines to flare pit



WBM Data									
Daily Chemical Costs: \$ 298				Cost To Date: \$ 2517			Engineer : Peter N Aronetz		
Mud Type: FluidReclaimed fm ME	Flowline Temp:	CI:	4.70x1000	Low Gravity Solids:	4.8%	Gels 10s	10		
Sample From: Suction Tk	Nitrates: 0mg/l		mg/l	High Gravity Solids:	0.2%	Gels 10m	11		
Time: 22:00	Sulphites: 0mg/l	Hard/Ca:	660mg/l	Solids (corrected):	5.0%	Fann 003	8		
Weight: 9.10ppg	API FL: 25.8cm³/30m	MBT:	18	H2O:	95.0%	Fann 006	9		
ECD TD: 9.16ppg	API Cake: 3/32nd"	PM:	0.15	Oil:	0.0%	Fann 100	10		
ECD Shoe:	PV 4cp	PF:	0	Sand:	0.15 %	Fann 200	12		
Viscosity 36sec/qt	YP 10lb/100ft²	MF:	0.55	Barite:	2.4	Fann 300	14		
KCl Equiv: 0.0%	CaCO3 Added: 0.0ppb	pH:	8			Fann 600	18		
		PHPA Added:	0.00ppb						

**Comment:** Prepare 25bbbls Barite-based heavy pill, pump before POOH

Shakers, Volumes and Losses Data									
Available	678.0bbl	Losses	65.0bbl	Equip.	Descr.	Mesh Size	Hours		
Active	213.0bbl	Downhole	18.0bbl	De-Gaser 1	Rig		0		
Hole	226.0bbl	Shakers & Equip.	21.0bbl	De-Sander 1	Pioneer	2 Cones	10		
Slug		Dumped	15.0bbl	De-Silter 1	Pioneer	10 Cones	10		
Reserve	239.0bbl	Centrifuges		Shaker 1	DFE	3x84	12		
		De-Sander	11.0bbl	Shaker 2	DFE	3x84	12		
		De-Silter							
Built	0.0bbl								

**Comment:** Prepare 25bbbls Barite-based heavy pill, pump before POOH

Bit Data									
Bit # 1RR1									
Size ("):	12.25	IADC#	116	Nozzles	Drilled over last 24 hrs		Calculated over Bit Run		
Mfr:	Security DBS	WOB(avg)	15.00klb	3 x 20(/32nd")	Progress	0m	Cum. Progress	0.0m	
Type:	Rock	RPM(avg)	110		On Bottom Hrs	0.00	Cum. On Btm Hrs	0.00	
Serial No.:	10826043	RPM (DH)(avg)	110		IADC Drill Hrs	0.00	Cum IADC Drill Hrs	0.00	
Bit Model	XS/S	F.Rate	633gpm		Total Revs	0	Cum Total Revs	0	
Depth In	510m	SPP	1200psi		OB-ROP(avg)		Cum. OB-ROP(avg)	0.00m/hr	
Depth Out		TFA	0.92	HSI					

Bit Data									
Bit # 1									
		Wear	I	O1	D	L	B	G	O2
			2	2	WT	A	E	I	SS
									R
									TD
Size ("):	12.25	IADC#	116	Nozzles	Drilled over last 24 hrs		Calculated over Bit Run		
Mfr:	Security DBS	WOB(avg)	15.00klb	3 x 20(/32nd")	Progress	23m	Cum. Progress	494.0m	
Type:	Rock	RPM(avg)	110		On Bottom Hrs	4.00	Cum. On Btm Hrs	42.00	
Serial No.:	10826043	RPM (DH)(avg)	110		IADC Drill Hrs	6.00	Cum IADC Drill Hrs	61.00	
Bit Model	XS/S	F.Rate	633gpm		Total Revs	26751	Cum Total Revs	304487	
Depth In	16m	SPP	1200psi		OB-ROP(avg)	5.75m/hr	Cum. OB-ROP(avg)	11.76m/hr	
Depth Out	510m	TFA	0.92	HSI					

BHA Data							
BHA # 1							
Weight(Wet)	51.00klb	Length	223m	Torque(max)	90ft-lbs	D.C. (1) Ann Velocity	140fpm
Wt Below Jar(Wet)	49.00klb	String	80.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	80.00klb	Torque(On.Btm)	75ft-lbs	H.W.D.P. Ann Velocity	120fpm
		Slack-Off	80.00klb	Jar Hours	128.5	D.P. Ann Velocity	120fpm
BHA Run Description		12.25" top hole					

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.30m	12.25in				
Bit Sub	1 x 0.73m	7.94in	2.88in			
8" DC	1 x 9.50m	8.00in	3.00in			
8" DC	1 x 9.50m	8.00in	3.00in			
String Stabiliser	1 x 1.90m	12.25in	3.00in			
X/Over	1 x 0.70m	7.50in	2.88in			
Drill Collar	1 x 108.49m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in	HOFECO		
Drill Collar	1 x 26.76m	6.25in	3.00in			
HWD	1 x 56.10m	6.25in	2.94in			
Total Length:	223.56m					

**BHA Data**
**BHA # 2**

Weight(Wet)	Length	203m	Torque(max)	90ft-lbs	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	String	75.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
	Pick-Up	75.00klb	Torque(On.Btm)	75ft-lbs	H.W.D.P. Ann Velocity	0fpm
	Slack-Off	75.00klb	Jar Hours	128.5	D.P. Ann Velocity	0fpm

BHA Run Comment Clean out run after delay

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.30m	12.25in				
Bit Sub	1 x 0.73m	7.94in	2.88in			
X/Over	1 x 0.70m	7.50in	2.88in			
Drill Collar	1 x 108.49m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in	HOFECO		
Drill Collar	1 x 26.76m	6.25in	3.00in			
HWD	1 x 56.10m	6.25in	2.94in			
Total Length:	202.66m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
204.00	1.00	360.00	203.98	1.83	0.20	1.83	0.00	Totco single shot (assumed azimuth)
316.00	1.50	360.00	315.96	4.27	0.13	4.27	0.00	Totco single shot (assumed azimuth)
419.00	0.75	360.00	418.94	6.29	0.22	6.29	0.00	Totco single shot (assumed azimuth)
503.00	1.00	360.00	502.93	7.57	0.09	7.57	0.00	Totco single shot (assumed azimuth)

**Summary**

Company	Pax On
Karoon Gas Ltd	3
Halliburton	2
Century Drilling Ltd	21
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	32

Bulk Stocks														
Name				Unit		In		Used		Adjust		Balance		
AMC Biocide G				25L can		0		0		0		13.0		
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-BEN				25kg sack		0		0		0		0.0		
AUS-DEX				25kg sack		0		0		0		96.0		
AUS-GEL				25kg sack		0		0		0		252.0		
Baryte				25kg sack		0		30		0		494.0		
CaCl				25kg sack		0		0		0		0.0		
Caustic Soda				25kg pail		0		0		0		18.0		
Citric Acid				25kg sack		0		0		0		38.0		
Cement - Class A				40kg sack		0		0		0		0.0		
Kwik-seal C				40lb sack		0		0		0		32.0		
Kwik-seal F				40lb sack		0		0		0		32.0		
Kwik-seal M				40lb 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		
Rod-free 25L				25L can		0		0		0		0.0		
NaCl				25kg sack		0		0		0		0.0		
SAPP				25kg sack		0		0		0		0.0		
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		4.0		
Diesel fuel						0		2700		0		8,300.0		
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	G.D. PZ-7		5.50		97	105	1200	211			1.			
2	G.D PZ-7		5.50		97	105	1200	211			2.			
3	G.D PZ-7		5.50		97	105	1200	211			1.			
											2.			

**Megascolides-2**

<b>Date :</b>	06 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Steve Young
<b>Report Number</b>	9	<b>Drilling Supervisor :</b>	Chris Dann	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	12.250in	Casing O.D.:	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	487m	Casing MD:	Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	487m	Casing TVD:	FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	124m	TOL MD:	Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	2.42	Liner MD:	LTI Free Days:	224
Datum:	WGS 84	Days On Well:	8.33	Liner TVD:		

Current Ops @ 0600: Circulate well at 510m - casing depth  
 Planned Operations: Drill to casing depth at 510m, trip as required, run & cement 9 5/8" casing

**Summary of Period 0000 to 2400 Hrs**

Drill 12 1/4" hole from 363m to 487m with WLS at 419m

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 64,425	Cum. Cost:	\$ 728,384
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	06 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	06 Jan 2007	0 Days	General Housekeeping & Laying out Drill Collars

**Operations For Period 0000 Hrs to 2400 Hrs on 06 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	P	DA	0000	0600	6.00	393m	Drill 12 1/4" hole from 363m to 393m
SH	P	DA	0600	0730	1.50	403m	Drill 12 1/4" hole from 393m to 403m
SH	P	RS	0730	0830	1.00	403m	Rig Service & adjust mast over well centre
SH	P	DA	0830	1330	5.00	431m	Drill 12 1/4" hole from 403m to 431m
SH	P	SVY	1330	1400	0.50	431m	Circulate and Totco single shot WLS
SH	P	DA	1400	2400	10.00	487m	Drill 12 1/4" hole from 431m to 487m

**Operations For Period 0000 Hrs to 0600 Hrs on 07 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	P	DA	0000	0600	6.00	510m	Drill 12 1/4" hole from 487m to 510m

**WBM Data**

Daily Chemical Costs: \$ 301				Cost To Date: \$ 2219		Engineer : Peter N Aronetz	
Mud Type: FluidReclaimed fm ME	Flowline Temp: 54C°	CI:	4.40x1000 mg/l	Low Gravity Solids:	5.1%	Gels 10s	20
Sample From: Suction Tk	Nitrates: 0mg/l	Hard/Ca:	680mg/l	High Gravity Solids:	0.0%	Gels 10m	22
Time: 21:45	Sulphites: 0mg/l	MBT:	18	Solids (corrected):	5.1%	Fann 003	12
Weight: 9.10ppg	API FL: 27.5cm³/30m	PM:	0.15	H2O:	94.9%	Fann 006	13
ECD TD: 9.17ppg	API Cake: 3/32nd"	PF:	0	Oil:	0.0%	Fann 100	15
ECD Shoe:	PV 5cp	MF:	0.52	Sand:	0.1 %	Fann 200	16
Viscosity 37sec/qt	YP 13lb/100ft²	pH:	8	Barite:	0	Fann 300	18
KCl Equiv: 0.0%	CaCO3 Added: 0.0ppb	PHPA Added:	0.00ppb			Fann 600	23

**Comment:** Reclaim a further 150bbbls of fluid from the sump @ M-1 site.  
 Fluid treatment with Biocide.  
 All solids control equipment on line.  
 Prepare 30bbbls XTRA-SWEEP to be used when well @ CSG depth.

Shakers, Volumes and Losses Data							
Available	744.0bbl	Losses	131.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	235.0bbl	Downhole	19.0bbl	De-Gaser 1	Rig		0
Hole	211.0bbl	Shakers & Equip.	46.0bbl	De-Sander 1	Pioneer	2 Cones	24
Slug		Dumped	30.0bbl	De-Silter 1	Pioneer	10 Cones	24
Reserve	298.0bbl	Centrifuges		Shaker 1	DFE	3x84	24
		De-Sander	36.0bbl	Shaker 2	DFE	3x84	24
		De-Silter					
Built	160.0bbl						
<b>Comment:</b> Reclaim a further 150bbls of fluid from the sump @ M-1 site. Fluid treatment with Biocide. All solids control equipment on line. Prepare 30bbls XTRA-SWEEP to be used when well @ CSG depth.							

Bit Data							
Bit # 1							
Size ("):	12.25	IADC#	116	Nozzles 3 x 20/(32nd")	Drilled over last 24 hrs		Calculated over Bit Run
Mfr:	Security DBS	WOB(avg)	15.00klb		Progress	124m	Cum. Progress 471.0m
Type:	Rock	RPM(avg)	110		On Bottom Hrs	15.00	Cum. On Btm Hrs 38.00
Serial No.:	10826043	RPM (DH)(avg)	110		IADC Drill Hrs	22.00	Cum IADC Drill Hrs 55.00
Bit Model	XS/S	F.Rate	633gpm		Total Revs	145657	Cum Total Revs 277736
Depth In	16m	SPP	1200psi		OB-ROP(avg)	8.27m/hr	Cum. OB-ROP(avg) 12.39m/hr
Depth Out		TFA	0.92	HSI			

BHA Data							
BHA # 1							
Weight(Wet)	51.00klb	Length	223m	Torque(max)	90ft-lbs	D.C. (1) Ann Velocity	140fpm
Wt Below Jar(Wet)	49.00klb	String	80.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	80.00klb	Torque(On.Btm)	75ft-lbs	H.W.D.P. Ann Velocity	120fpm
		Slack-Off	80.00klb	Jar Hours	122.5	D.P. Ann Velocity	120fpm
BHA Run Description		12.25" top hole					
Equipment	Length	OD	ID	Serial #	Hours	Comment	
Bit	1 x 0.30m	12.25in		HOFCO			
Bit Sub	1 x 0.73m	7.94in	2.88in				
8" DC	1 x 9.50m	8.00in	3.00in				
8" DC	1 x 9.50m	8.00in	3.00in				
String Stabiliser	1 x 1.90m	12.25in	3.00in				
X/Over	1 x 0.70m	7.50in	2.88in				
Drill Collar	1 x 108.49m	6.25in	3.00in				
Drilling Jars	1 x 9.58m	6.25in	3.00in				
Drill Collar	1 x 26.76m	6.25in	3.00in				
HWDP	1 x 56.10m	6.25in	2.94in				
Total Length:	223.56m						

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
166.00	1.25	360.00	165.99	1.08	0.38	1.08	0.00	Totco single shot (assumed azimuth)
204.00	1.00	360.00	203.98	1.83	0.20	1.83	0.00	Totco single shot (assumed azimuth)
316.00	1.50	360.00	315.96	4.27	0.13	4.27	0.00	Totco single shot (assumed azimuth)
419.00	0.75	360.00	418.94	6.29	0.22	6.29	0.00	Totco single shot (assumed azimuth)

Summary	
Company	Pax On
Karoon Gas Ltd	2
Halliburton	2
Century Drilling Ltd	21
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	1	0	13.0
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-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	252.0
Baryte	25kg sack	0	0	0	524.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	0	0	18.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb 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
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
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	1	0	4.0
Diesel fuel		0	5000	0	11,000.0

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	G.D. PZ-7	5.50		97	105	1200	211			1. 2.		
2	G.D PZ-7	5.50		97	105	1200	211			1. 2.		
3	G.D PZ-7	5.50		97	105	1200	211			1. 2.		

**Megascolides-2**

<b>Date :</b>	05 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Steve Young
<b>Report Number</b>	8	<b>Drilling Supervisor :</b>	Chris Dann	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	12.250in	Casing O.D.:	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	363m	Casing MD:	Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	363m	Casing TVD:	FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	210m	TOL MD:	Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	1.42	Liner MD:	LTI Free Days:	223
Datum:	WGS 84	Days On Well:	7.33	Liner TVD:		

Current Ops @ 0600: Drilling ahead with 12 1/4" bit at 393m  
 Planned Operations: Continue to drill ahead with 12 1/4" bit to casing depth at 510m

**Summary of Period 0000 to 2400 Hrs**

Drill 12 1/4" hole from 153m to 363m with WLS at 166m, 204m & 316m

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 72,364	Cum. Cost:	\$ 663,959
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	05 Jan 2007	0 Days	All personel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	05 Jan 2007	0 Days	Operating rig tongs & Drillin

**Operations For Period 0000 Hrs to 2400 Hrs on 05 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	P	DA	0000	0200	2.00	178m	Drill ahead with 12.25" bit from 153 m to 178 m
SH	P	SVY	0200	0230	0.50	178m	Circulate & run W.L.S @ 166 m = 1.25 dg
SH	P	DA	0230	0530	3.00	216m	Drill ahead with 12.25" bit from 178 m to 216 m
SH	P	SVY	0530	0600	0.50	216m	Circulate & run W.L.S @ 204 m = 1 dg
SH	P	DA	0600	1830	12.50	328m	Drill 12 1/4" hole from 216m to 328m
SH	P	SVY	1830	1900	0.50	328m	Circulate & run WLS @ 316 m = 1.5 deg
SH	P	DA	1900	2400	5.00	363m	Drill 12 1/4" hole from 328m to 363m

**Operations For Period 0000 Hrs to 0600 Hrs on 06 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	P	DA	0000	0600	6.00	393m	Drill 12 1/4" hole from 363m to 393m

**WBM Data**

Daily Chemical Costs: \$ 239				Cost To Date: \$ 1918				Engineer : Peter N Aronetz	
Mud Type: FluidReclaimed fm ME	Flowline Temp:	51C°	CI:	4.20x1000 mg/l	Low Gravity Solids:	4.1%	Gels 10s		16
Sample From: Suction Tk	Nitrates:	0mg/l	Hard/Ca:	400mg/l	High Gravity Solids:	0.0%	Gels 10m		19
Time: 22:55	Sulphites:	0mg/l	MBT:	16	Solids (corrected):	4.1%	Fann 003		10
Weight: 8.95ppg	API FL:	21.5cm³/30m	PM:	0.28	H2O:	95.9%	Fann 006		11
ECD TD: 9.01ppg	API Cake:	2/32nd"	PF:	0	Oil:	0.0%	Fann 100		14
ECD Shoe:	PV	7cp	MF:	0.42	Sand:	0.1 %	Fann 200		16
Viscosity 40sec/qt	YP	12lb/100ft²	pH:	8	Barite:	0	Fann 300		19
KCl Equiv: 0.0%	CaCO3 Added:	0.0ppb	PHPA Added:	0.00ppb			Fann 600		26

**Comment:** Reclaim a further 450bbbls of fluid from the sump @ M-1 site.  
 Fluid treatment with Biocide and Caustic Soda only.  
 All solids control equipment on line.

Shakers, Volumes and Losses Data							
Available	715.0bbl	Losses	190.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	217.0bbl	Downhole	18.0bbl	De-Gaser 1	Rig		0
Hole	154.0bbl	Shakers & Equip.	65.0bbl	De-Sander 1	Pioneer	2 Cones	24
Slug		Dumped	30.0bbl	De-Silter 1	Pioneer	10 Cones	24
Reserve	344.0bbl	Centrifuges		Shaker 1	DFE	3x84	24
		De-Sander	77.0bbl	Shaker 2	DFE	3x84	24
		De-Silter					
Built	450.0bbl						
<b>Comment:</b> Reclaim a further 450bbls of fluid from the sump @ M-1 site. Fluid treatment with Biocide and Caustic Soda only. All solids control equipment on line.							

Bit Data							
<b>Bit # 1</b>							
Size ("):	12.25	IADC#	116	Nozzles 3 x 20(/32nd")	Drilled over last 24 hrs		Calculated over Bit Run
Mfr:	Security DBS	WOB(avg)	20.00klb		Progress	210m	Cum. Progress 347.0m
Type:	Rock	RPM(avg)	110		On Bottom Hrs	18.00	Cum. On Btm Hrs 23.00
Serial No.:	10826043	RPM (DH)(avg)	110		IADC Drill Hrs	23.00	Cum IADC Drill Hrs 33.00
Bit Model	XS/S	F.Rate	660gpm		Total Revs	83084	Cum Total Revs 132079
Depth In	16m	SPP	1200psi		OB-ROP(avg)	11.67m/hr	Cum. OB-ROP(avg) 15.09m/hr
Depth Out		TFA	0.92		HSI		

BHA Data							
<b>BHA # 1</b>							
Weight(Wet)	51.00klb	Length	223m	Torque(max)	70ft-lbs	D.C. (1) Ann Velocity	146fpm
Wt Below Jar(Wet)	49.00klb	String	65.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	65.00klb	Torque(On.Btm)	60ft-lbs	H.W.D.P. Ann Velocity	125fpm
		Slack-Off	65.00klb	Jar Hours	100	D.P. Ann Velocity	125fpm
BHA Run Description 12.25" top hole							
Equipment	Length	OD	ID	Serial #	Hours	Comment	
Bit	1 x 0.30m	12.25in					
Bit Sub	1 x 0.73m	7.94in	2.88in				
8" DC	1 x 9.50m	8.00in	3.00in				
8" DC	1 x 9.50m	8.00in	3.00in				
String Stabiliser	1 x 1.90m	12.25in	3.00in				
X/Over	1 x 0.70m	7.50in	2.88in				
Drill Collar	1 x 108.49m	6.25in	3.00in				
Drilling Jars	1 x 9.58m	6.25in	3.00in	HOFCO			
Drill Collar	1 x 26.76m	6.25in	3.00in				
HWDP	1 x 56.10m	6.25in	2.94in				
Total Length:	223.56m						

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
67.00	0.00	360.00	67.00	0.00	0.00	0.00	0.00	Totco single shot (assumed azimuth)
166.00	1.25	360.00	165.99	1.08	0.38	1.08	0.00	Totco single shot (assumed azimuth)
204.00	1.00	360.00	203.98	1.83	0.20	1.83	0.00	Totco single shot (assumed azimuth)
316.00	1.50	360.00	315.96	4.27	0.13	4.27	0.00	Totco single shot (assumed azimuth)



Summary	
Company	Pax On
Karoon Gas Ltd	3
Halliburton	2
Century Drilling Ltd	21
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	32

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	1	0	14.0
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-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	0	0	0	96.0
AUS-GEL	25kg sack	0	0	0	252.0
Baryte	25kg sack	0	0	0	524.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	0	1	0	18.0
Citric Acid	25kg sack	0	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	0	0	0	32.0
Kwik-seal F	40lb sack	0	0	0	32.0
Kwik-seal M	40lb 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
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
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		0	4000	0	16,000.0

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	G.D. PZ-7	5.50		97	105	1200	220			1. 2.		
2	G.D PZ-7	5.50		97	105	1200	220			1. 2.		
3	G.D PZ-7	5.50		97	105	1200	220			1. 2.		

**Megascolides-2**

<b>Date :</b>	04 Jan 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	7	<b>Drilling Supervisor :</b>	Bruce Pilat	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	12.250in	Casing O.D.:	Planned TD:	2170m
Field:	Megascolides	Measured Depth:	153m	Casing MD:	Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	153m	Casing TVD:	FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	137m	TOL MD:	Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	0.42	Liner MD:	LTI Free Days:	222
Datum:	WGS 84	Days On Well:	6.33	Liner TVD:		

Current Ops @ 0600: Drill ahead with 12.25" bit to 216m

Planned Operations: Drill 12.25" hole to casing point

**Summary of Period 0000 to 2400 Hrs**

Complete repairs to Draw works, Spud in Megacolides # 2 at 1400 hrs Jan 4, 2007, drill ahead with 12.25 " bit from 16 - 153m

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 56,985	Cum. Cost:	\$ 591,595
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	04 Jan 2007	0 Days	All personel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	04 Jan 2007	0 Days	rigging up, forklift ops, working on draw works, handling drill collars

**Operations For Period 0000 Hrs to 2400 Hrs on 04 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	TP (RE)	RR	0000	1400	14.00	16m	Continue to Repair Draw works
SH	P	DA	1400	1800	4.00	79m	Spud in Megascolides # 2, Drill 12.25" hole from 16m to 79m
SH	P	SVY	1800	1830	0.50	79m	Circulate & run W.L.S @ 67 m ( 0 dg )
SH	P	DA	1830	2400	5.50	153m	Drill ahead with 12.25" bit from 79 m to 153 m

**Operations For Period 0000 Hrs to 0600 Hrs on 05 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	P	DA	0000	0200	2.00	178m	Drill ahead with 12.25" bit from 153 m to 178 m
SH	P	SVY	0200	0230	0.50	178m	Circulate & run W.L.S @ 166 m = 1.25 dg
SH	P	DA	0230	0530	3.00	216m	Drill ahead with 12.25" bit from 178 m to 216 m
SH	P	SVY	0530	0600	0.50	216m	Circulate & run W.L.S @ 204 m = 1 dg

**WBM Data**

Daily Chemical Costs: \$ 1679				Cost To Date: \$ 1679				Engineer : Peter N Aronetz	
Mud Type:	Fluid Reclaimed fm ME	Flowline Temp:	35C°	Cl:	3.40x1000 mg/l	Low Gravity Solids:	3.8%	Gels 10s	8
		Nitrates:	0mg/l			High Gravity Solids:	0.0%	Gels 10m	9
Sample From:	Suction Tk	Sulphites:	0mg/l	Hard/Ca:	420mg/l	Solids (corrected):	3.8%	Fann 003	8
Time:	23:10	API FL:	17.0cm³/30m	MBT:	16	H2O:	96.2%	Fann 006	10
Weight:	8.90ppg	API Cake:	1/32nd"	PM:	0.32	Oil:	0.0%	Fann 100	14
ECD TD:	9.56ppg	PV	8cp	PF:	0.05	Sand:	.2 %	Fann 200	18
ECD Shoe:		YP	13lb/100ft²	MF:	0.42	Barite:	0	Fann 300	21
Viscosity	46sec/qt	CaCO3 Added:	0.0ppb	pH:	8.3			Fann 600	29
KCl Equiv:	0.0%			PHPA Added:	0.00ppb				

**Comment:** Used fluid reclaimed from MEGASCOLIDES-1 sump+ treated with Caustic, Biocide and pre-hydrated Bentonite.  
 All solids control equipment running from spud.

Shakers, Volumes and Losses Data							
Available	421.0bbl	Losses	74.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	227.0bbl	Downhole	22.0bbl	De-Gaser 1	Rig		0
Hole	25.0bbl	Shakers & Equip.	6.0bbl	De-Sander 1	Pioneer	2 Cones	10
Slug		Dumped	40.0bbl	De-Silter 1	Pioneer	10 Cones	10
Reserve	169.0bbl	Centrifuges		Shaker 1	DFE	3x84	10
		De-Sander	6.0bbl	Shaker 2	DFE	3x84	10
		De-Silter					
Built	495.0bbl						
<b>Comment:</b> Used fluid reclaimed from MEGASCOLIDES-1 sump+treated with Caustic, Biocide and pre-hydrated Bentonite. All solids control equipment running from spud.							

Bit Data							
<b>Bit # 1</b>							
Size ("):	12.25	IADC#	116	Nozzles 3 x 20(/32nd")	Drilled over last 24 hrs		Calculated over Bit Run
Mfr:	Security DBS	WOB(avg)	15.00klb		Progress	137m	Cum. Progress 137.0m
Type:	Rock	RPM(avg)	120		On Bottom Hrs	5.00	Cum. On Btm Hrs 5.00
Serial No.:	10826043	RPM (DH)(avg)	120		IADC Drill Hrs	10.00	Cum IADC Drill Hrs 10.00
Bit Model	XS/S	F.Rate	450gpm		Total Revs	48995	Cum Total Revs 48995
Depth In	16m	SPP	700psi		OB-ROP(avg)	27.40m/hr	Cum. OB-ROP(avg) 27.40m/hr
Depth Out		TFA	0.92	HSI			

BHA Data							
<b>BHA # 1</b>							
Weight(Wet)	51.00klb	Length	223m	Torque(max)	8000ft-lbs	D.C. (1) Ann Velocity	99fpm
Wt Below Jar(Wet)	49.00klb	String	50.00klb	Torque(Off.Btm)	3300ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	52.00klb	Torque(On.Btm)	5000ft-lbs	H.W.D.P. Ann Velocity	85fpm
		Slack-Off	50.00klb	Jar Hours	77.5	D.P. Ann Velocity	85fpm
BHA Run Description		12.25" top hole					
Equipment	Length	OD	ID	Serial #	Hours	Comment	
Bit	1 x 0.30m	12.25in					
Bit Sub	1 x 0.73m	7.94in	2.88in				
8" DC	1 x 9.50m	8.00in	3.00in				
8" DC	1 x 9.50m	8.00in	3.00in				
String Stabiliser	1 x 1.90m	12.25in	3.00in				
X/Over	1 x 0.70m	7.50in	2.88in				
Drill Collar	1 x 108.49m	6.25in	3.00in				
Drilling Jars	1 x 9.58m	6.25in	3.00in	HOFCO			
Drill Collar	1 x 26.76m	6.25in	3.00in				
HWDP	1 x 56.10m	6.25in	2.94in				
Total Length:	223.56m						

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
67.00	0.00	360.00	67.00	0.00	0.00	0.00	0.00	Totco single shot (assumed azimuth)

Summary	
Company	Pax On
Karooon Gas Ltd	3
Century Drilling Ltd	19
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	28

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	16	1	0	15.0
AMC Defoamer	25L can	3	0	0	3.0
AMC PAC-R	25kg sack	71	0	0	71.0
AMC PHPA	25kg sack	60	0	0	60.0
AUS-BEN	25kg sack	0	0	0	0.0
AUS-DEX	25kg sack	96	0	0	96.0
AUS-GEL	25kg sack	366	114	0	252.0
Baryte	25kg sack	524	0	0	524.0
CaCl	25kg sack	0	0	0	0.0
Caustic Soda	25kg pail	21	2	0	19.0
Citric Acid	25kg sack	38	0	0	38.0
Cement - Class A	40kg sack	0	0	0	0.0
Kwik-seal C	40lb sack	32	0	0	32.0
Kwik-seal F	40lb sack	32	0	0	32.0
Kwik-seal M	40lb sack	32	0	0	32.0
Lime	20kg sack	11	0	0	11.0
KCl	25kg sack	420	0	0	420.0
Rod-free 205L	205L drum	1	0	0	1.0
Rod-free 25L	25L can	0	0	0	0.0
NaCl	25kg sack	0	0	0	0.0
SAPP	25kg sack	0	0	0	0.0
Soda Ash	25kg sack	8	0	0	8.0
Sodium Sulfite	25kg sack	20	0	0	20.0
Xanthan Gum	25kg sack	16	0	0	16.0
Xtra-sweep	12lb box	5	0	0	5.0
Diesel fuel		0	0	20000	20,000.0

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	G.D. PZ-7	5.50		97	132	700	230			1.			
										2.			
2	G.D PZ-7	5.50		97	132	700	230			1.			
										2.			
3	G.D PZ-7	5.50		97						1.			
										2.			

**Megascolides-2**

<b>Date :</b>	03 Jan 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	6	<b>Drilling Supervisor :</b>	Bruce Pilat	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:		Casing O.D.:		Planned TD:	2170m
Field:	Megascolides	Measured Depth:	0m	Casing MD:		Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	0m	Casing TVD:		FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	0.00	Liner MD:		LTI Free Days:	221
Datum:	WGS 84	Days On Well:	5.33	Liner TVD:			

Current Ops @ 0600:	Repair Draw works
Planned Operations:	Complete repairs to Draw works, Spud in with 12.25" bit

**Summary of Period 0000 to 2400 Hrs**

Conduct rig inspection, continue rig up, Repair Draw works (unable to spud due to bearing failure),

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 23,165	Cum. Cost:	\$ 534,610
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	02 Jan 2007	1 Day	All personel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	02 Jan 2007	1 Day	rigging up, forklift ops

**Operations For Period 0000 Hrs to 2400 Hrs on 03 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	P	RU	0000	0100	1.00	0m	Conduct Rig inspection, Derrick inspection, Upstream check list
RM	P	RU	0100	0300	2.00	0m	Rig up flow line & run survey line, adjust kelly hose & hydraulic lines
RM	TP (RE)	RR	0300	0330	0.50	0m	Trouble shoot problem with Draw works sand line clutch ( unable to disengage )
RM	TP (RE)	RR	0330	2400	20.50	0m	Unable to spud due to sand line drum bearing failure, remove & replace

**Operations For Period 0000 Hrs to 0600 Hrs on 04 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	TP (RE)	RR	0000	0600	6.00	16m	(IN PROGRESS) Continue to Repair Draw works

**Summary**

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

**Megascolides-2**

<b>Date :</b>	02 Jan 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	5	<b>Drilling Supervisor :</b>	Bruce Pilat	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:		Casing O.D.:		Planned TD:	2170m
Field:	Megascolides	Measured Depth:	0m	Casing MD:		Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	0m	Casing TVD:		FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	0.00	Liner MD:		LTI Free Days:	220
Datum:	WGS 84	Days On Well:	4.33	Liner TVD:			

Current Ops @ 0600:

Planned Operations: Drill ahead with 12.25" bit

**Summary of Period 0000 to 2400 Hrs**

Rig up on Megascolides # 2

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 193,465	Cum. Cost:	\$ 511,445
Projected Cost:							

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	02 Jan 2007	0 Days	All personel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	02 Jan 2007	0 Days	rigging up,forklift ops

**Operations For Period 0000 Hrs to 2400 Hrs on 02 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	P	RU	0000	2400	24.00	0m	Continue to rig up on Megascolides # 2

**Operations For Period 0000 Hrs to 0600 Hrs on 03 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	P	RU	0000	0100	1.00	0m	Conduct Rig inspection,Derrick inspection,Upstream check list
RM	P	RU	0100	0300	2.00	0m	Rig up flow line & run survey line,adjust kelly hose & hydraulic lines
RM	TP (RE)	RR	0300	0330	0.50	0m	Trouble shoot problem with Draw works sand line clutch ( unable to disengage )
RM	TP (RE)	RR	0330	0600	2.50	0m	(IN PROGRESS) Unable to spud due to sand line drum bearing failure,remove & replace

**Summary**

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

**Megascolides-2**

<b>Date :</b>	01 Jan 2007	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	4	<b>Drilling Supervisor :</b>	Bruce Pilat	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:		Casing O.D.:		Planned TD:	2170m
Field:	Megascolides	Measured Depth:	0m	Casing MD:		Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	0m	Casing TVD:		FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	0.00	Liner MD:		LTI Free Days:	219
Datum:	WGS 84	Days On Well:	3.33	Liner TVD:			

Current Ops @ 0600: Continue to rig up on Megascolides # 2

Planned Operations: Complete rig up on Megascolides # 2

**Summary of Period 0000 to 2400 Hrs**

Complete rig move, Continue rig up on Megascolides #2

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 20,265	Cum. Cost:	\$ 317,980
Projected Cost:							

**Operations For Period 0000 Hrs to 2400 Hrs on 01 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	P	RU	0000	0600	6.00	0m	Wait on Day light
RM	P	RU	0600	1800	12.00	0m	Continue to rig up on Megascolides # 2 rig move 100% Rig up 70 %
RM	P	RU	1800	2400	6.00	0m	Wait on Crews to break tour

**Operations For Period 0000 Hrs to 0600 Hrs on 02 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	P	RU	0000	0600	6.00	0m	(IN PROGRESS) Continue to rig up on Megascolides # 2

**Summary**

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

**Megascolides-2**

<b>Date :</b>	31 Dec 2006	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	3	<b>Drilling Supervisor :</b>	Bruce Pilat	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:		Casing O.D.:		Planned TD:	2170m
Field:	Megascolides	Measured Depth:	0m	Casing MD:		Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	0m	Casing TVD:		FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	0.00	Liner MD:		LTI Free Days:	218
Datum:	WGS 84	Days On Well:	2.33	Liner TVD:			

Current Ops @ 0600: Rig up on Megascolides # 2  
 Planned Operations: Continue to rig move & rig up

**Summary of Period 0000 to 2400 Hrs**

Wait on day light, rig move, rig up on Megascolides # 2

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 21,065	Cum. Cost:	\$ 297,715
Projected Cost:							

**Operations For Period 0000 Hrs to 2400 Hrs on 31 Dec 2006**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	P	RRD	0000	0600	6.00	0m	Wait on Day light
RM	P	RU	0600	1800	12.00	0m	Rig move from Megascolides # 1 to Megascolides # 2 (90% moved; 40% rigged up).
RM	P	RU	1800	2400	6.00	0m	Wait on Day light

**Operations For Period 0000 Hrs to 0600 Hrs on 01 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	P	RU	0000	0600	6.00	0m	Wait on Day light

**Summary**

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



**Megascolides-2**

<b>Date :</b>	30 Dec 2006	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	2	<b>Drilling Supervisor :</b>	Bruce Pilat	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:		Casing O.D.:		Planned TD:	2170m
Field:	Megascolides	Measured Depth:	0m	Casing MD:		Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	0m	Casing TVD:		FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	0.00	Liner MD:		LTI Free Days:	217
Datum:	WGS 84	Days On Well:	1.33	Liner TVD:			

Current Ops @ 0600: Continue to rig move

Planned Operations: Complete rig move

**Summary of Period 0000 to 2400 Hrs**

Rig down at Megascolides 1 & rig move to Megascolides 2

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 21,065	Cum. Cost:	\$ 276,650
Projected Cost:							

**Operations For Period 0000 Hrs to 2400 Hrs on 30 Dec 2006**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	P	RRD	0000	0600	6.00	0m	Rig Down & prepare for rig mover
RM	P	RM	0600	2000	14.00	0m	Load out & rig move from Megascolides # 1 to Megascolides # 2 50 % moved 0 % rigged up
RM	P	RRD	2000	2400	4.00	0m	Wait on Daylight

**Operations For Period 0000 Hrs to 0600 Hrs on 31 Dec 2006**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	P	RRD	0000	0600	6.00	0m	Wait on Day light

**Summary**

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

**Megascolides-2**

<b>Date :</b>	29 Dec 2006	<b>Well Site Manager :</b>	Bruce Pilat	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	1	<b>Drilling Supervisor :</b>	Bruce Pilat	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:		Casing O.D.:		Planned TD:	2170m
Field:	Megascolides	Measured Depth:	0m	Casing MD:		Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	0m	Casing TVD:		FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	0m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	0.00	Liner MD:		LTI Free Days:	216
Datum:	WGS 84	Days On Well:	0.33	Liner TVD:			

Current Ops @ 0600: Rig Down at Megascolides 1  
 Planned Operations: Rig down at Megascolides 1 & rig move to Megascolides 2

**Summary of Period 0000 to 2400 Hrs**

Rig down at Megascolides 1 & prepare for rig move to Megascolides 2

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 255,585	Cum. Cost:	\$ 255,585
Projected Cost:	\$ 2,839,256						

**Operations For Period 0000 Hrs to 2400 Hrs on 29 Dec 2006**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	P	RRD	1600	2400	8.00	0m	Rig down & prepare for rig mover

**Operations For Period 0000 Hrs to 0600 Hrs on 30 Dec 2006**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
RM	P	RRD	0000	0600	6.00	0m	Rig Down & prepare for rig mover

**Summary**

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

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**ATTACHMENT 13 : RIG DOWN DAILY REPORTS**



# DAILY DRILLING REPORT



Well	CRC-1 Move In (from Megascollides 2 Rig Release to CRC-1 Spud)				
Date	14-Feb-07	Drilling Rep Days	Kevin Murphy	Wellsite Geologist	Dave Horner
Report No.	RM # 12	Drilling Rep Nights	Brian Assels	Toolpusher	Cesar Miaco

WELL DATA							
Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Otway	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	44.8m (tbc)	Days From Spud		Last BOP Date:		Planned TD:	2250m
RT - GL	5.2m	Days on Well		Last LTI Date:		4/01/2006	

SUMMARY OF PERIOD 00:00 to 2400HRS: -----

Continue with rig up. Pick up kelly and swivel. Rig up conductor and flow line. Dig rathole. RU mud loggers.

CURRENT OPERATION @ 06:00HRS: Rig up to spud

PLANNED OPERATIONS FOR NEXT 24HRS: Spud well and drill 9 7/8" Surface hole

OPERATIONS FOR PERIOD 00:00 to 24:00		
From	To	Operation Description
0:00	9:30	Con't general rig up: p/swivel, manrider, p/spinner, busings, f/floor, kelly
9:30	13:00	Pre-spud meeting.
13:00	18:00	Con't general rig up: kelly spinner hoses, bit, bit sub prior to drill rat/mouse hole. Unload casing. RU BHI mud logging equipment.
18:00	20:00	Install shaker screens, RU mud pump, mix spud mud .
20:00	21:00	RU Century AOI instrumentation.
21:00	24:00	Drill rat hole. Install rathole 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	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	CRC-1 Move In (from Megascollides 2 Rig Release to CRC - 1 Spud)				
Date	13-Feb-07	Drilling Rep Days	Kevin Murphy	Wellsite Geologist	
Report No.	RM # 11	Drilling Rep Nights	Brian Assels	Toolpusher	Cesar Miaco

WELL DATA							
Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Otway	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	44.8m (tbc)	Days From Spud		Last BOP Date:		Planned TD:	2250m
RT - GL	5.2m	Days on Well		Last LTI Date:		4/01/2006	

SUMMARY OF PERIOD 18:00 to 2400HRS: -----

Continue with rig up. Pick up kelly and swivel, Rig up conductor and flow line

OPERATIONS FOR PERIOD 00:00 to 24:00		
From	To	Operation Description
0:00	6:00	Wait on daylight
6:00	0:00	Prepare mast for scope out, Hold pre job safety meeting , Continue rig up mud tanks and mud pumps, Scope out mast, run guy lines
		Rig up drill floor , install v door and catwalk , Run lines and cables , Prepare to rig up to drill rat & mouse hole
		Rig 100% Moved - 80% 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	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	CRC-1 Move In (from Megascorides 2 Rig Release to CRC - 1 Spud)				
Date	12-Feb-07	Drilling Rep Days	Kevin Murphy	Wellsite Geologist	
Report No.	RM # 10	Drilling Rep Nights		Toolpusher	Cesar Miaco

WELL DATA							
Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Otway	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	44.8m (tbc)	Days From Spud		Last BOP Date:		Planned TD:	2250m
RT - GL	5.2m	Days on Well		Last LTI Date:		4/01/2006	

SUMMARY OF PERIOD 18:00 to 2400HRS: -----

Wait on daylight

Rig up and prepare for spud

OPERATIONS FOR PERIOD 00:00 to 24:00		
From	To	Operation Description
0:00	6:00	Wait on daylight
6:00	18:00	Unload final 15 loads from old location.Spot rig equipment and rig up ,Raise lower section of mast, Spot rig camp, continue with rig up. Rig 100% Moved 60% Rigged up.
18:00	0:00	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					



Well	CRC-1 Move In (from Megascolides 2 Rig Release to CRC - 1 Spud)				
Date	11-Feb-07	Drilling Rep Days	Kevin Murphy	Wellsite Geologist	
Report No.	RM # 9	Drilling Rep Nights		Toolpusher	Cesar Miaco

WELL DATA							
Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Otway	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	44.8m (tbc)	Days From Spud		Last BOP Date:		Planned TD:	2250m
RT - GL	5.2m	Days on Well		Last LTI Date:	4/01/2006		

SUMMARY OF PERIOD 18:00 to 2400HRS: -----

## Wait on daylight

Move rig F/- Megascorides # 2 To CRC-1

[illegible]

WATER BASED MUD DETAILS							
Mud Type		Filter Cake		H2O		Viscosity	
Sample-From		CI		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					





Well	CRC-1 Move In (from Megascolides 2 Rig Release to CRC - 1 Spud)				
Date	10-Feb-07	Drilling Rep Days	Kevin Murphy	Wellsite Geologist	
Report No.	RM # 8	Drilling Rep Nights		Toolpusher	Cesar Miaco

WELL DATA							
Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Otway	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	44.8m (tbc)	Days From Spud		Last BOP Date:		Planned TD:	2250m
RT - GL	5.2m	Days on Well		Last LTI Date:	4/01/2006		

SUMMARY OF PERIOD 18:00 to 2400HRS: -----

## Wait on daylight

Move rig F/- Megascorides # 2 To CRC-1

[illegible]

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					



Well	CRC-1 Move In (from Megascolides 2 Rig Release to CRC - 1 Spud)				
Date	09-Feb-07	Drilling Rep Days	Kevin Murphy	Wellsite Geologist	
Report No.	RM # 7	Drilling Rep Nights		Toolpusher	Cesar Miaco

WELL DATA							
Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Otway	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	44.8m (tbc)	Days From Spud		Last BOP Date:		Planned TD:	2250m
RT - GL	5.2m	Days on Well		Last LTI Date:	4/01/2006		

SUMMARY OF PERIOD 18:00 to 2400HRS: -----

## Wait on daylight

Move rig and camp F/- Megascolides # 2 To CRC-1

[illegible]

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)		Centrifuge					



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)		Centrifuge					



Well	RIG DOWN AT MEGASCOLIDES 2 (MOVE TO CRC1)				
Date	07-Feb-07	Drilling Rep Days	Bruce Pilat	Wellsite Geologist	
Report No.	5	Drilling Rep Nights	Kevin Murphy	Toolpusher	Cesar Miaco

WELL DATA							
Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland/Otway	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		Days From Spud		Last BOP Date:		Planned TD:	
RT - GL		Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 18:00 to 2400HRS: ----- Continue to prepare & wash loads for transport

CURRENT OPERATION @ 06:00HRS: ----- Wait on Daylight

PLANNED OPERATIONS FOR NEXT 24HRS: ----- Work daylight hours and wash rig equipment

[illegible]

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)		Centrifuge					



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)		Centrifuge					



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					



Well	RIG DOWN AT MEGASCOLIDES 2 (MOVE TO CRC1)				
Date	04-Feb-07	Drilling Rep Days	Bruce Pilat	Wellsite Geologist	
Report No.	2	Drilling Rep Nights	Brian Assels	Toolpusher	Cesar Miaco

WELL DATA							
Country	Australia	Current Hole Size		Casing OD		AFE Cost	
Field	Onshore Gippsland/Otway	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		Days From Spud		Last BOP Date:		Planned TD:	
RT - GL		Days on Well		Last LTI Date:			

SUMMARY OF PERIOD 18:00 to 2400HRS: ----- RD catwalk and y-door. Pack up same. Clean mud tanks for rig move.

CURRENT OPERATION @ 06:00HRS: ----- Wait on Daylight

PLANNED OPERATIONS FOR NEXT 24HRS: ----- Work daylight hours and rig down/pack up rig and camp

[illegible]

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 (bb/s)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centifuge					



EQUIPMENT, VOLUMES AND LOSSES DATA							
Available (bbls)		Losses		Equipment	Decription	Mesh Size	Hours
Active (bbls)		Downhole		Shaker 1			
Mixing (bb/s)		Surface		Shaker 2			
Hole (bbls)		Dumped		Desander			
Slug (bbls)		De-sander		Desilter			
Reserve (bbls)		De-silter					
Kill (bbls)		Centifuge					



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**ATTACHMENT 14 : RIG INVENTORY**

## RIG INVENTORY

### RIG # 11 : COOPER LTO 750

<b>CARRIER:</b>	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.
<b>SUBSTRUCTURE:</b>	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.
<b>DRAWWORKS:</b>	Cooper 750 HP Double Drum Drawworks
<b>ENGINES:</b>	Driven by 2 each Caterpillar 3406 TA Diesel Engines
<b>BRAKE:</b>	Parmac 202 Hydromatic
<b>ROTARY TABLE:</b>	National Rotary Table Model C-175
<b>DERRICK:</b>	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.
<b>CROWN BLOCK:</b>	Cooper Crown Block with 4 working sheaves. Fast line sheave and dead line sheave. All grooved for 1-1/8" line
<b>HOOK BLOCK:</b>	Ideco 1 1/8" 265 Ton Shorty
<b>SWIVEL:</b>	National P-200
<b>SLUSH PUMPS:</b>	3 Gardner Denver PZ-7 Triplex Pumps driven by Cat 379TA Diesel Engines Rated 550 HP each.
<b>MUD SYSTEM:</b>	2 x 300 bbl tanks incorporating 80 bbl pill tank and 54 bbl trip tank.
<b>SHAKERS:</b>	2 x DFE SCR-01 Linear Motion.
<b>DEGASSER:</b>	Drilco Atmospheric Degasser Standard Pit powered by 7 <sup>1</sup> / <sub>2</sub> HP 60 Hz, 230v motor.
<b>MUD / GAS SEPARATOR</b>	40" Poor Boy Degasser
<b>VENT LINE:</b>	6" vent line from Separator to flare pit.
<b>DESANDER:</b>	Harrisburg Model DSN 1000. 2 x 10" Cones with 6" x 8" Centrifugal pump driven by 60 HP Electric Motor.
<b>DESILTER:</b>	Harrisburg 10 x 5" Cones and 6" x 8" Centrifugal pump, driven by a 60 HP Electric Motor.
<b>MUD MIXING PUMP:</b>	Harrisburg 6" x 8" Centrifugal pump driven by a 50 HP Electric Motor
<b>MUD AGITATORS:</b>	4 only Brandt Mud Agitator Model MA 7.5
<b>BOP:</b>	Annular: 11" 5,000psi Hydril GK Rams: 11" 5,000psi Shaffer Double Gate Model 'LWS' Complete with 4 <sup>1</sup> / <sub>2</sub> ", 5 <sup>1</sup> / <sub>2</sub> ", 7" and Blind Rams

<b>ACCUMULATOR:</b>	Koomey Model 100-11S
<b>CHOKE MANIFOLD:</b>	Cameron 3-1/8" 5,000 psi with one hydraulic and one manual choke complete with remote control panel.
<b>DRILL PIPE SAFETY VALVE:</b>	1 x 4" IF Inside BOP (Gray) 1 x 4" IF full Operating Stab Valve
<b>SPOOLS:</b>	1-11" 5,000 psi Flanged Drilling Spool with 3 <sup>1</sup> / <sub>8</sub> " 5,000 psi Flanged Choke Line out and 2 <sup>1</sup> / <sub>16</sub> " 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 <sup>1</sup> / <sub>16</sub> " 5,000 psi Double Studded Adaptor
<b>KILL LINE VALVES:</b>	2-2 <sup>1</sup> / <sub>16</sub> " 5,000 psi Manual Flanged Valves and MCM 2" – 5M Check Valve
<b>CHOKE LINE VALVES:</b>	1-3 <sup>1</sup> / <sub>8</sub> " 5,000 psi Manual Flanged Valve 1-3 <sup>1</sup> / <sub>8</sub> " 5,000 psi HCR Flanged Valve
<b>INSTRUMENTATION:</b>	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
<b>KELLY SPINNER:</b>	Foster Model 77 ( hydraulic )
<b>KELLY:</b>	1-4 <sup>1</sup> / <sub>4</sub> " Hex Kelly 40' long with 6 <sup>5</sup> / <sub>8</sub> " API Reg LH Box up 3-1/2" IF Pin Down
<b>UPPER KELLY VALVE:</b>	Upper Kelly Cock. 10,000 test 6 <sup>5</sup> / <sub>8</sub> " API Reg LH Connections.
<b>LOWER KELLY VALVE:</b>	1 – Hydril Kelly Guard 4-3/4" OD 10,000 psi, 3-1/2" IF (NC46) Pin and Box Connection
<b>KELLY DRIVE BUSHING:</b>	Varco Type 4 KRS Kelly Drive Bushing
<b>DRILL PIPE AND TOOLS:</b>	12 joints 4 <sup>1</sup> / <sub>2</sub> " Range II Hevi Wate Drill Pipe with 18 <sup>0</sup> Taper 4" IF (NC46) Connections. 10,000 ft 4-1/2" G 105, 16.6 lb/ft Range II Drill pipe with 4" IF (NC46) Connections
<b>DRILL COLLARS:</b>	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.
<b>FISHING TOOLS:</b>	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
<b><u>Note:</u></b>	Contractor will provide Overshots, Grapples, Guides, Packoffs, etc. for each size of drill pipe, drill collars and downhole tools provided by Contractor.
<b>JUNK RETRIEVERS:</b>	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

<b>PIPE RACKS:</b>	4 sets 30ft in length
<b>CATWALKS:</b>	2 piece Catwalk drill pipe construction 42" height
<b>COMMUNICATION:</b>	Gaitronics System
<b>WIRELINE UNIT</b>	1 x Mathey Slick line unit c/w 10,000 ft of 0.092" slick line
<b>MUD LAB:</b>	Baroid Rig Laboratory Model 821
<b>RATHOLE DRILLER:</b>	Manufactured Rat Hole Driller for 5 <sup>1</sup> / <sub>4</sub> " Kelly
<b>MUD SAVER:</b>	Harrisburg Unit with 4 <sup>1</sup> / <sub>2</sub> " Sealing Rubbers
<b>CELLAR PUMP:</b>	1 only 3" Pacific Diaphragm Unit
<b>FIRE EXTINGUISHER:</b>	1 lot as per State Mining Regulations for Rig and Camp
<b>CUP TESTER:</b>	Cameron Type 'F' Cup Tester Mandrel with 4-1/2" IF Connections. 9 <sup>5</sup> / <sub>8</sub> " 47- 36 lbs rubber for cup tester.
<b>TRANSPORTATION:</b>	One Cat 950F Loader or equivalent
<b>RIG ACCOMMODATION:</b>	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 15 : BHI FINAL WELL REPORT**





INTEQ

Company : Karoon Gas Pty Ltd

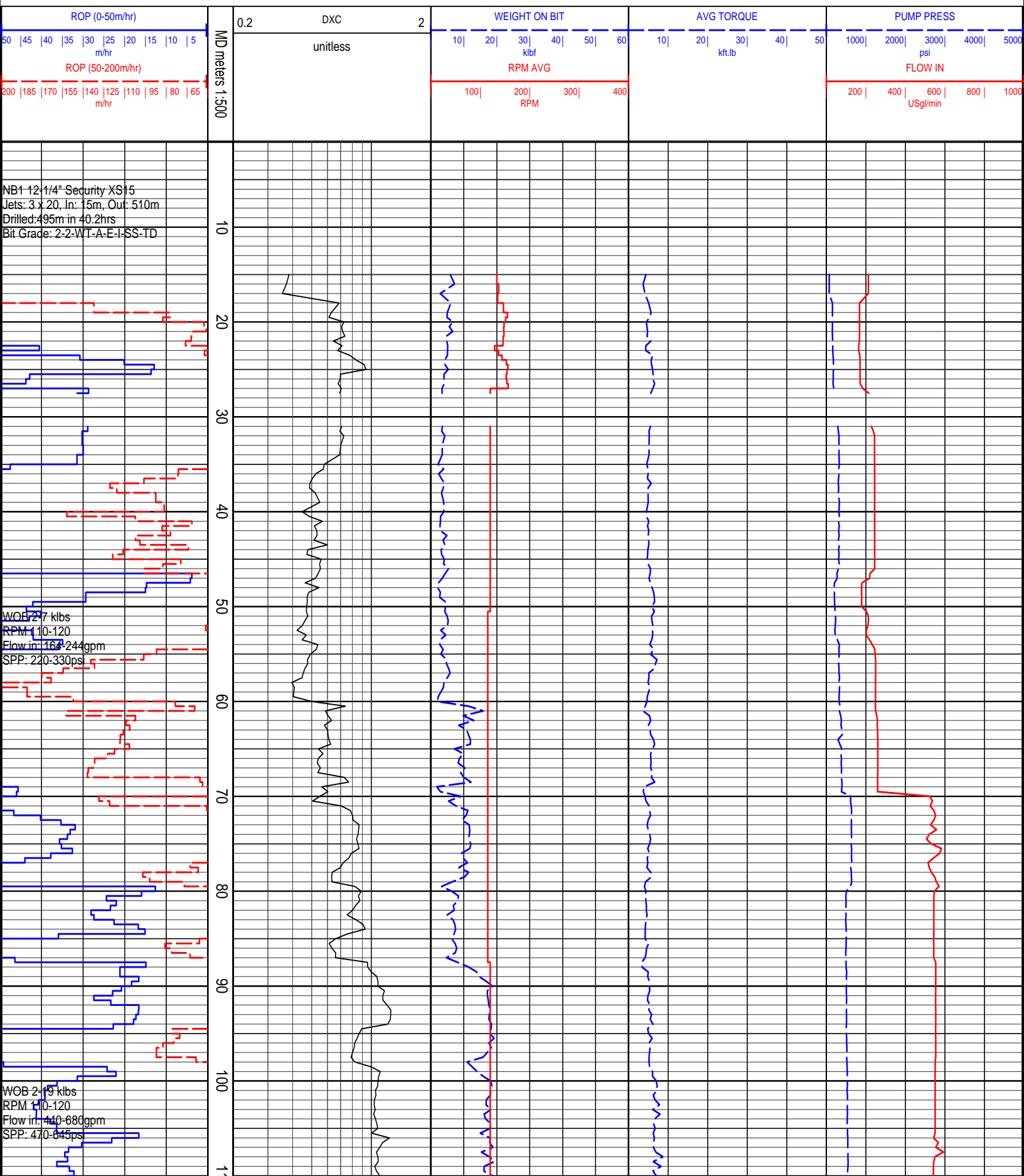
Well : Megascorides 2

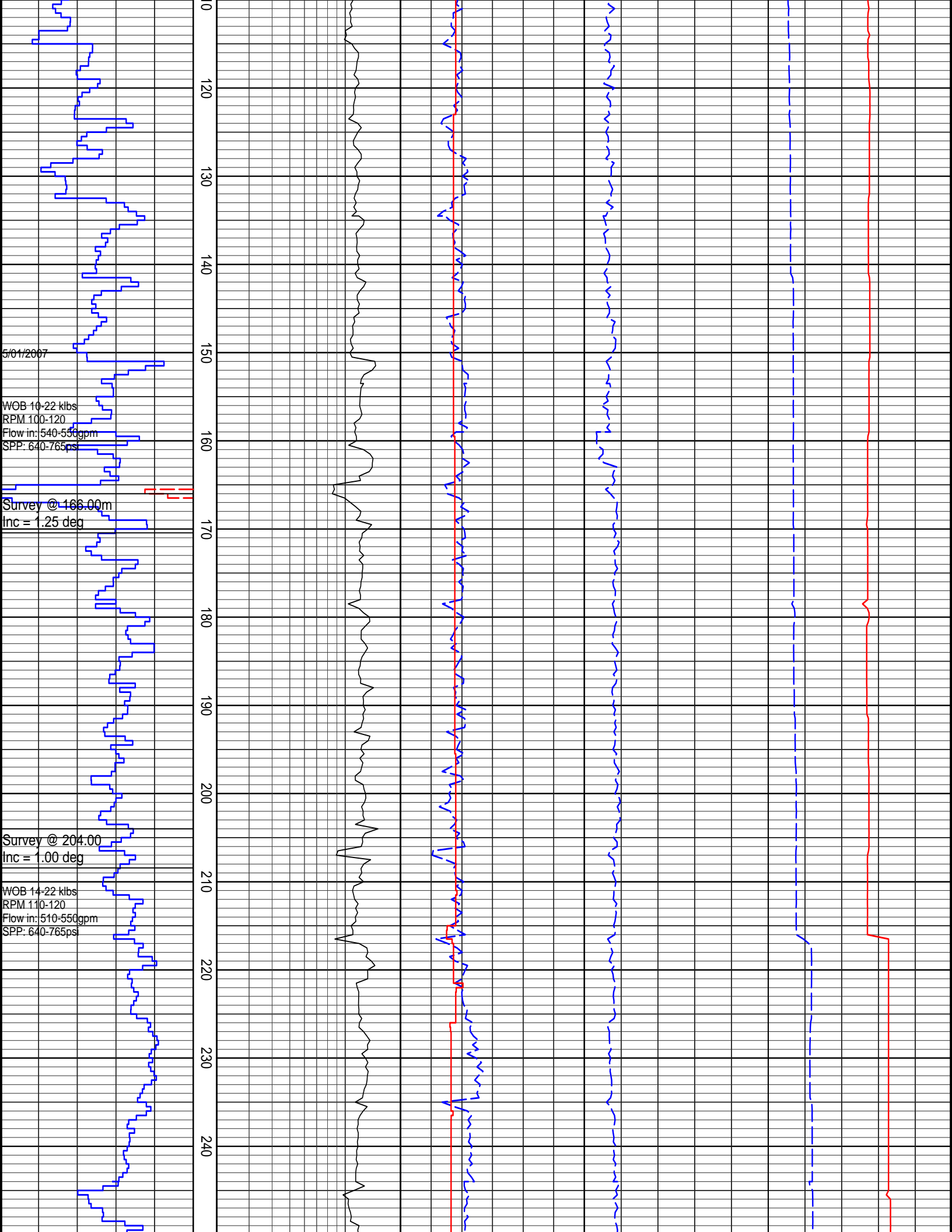
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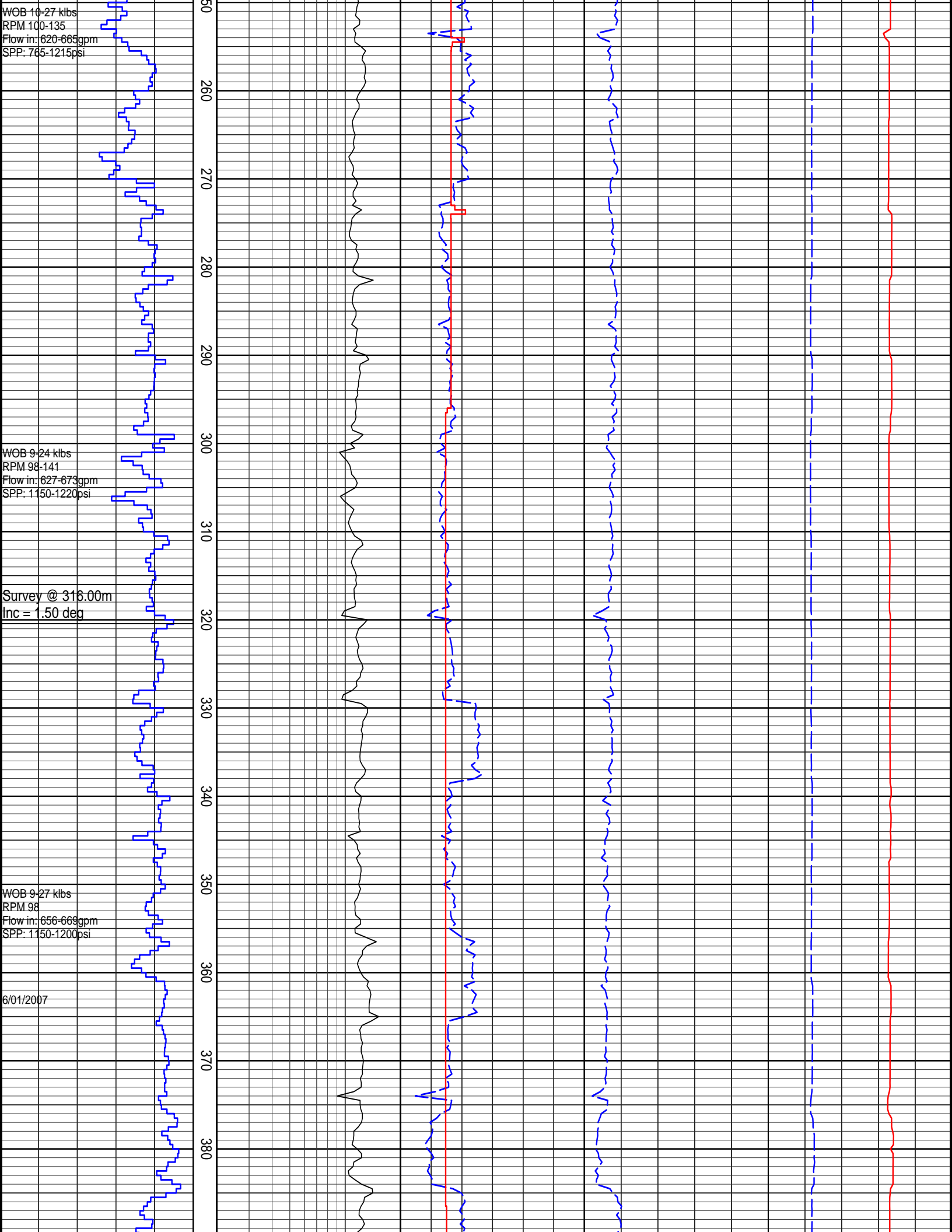
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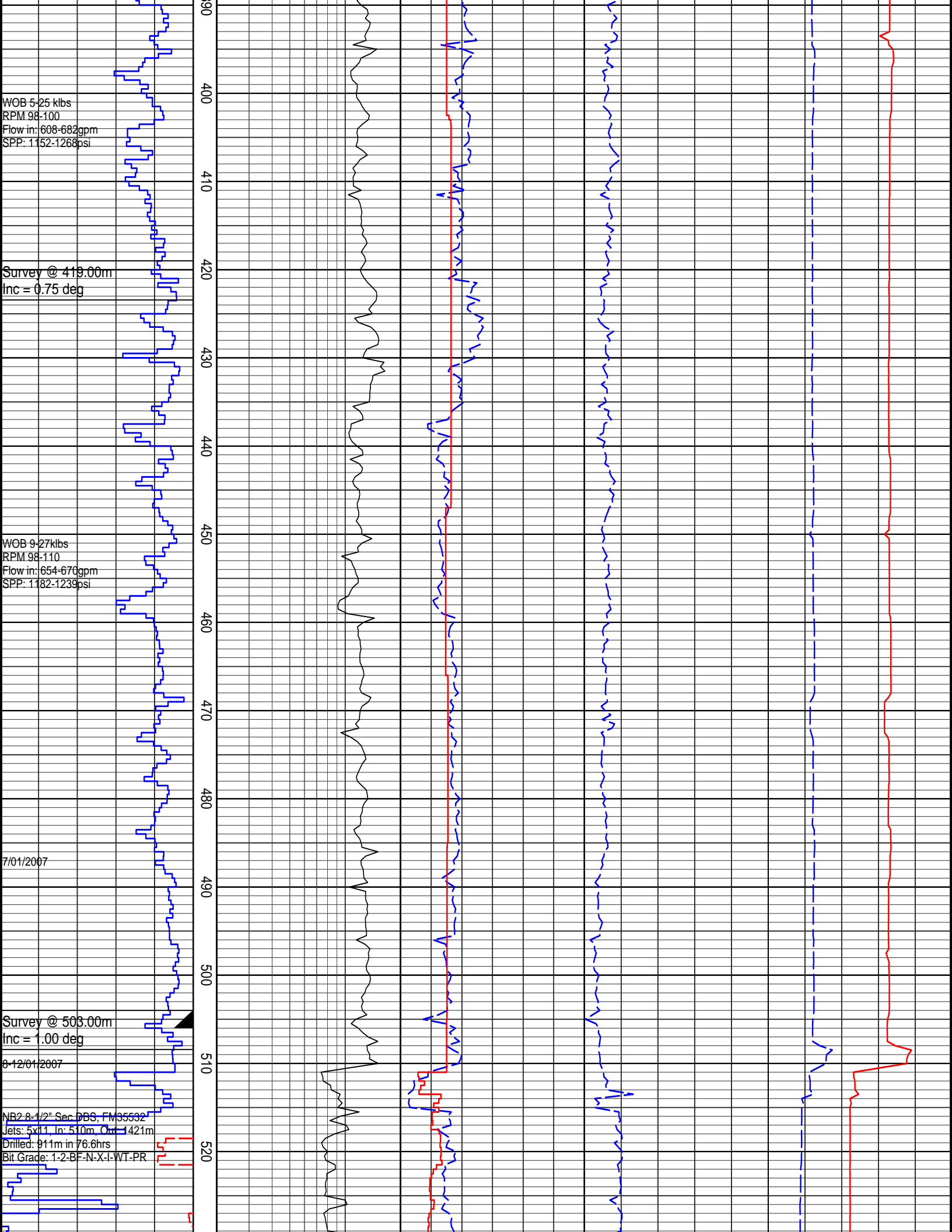


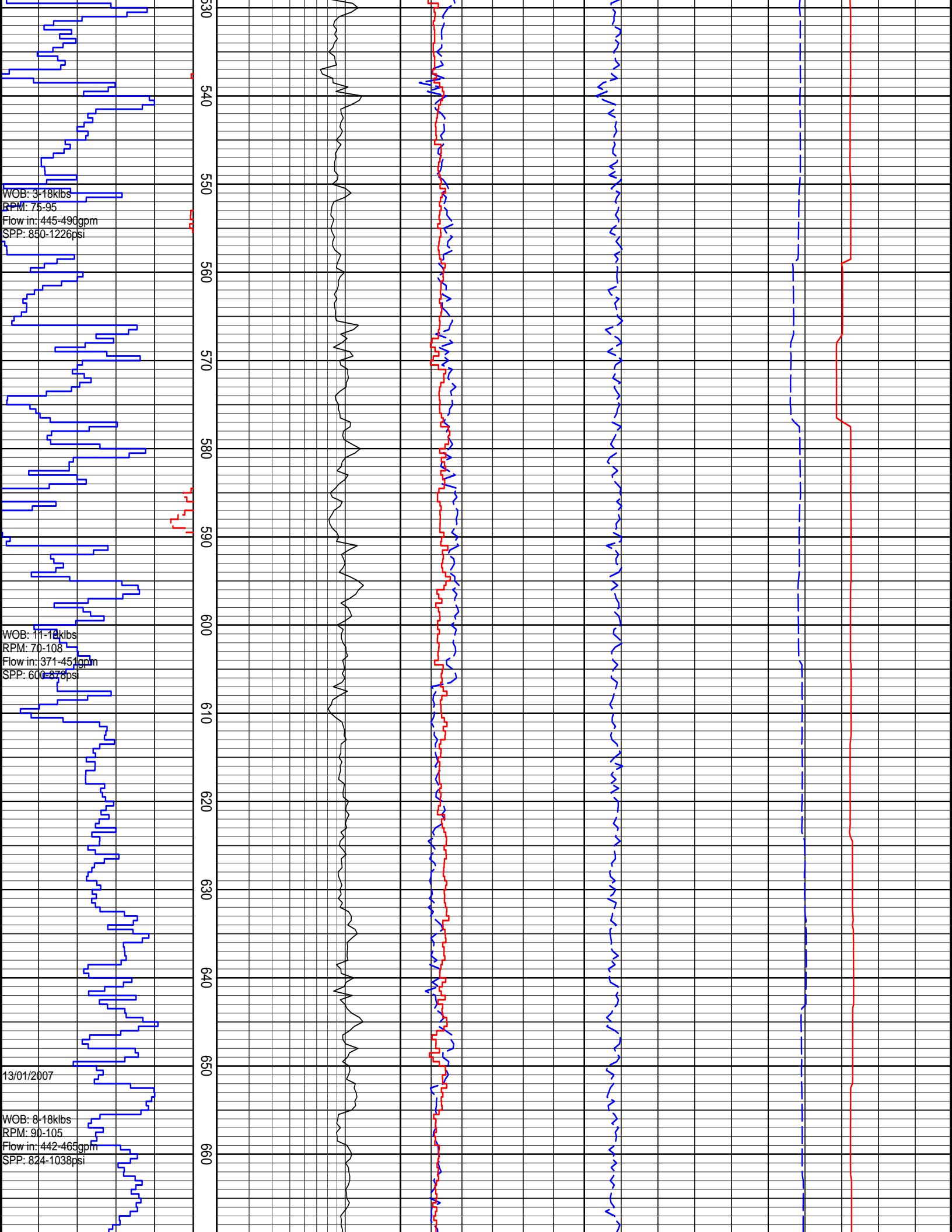
## ENGINEERING SUMMARY PLOT

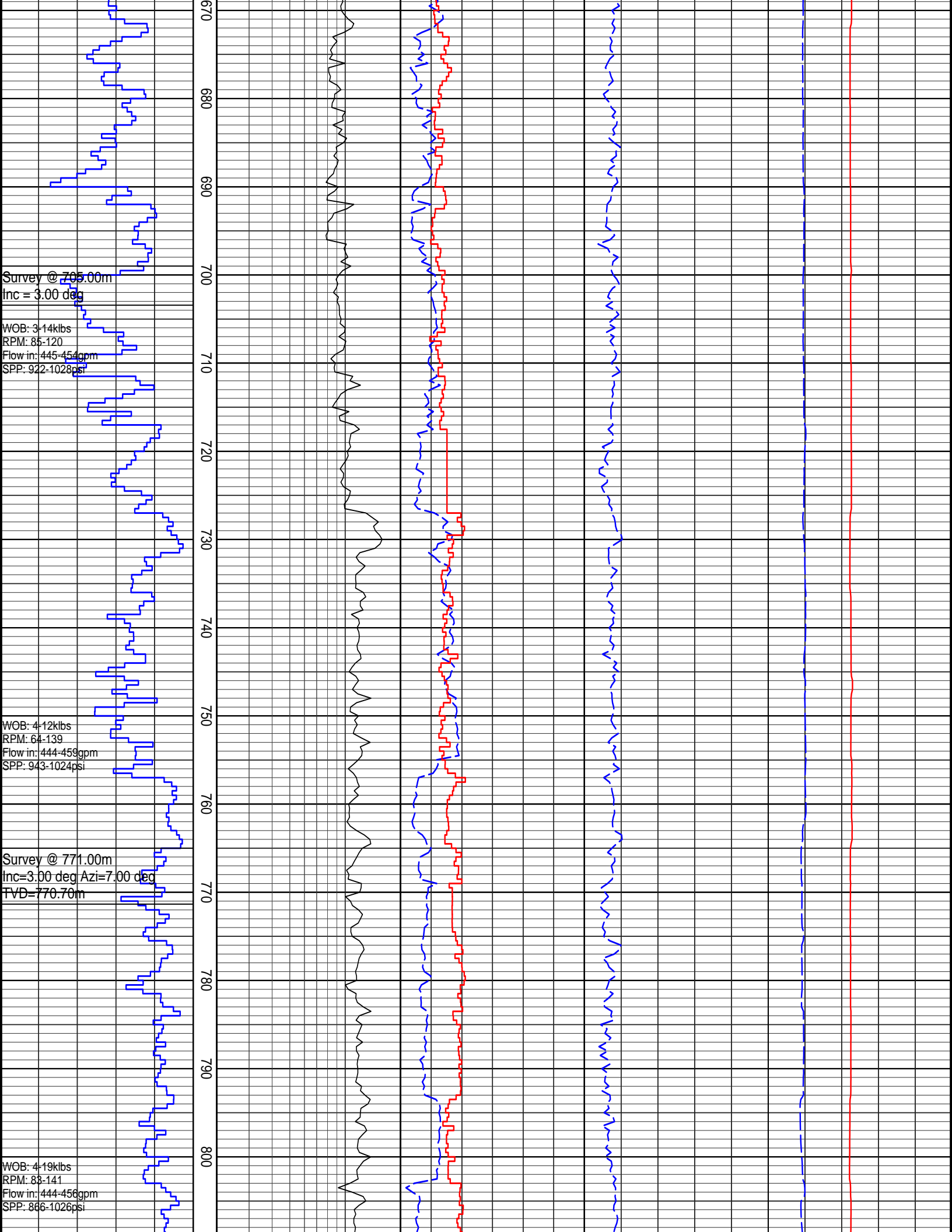


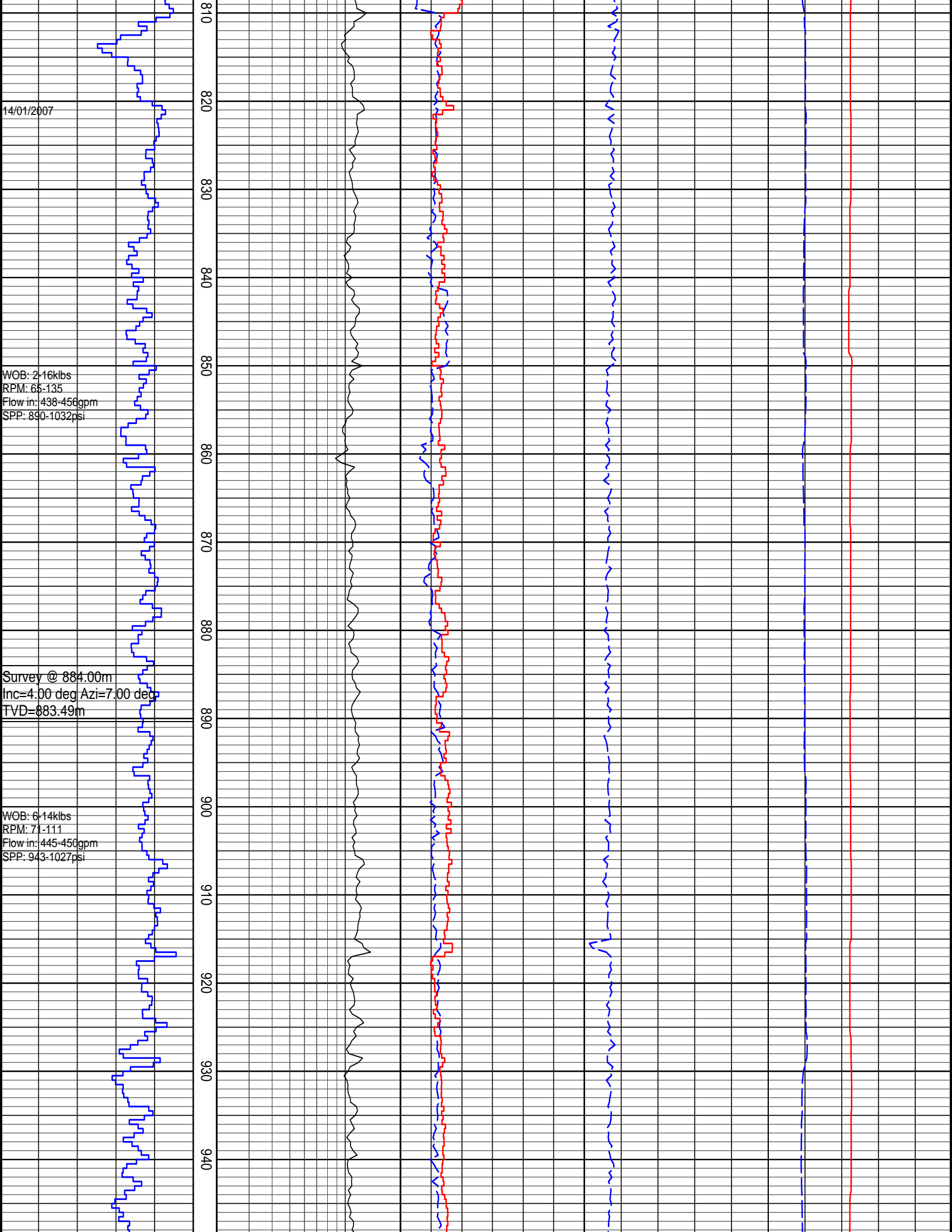


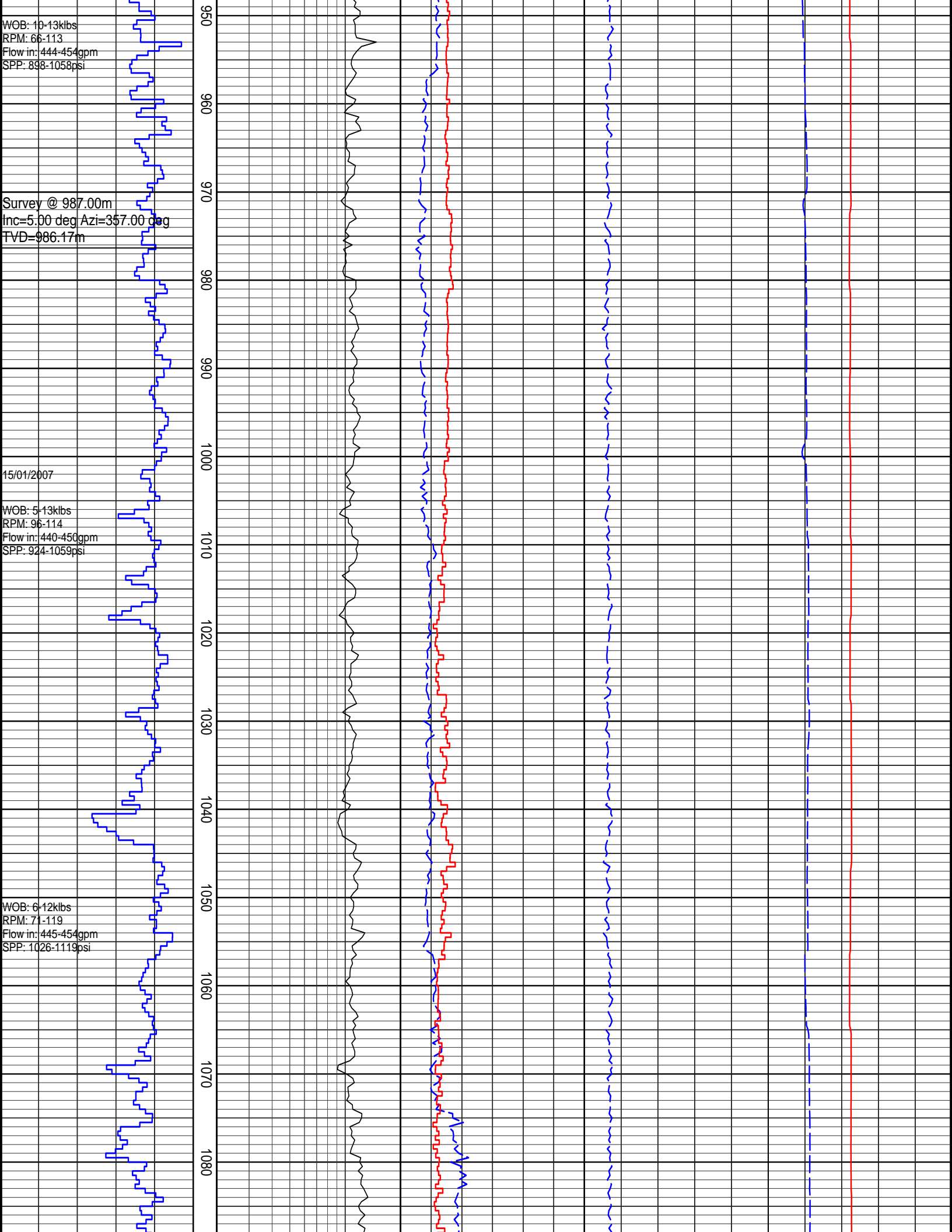




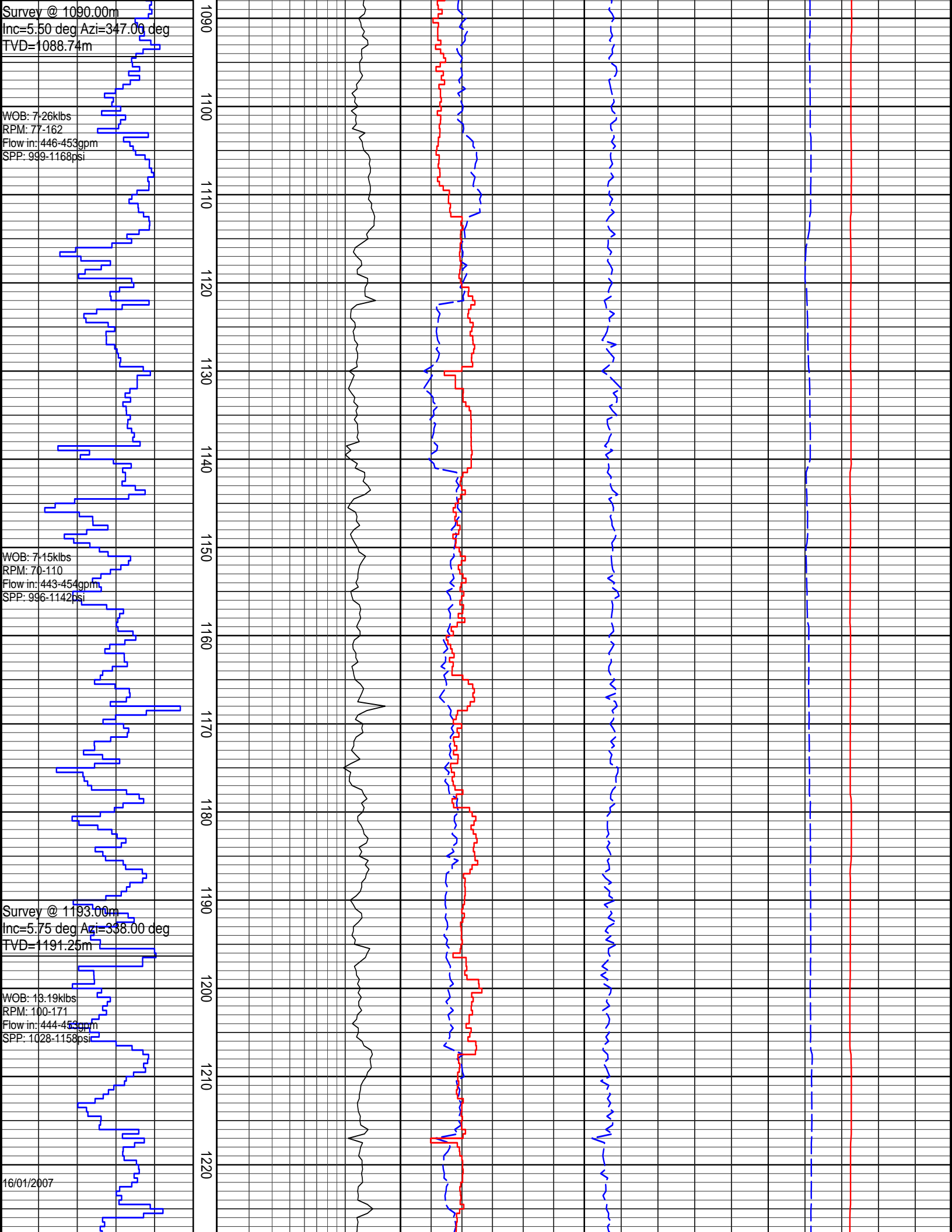


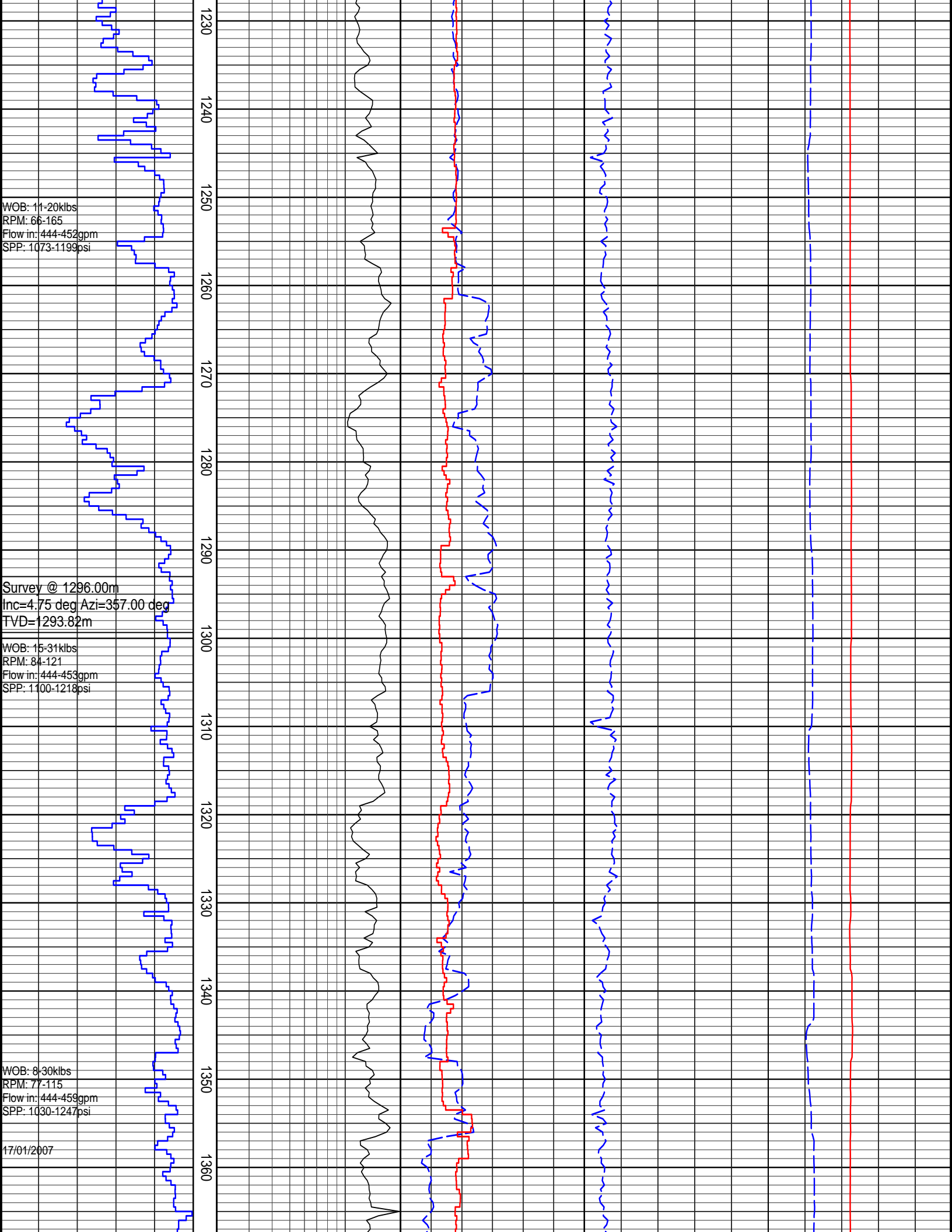


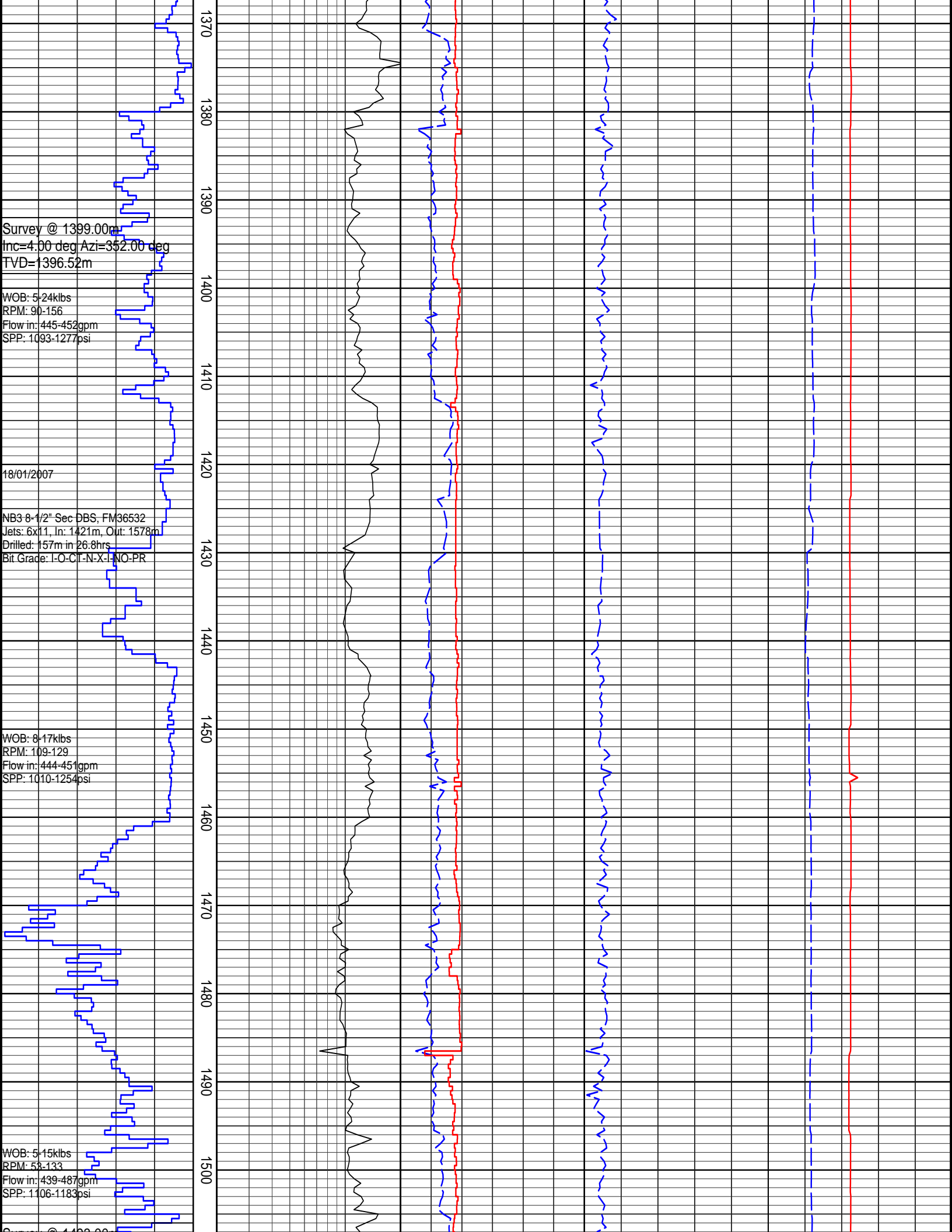


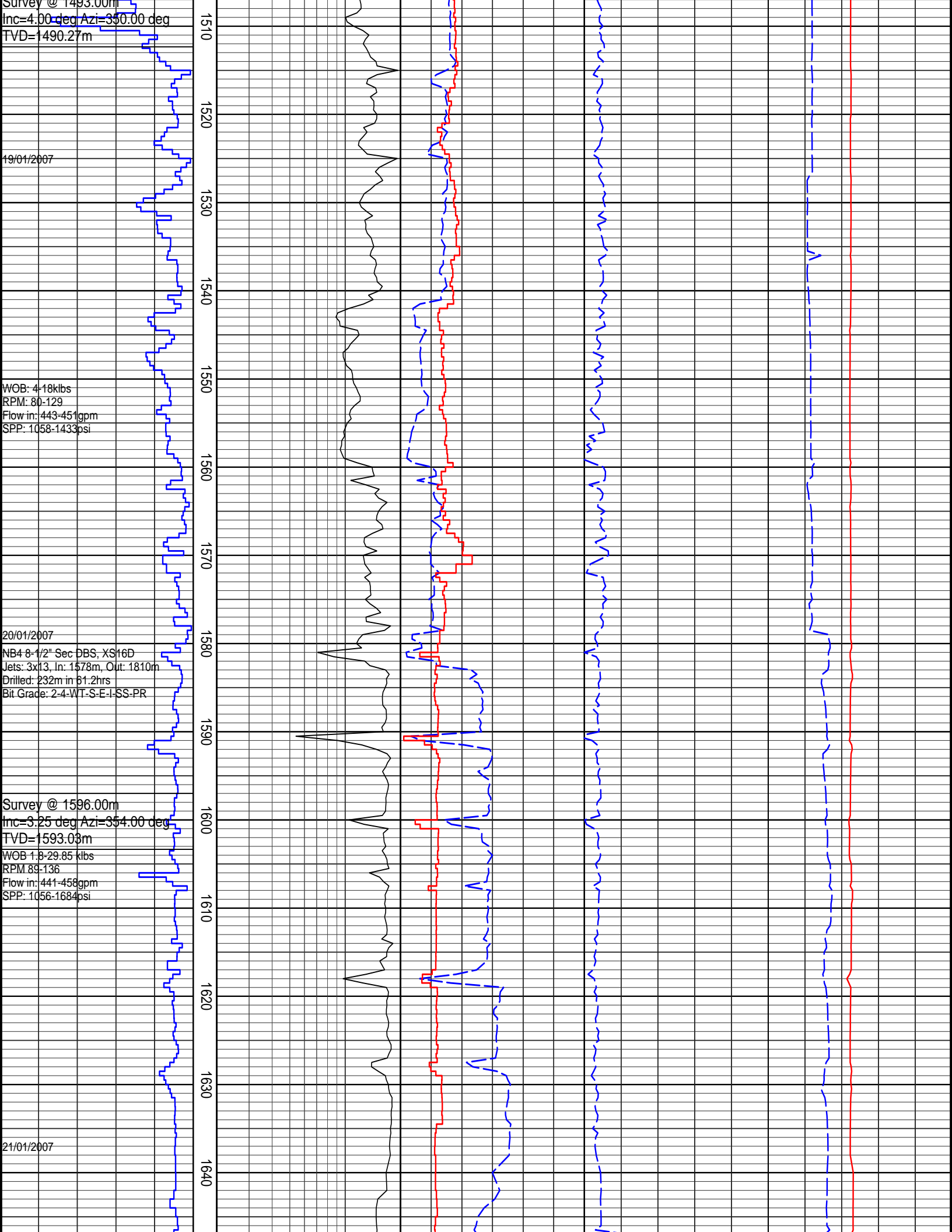












WOB: 5.75-35.96 klbs  
RPM: 77-190  
Flow in: 428-834gpm  
SPP: 1439-1738psi

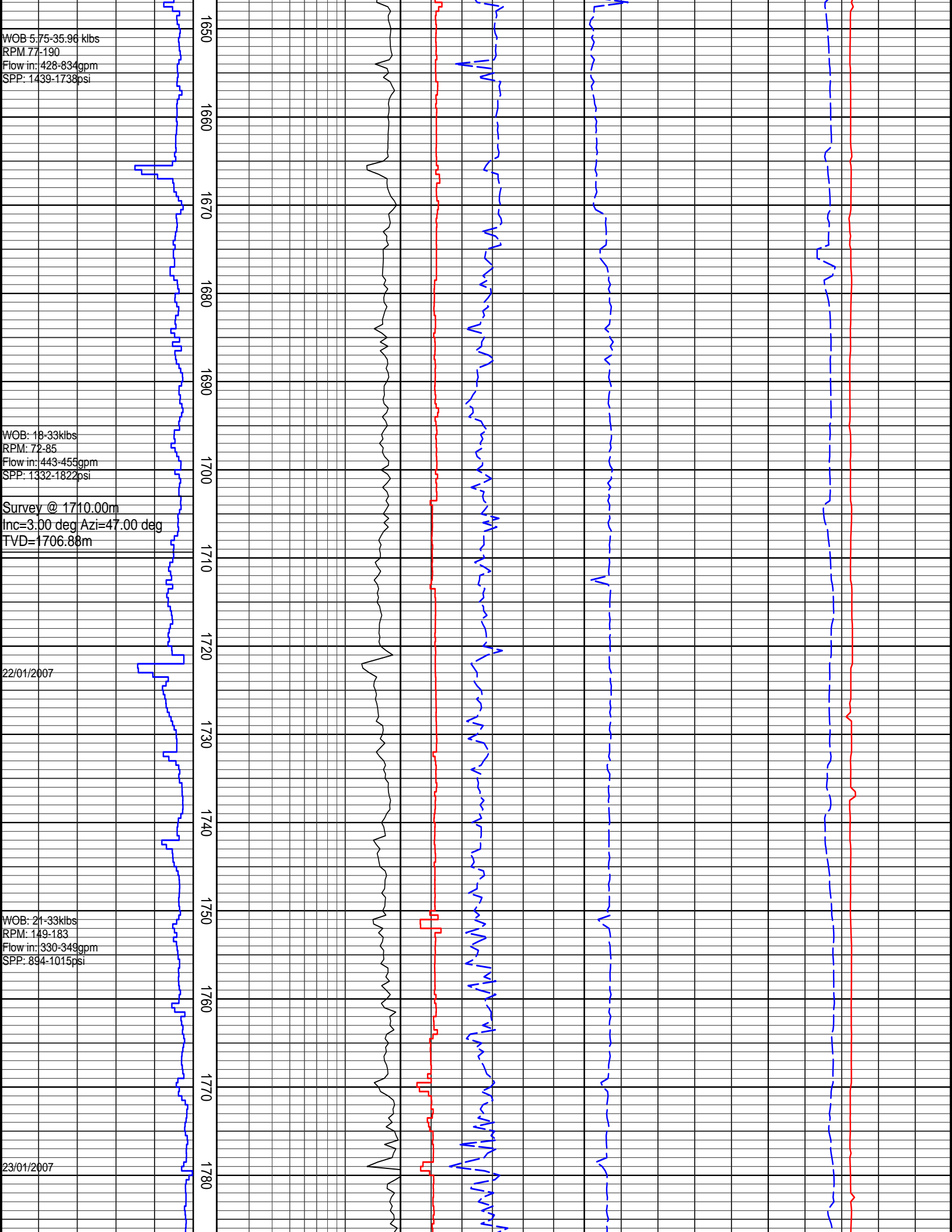
WOB: 18-33klbs  
RPM: 72-85  
Flow in: 443-455gpm  
SPP: 1332-1822psi

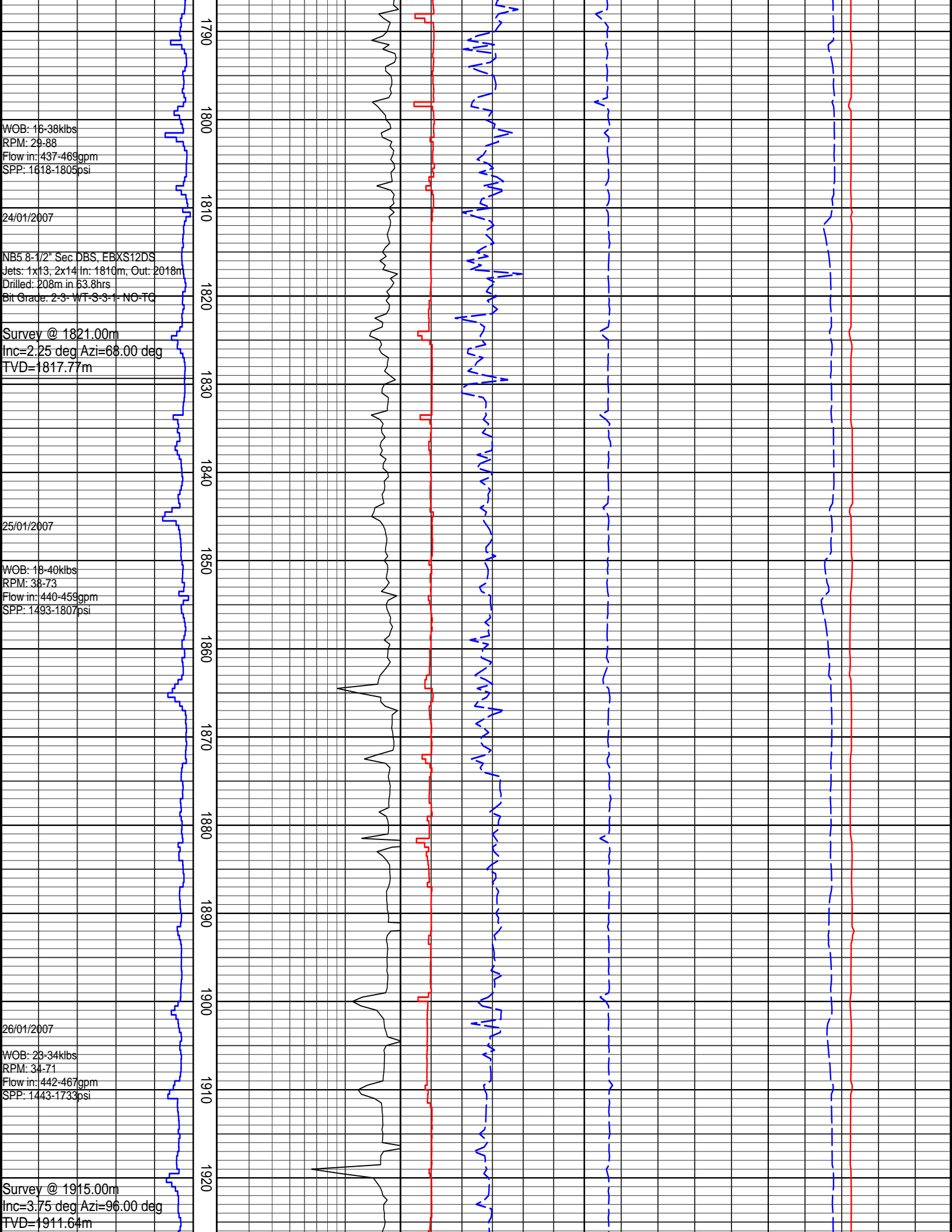
Survey @ 1710.00m  
Inc=3.00 deg Azi=47.00 deg  
TVD=1706.88m

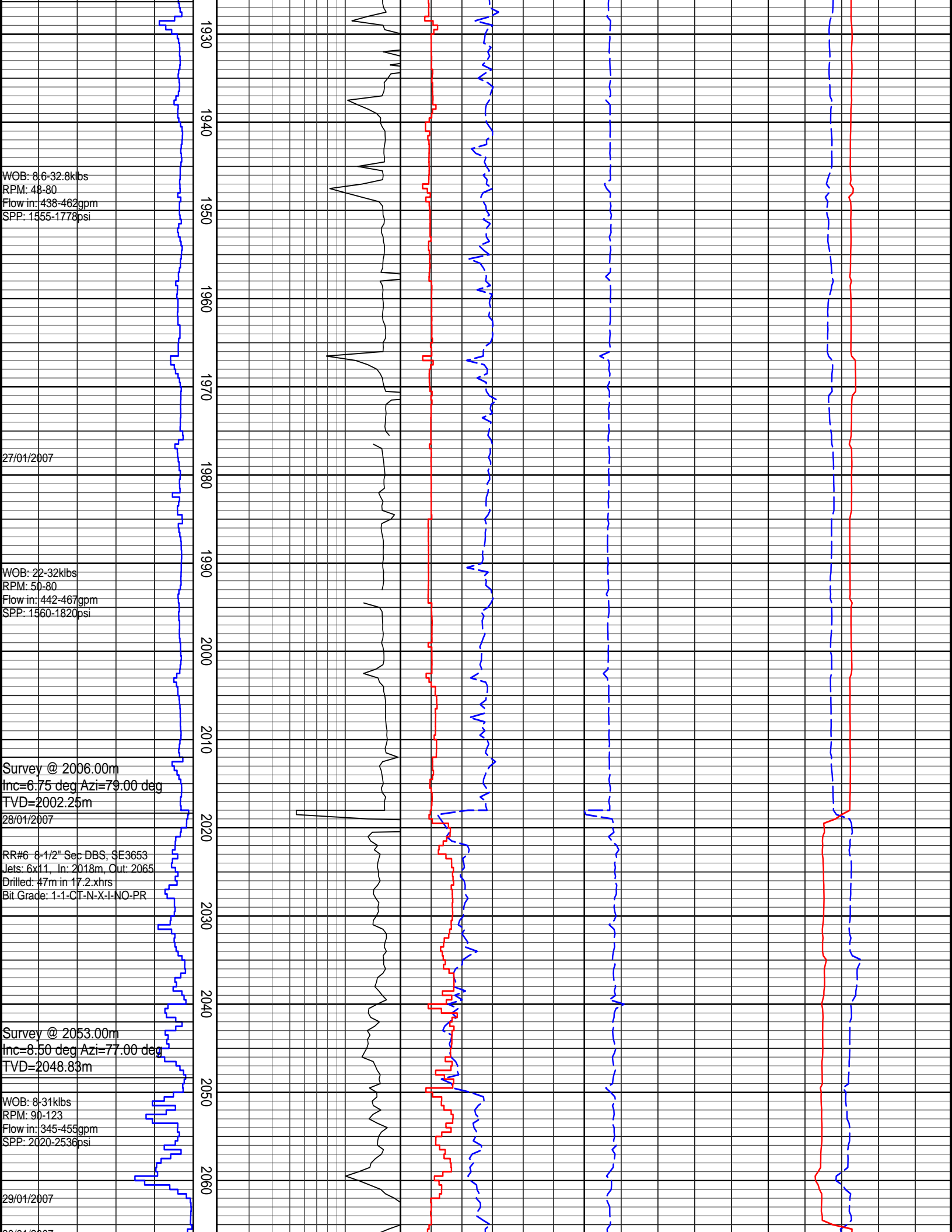
22/01/2007

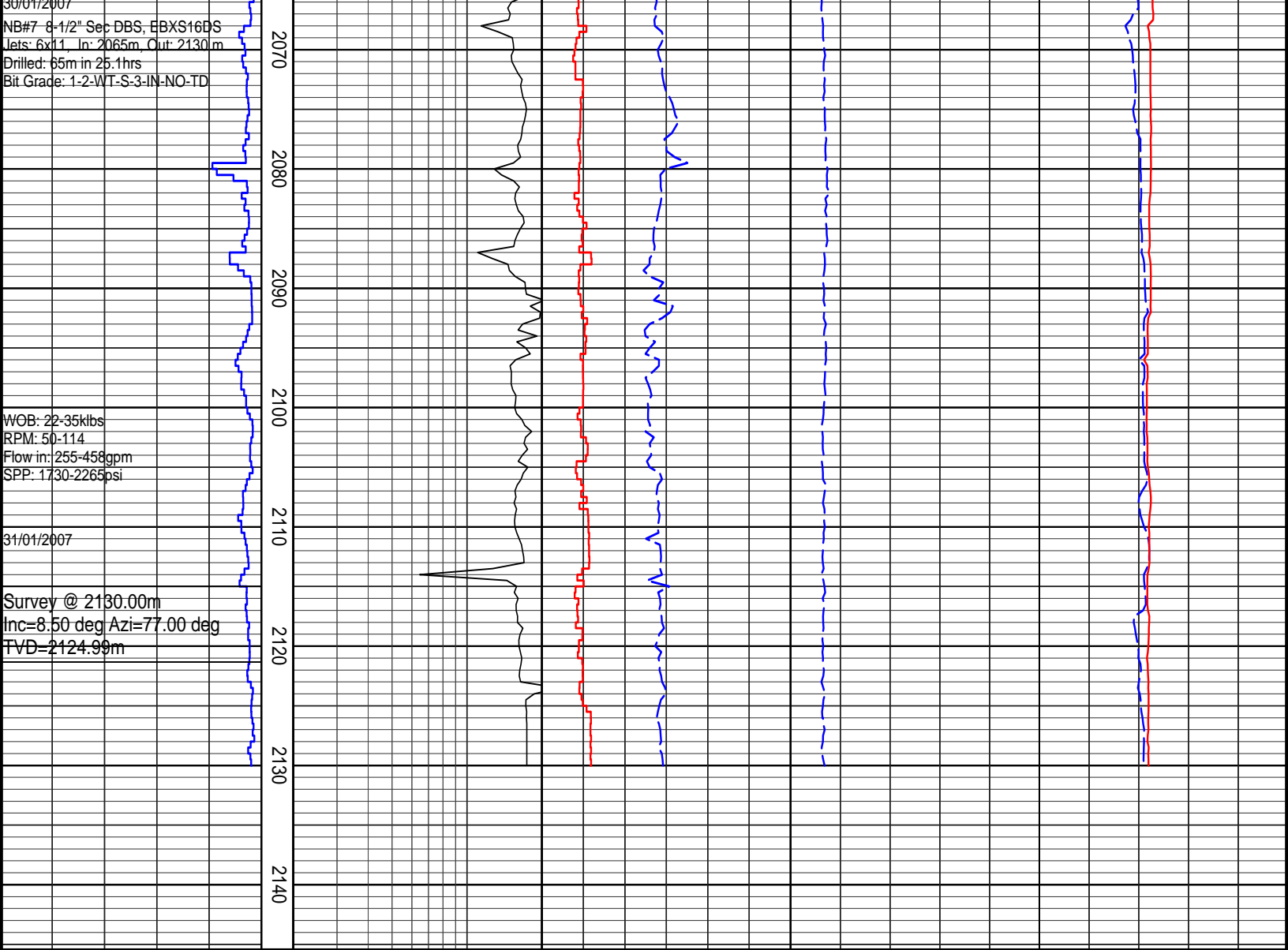
WOB: 21-33klbs  
RPM: 149-183  
Flow in: 330-349gpm  
SPP: 894-1015psi

23/01/2007









ENGINEERING SUMMARY PLOT					
ROP (0-50m/hr) 50   45   40   35   30   25   20   15   10   5 m/hr	0.2	DXC 2 unitless	WEIGHT ON BIT 10   20   30   40   50   60 klbf RPM AVG 100   200   300   400 RPM	AVG TORQUE 10   20   30   40   50 kft.lb	PUMP PRESS 1000   2000   3000   4000   5000 psi FLOW IN 200   400   600   800   1000 USg/min
ROP (50-200m/hr) 200   185   170   155   140   125   110   95   80   65 m/hr	MD meters 1:500				



# **DRILLING DATA PLOT**

1:500



INTEQ

Company : Karoon Gas Pty Ltd

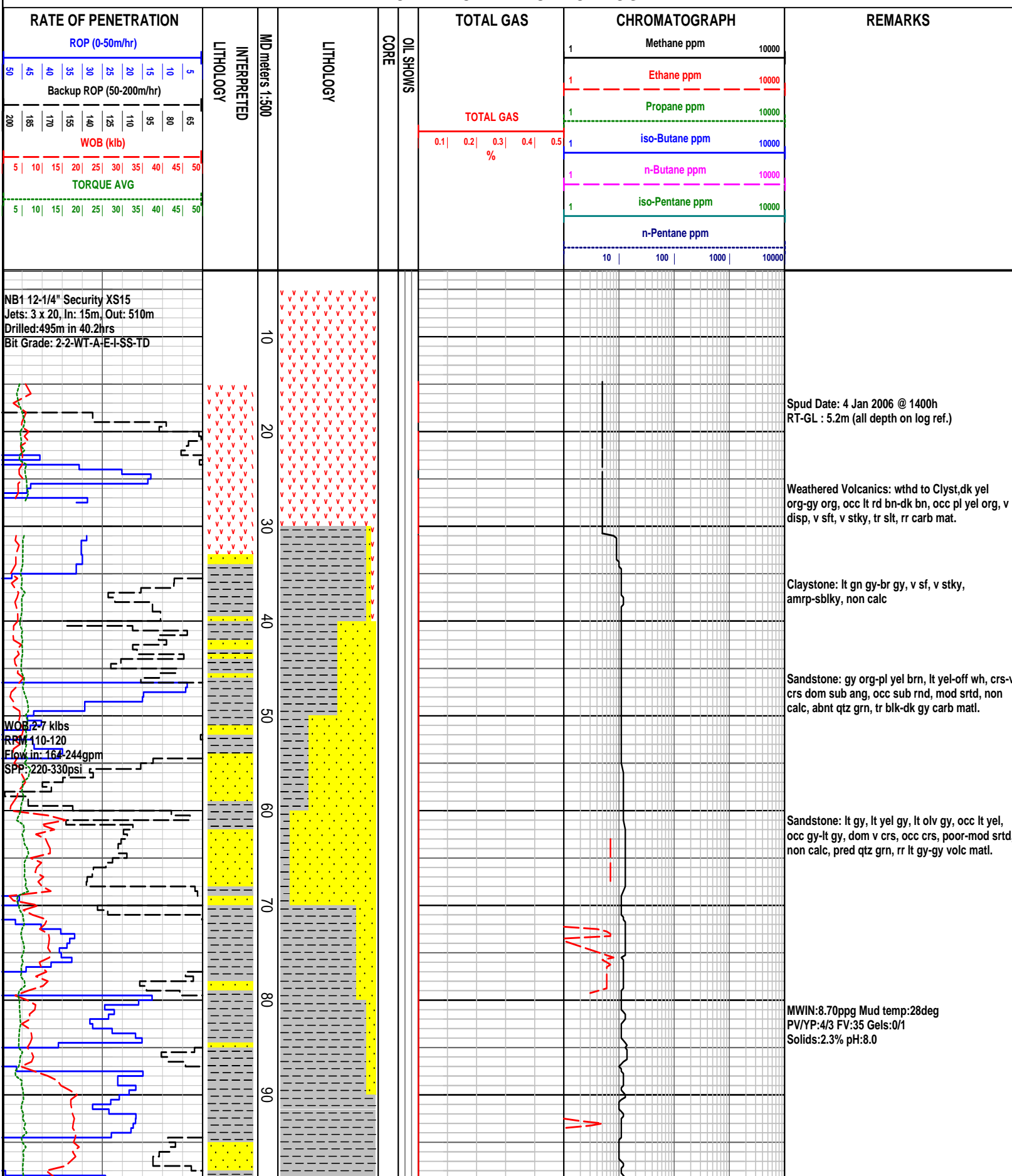
Well : Megascolides 2

Interval : 3.00 - 2156.94 meters

Created : 21/05/2007 9:57:31 AM



## FORMATION EVALUATION LOG

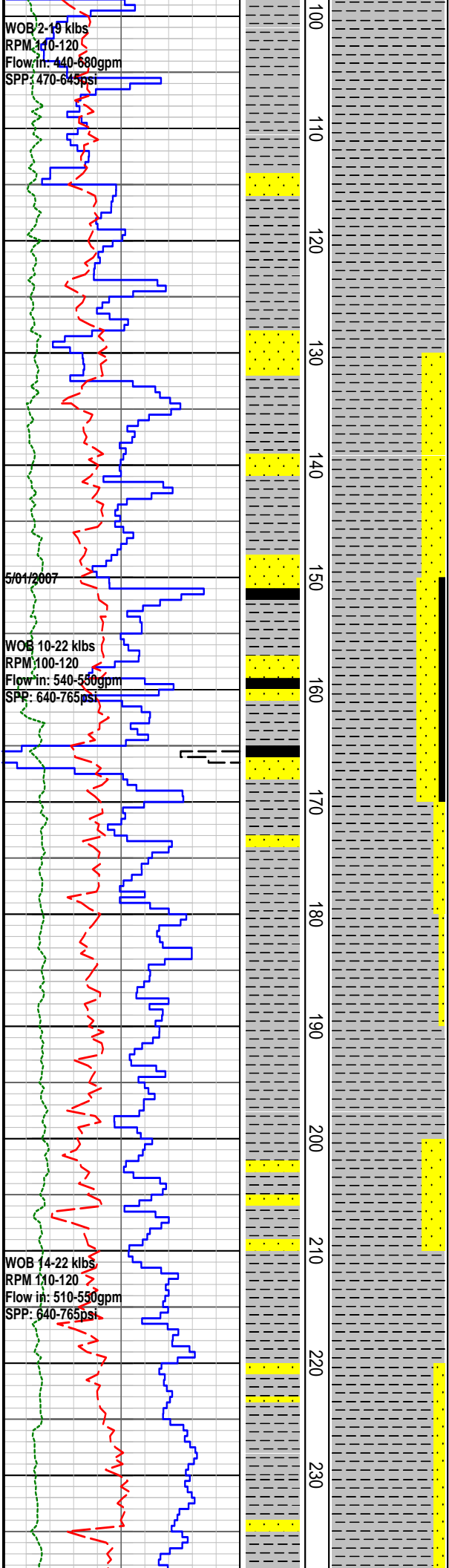


WOB: 2-15 klbs  
RPM: 110-120  
Flow in: 440-680 gpm  
SPP: 470-645 psi

5/01/2007

WOB: 10-22 klbs  
RPM: 100-120  
Flow in: 540-550 gpm  
SPP: 640-765 psi

WOB: 14-22 klbs  
RPM: 110-120  
Flow in: 510-550 gpm  
SPP: 640-765 psi



Claystone: lt dk gy-med dk gy, v sf, v stky, amrp-sblky, v silty i/p, tr carb matl

Claystone: lt dk gy-med gn gy- lt br gy, v sf, v stky, sblky-blky, v silty i/p, tr carb mat

Sandstone: lt gn gy-dk gy, occ lt yel gy, vf-f, occ crs, poor-mod srtd, non calc, pred qtz grn, lt gy-gy volc mat, tr carb mat, n vis por, n fluor

MWIN: 8.90ppg Mud temp: 35deg  
PV/YP: 8/13 FV: 46 Gels: 8/9  
Solids: 3.8% pH: 8.3

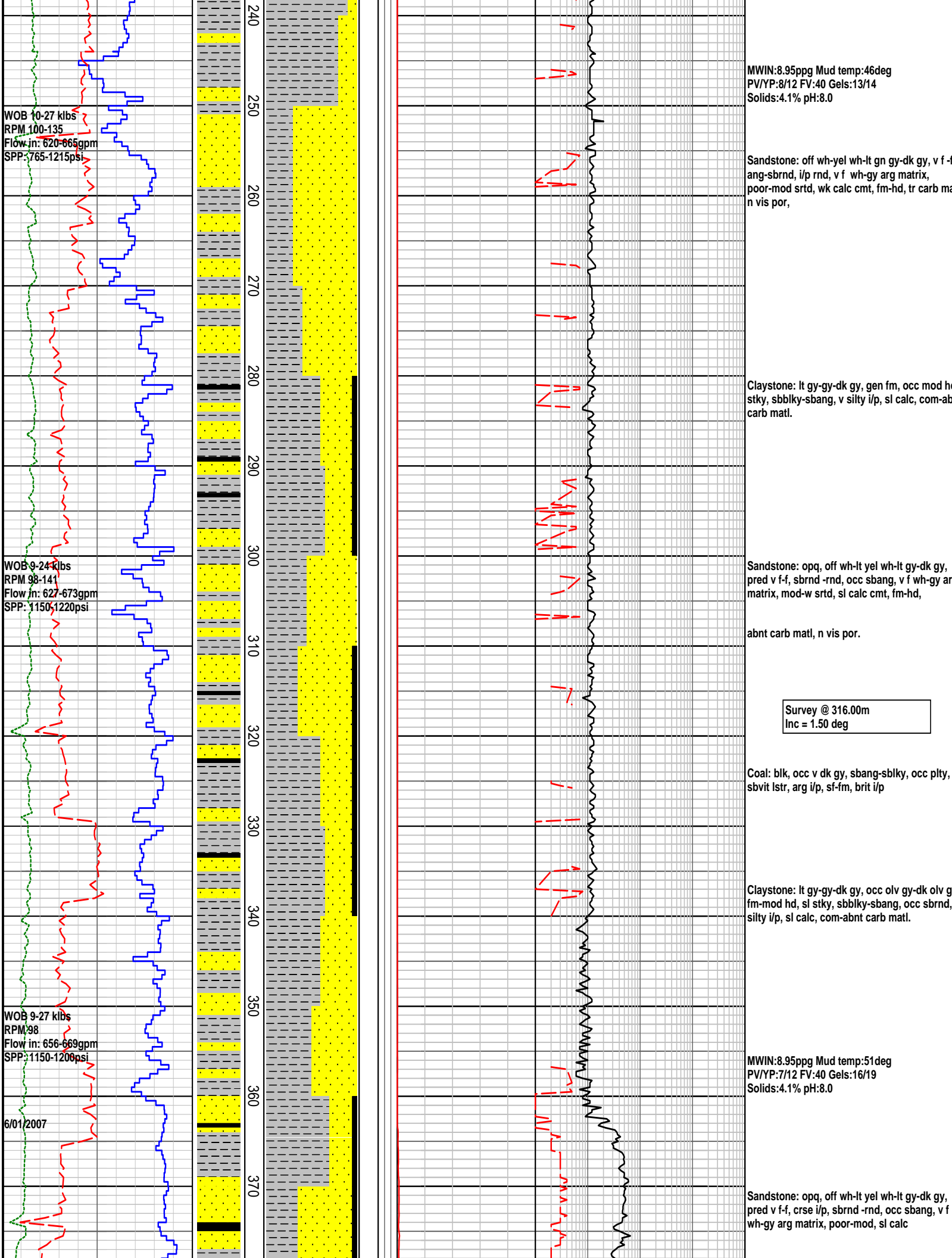
Coal: dk bn-blk, sblky-blky, ea-sl sbvit lstr, sl arg i/p, sf-fm, brit i/p

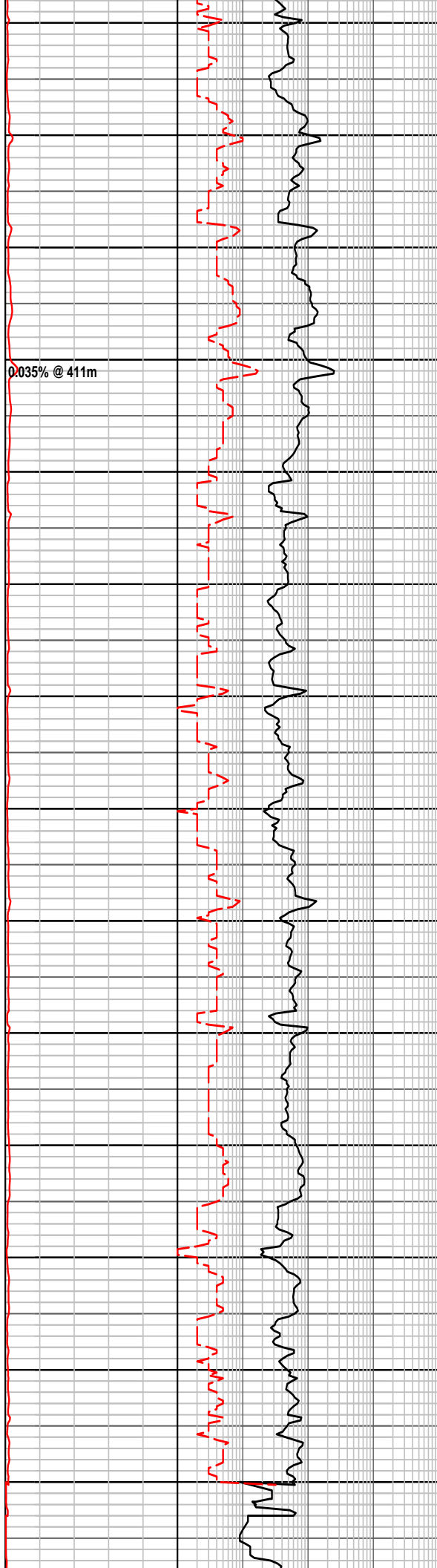
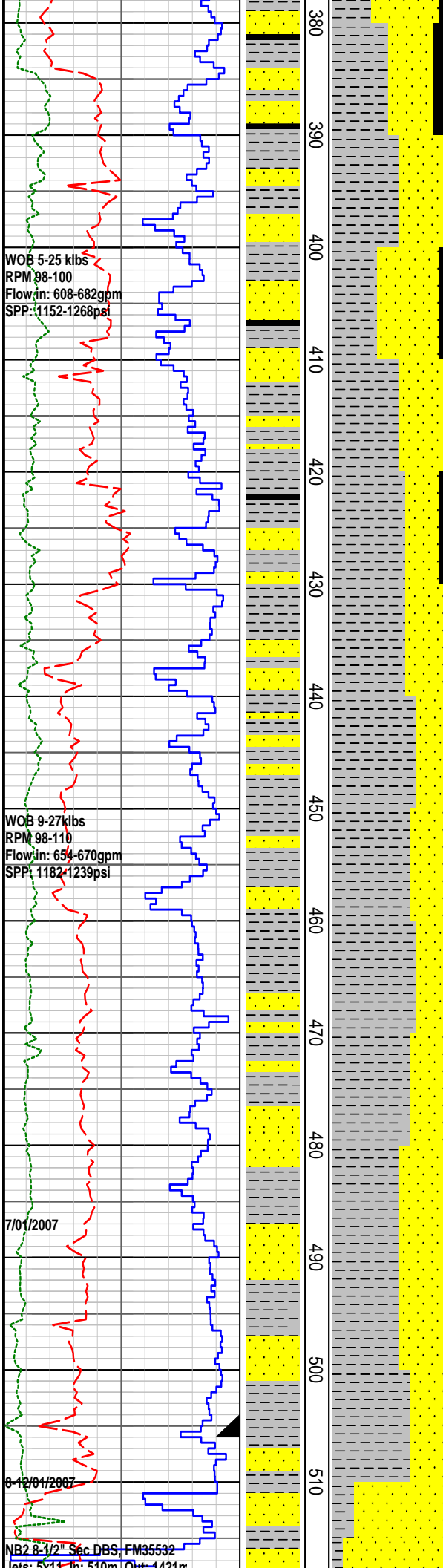
Survey @ 166.00m  
Inc = 1.25 deg

Claystone: lt dk gy-med dk gy, occ med gn gy-med bn gy, sf-fm, mod hd i/p, v stky, sblky-blky, sl calc, tr carb detri, sbfiss

Survey @ 204.00  
Inc = 1.00 deg

Claystone: lt dk gy-med dk gy, occ med gn gy-med bn gy-dk gy, fm-mod hd, sf i/p, v stky, sblky-blky, sl calc, tr carb detri, tr micromic, sbfiss





cmt, fm-hd, abnt carb matl, n vis por, no fluor

Claystone: lt gy-dk gy, olv gy-lt olv gy, gy-grn gy, gen mod hd, occ v fm, sl stky, sbbiky-blky, sl calc, com-abnt carb matl, occ grdng to sltst.

MWIN:9.00ppg Mud temp:52deg  
PV/YP:5/11 FV:40 Gels:16/20  
Solids:4.4% pH:8.0

Sandstone: opq, off wh-lt gy, dk gy, pred v f-f, occ med, sbrnd-rnd, occ sbang, v f wh-gy arg matrix, gen mod srted, w srted i/p, occ sl calc, mod hd, occ hd, occ fri, com abnt carb

grdng to sltst, no fluor.

Claystone: lt gy-gy, lt olv gy-olv gy, gen mod hd, occ v fm, non stky, sbbiky-blky, sl calc, com carb matl, occ grdng to sltst.

MWIN:9.10ppg Mud temp:54deg  
PV/YP:5/13 FV:37 Gels:20/22  
Solids:5.1% pH:8.0

Sandstone: opq, off wh-lt gy, dk gy, pred v f-f, occ med, sbrnd-rnd, occ sbang, v f wh-gy arg matrix, gen mod srted, w srted i/p, occ sl calc, mod hd, occ hd, occ fri, com abnt carb

grdng to sltst, no fluor.

LOT @ 513m = 21.3 ppg EMW

Sandstone: lt brn-med grn gy, v f-f, dom f, sband-rnd, mod srted, abnt off wh arg mtx, mod

Drilled: 911m in 76.6hrs  
Bit Grade: 1-2-BF-N-X-I-WT-PR

WOB: 3-18kbs  
RPM: 75-95  
Flow in: 445-490gpm  
SPP: 850-1226psi

WOB: 11-19kbs  
RPM: 70-108  
Flow in: 371-451gpm  
SPP: 600-878psi

13/01/2007

WOB: 3-18kbs

520  
530  
540  
550  
560  
570  
580  
590  
600  
610  
620  
630  
640  
650

sil & strong calc cmt, abnt off wh altrd felds grn  
com qtz & gy grn volc lith grn, tr red

brn lith, tr f blk coal det, mod hd, v pr vis por,  
no oil fluor.

Claystone: lt-dk gy-med grn gy-med brn gy, v  
silty i/p, v f aren w/altrd felds grn, mod carb i/p,  
tr-com blk carb flks & det, tr mic, mod hd,  
sbfiss.

MWIN:8.50ppg Mud temp:31deg  
PV/YP:9/9FV:46Gels:1/1  
Solids:0.8% pH:10.5

Sandstone: lt brn gy-med grn gy, v f-occ med,  
dom f, sband-rnd, mod srted, abnt off wh arg  
mtx, mod sil & mod calc cmt, abnt off wh altrd  
felds grn, com qtz & gy grn volc lith grn,

tr rd brn lith, tr f blk coal det, mod hd, v pr vis  
por, no oil fluor.

Claystone: lt dk gy-med grn gy-med brn gy, v  
silty i/p, v f aren w/altrd felds grn, mod carb i/p,  
tr com blk carb flks & det, tr mic, mod hd,  
sbfiss.

Sandstone: lt-med grn gy, v f-f, dom v f,  
sband-rnd, mod srted, abnt off wh arg mtx, mod  
sil & mod calc cmt, abnt off wh altrd felds grn,  
com qtz & gy

grn volc lith grn, tr rd brn lith, tr f blk coal det,  
mod hd, v pr vis por, no oil fluor.

Coal: blk-v dk bn, oft v arg, ethy lstr w/blkly frac  
where arg, sbvit lstr w/sbconch frac where  
clean, hd, britl.

Sandstone: lt-med grn gy, v f-f, dom v f,  
sband-rnd, mod srted, abnt off wh arg mtx, mod  
sil & mod calc cmt, abnt off wh altrd felds grn,  
com qtz & gy

grn volc lith grn, tr rd brn lith, com blk coal det,  
mod hd, v pr vis por, no oil fluor.

Sandstone: lt-med grn gy, v f-med, dom v f,  
sband-rnd, mod srted, abnt off wh arg mtx, mod  
sil & mod calc cmt, abnt off wh altrd felds grn,  
com qtz &

gy grn volc lith grn, tr rd brn lith, com blk coal  
det, tr calc ln frac, mod hd, v pr vis por, no oil  
fluor.

MWIN:8.60ppg Mud temp:36deg  
PV/YP:8/9 FV:42 Gels:1/1  
Solids:1.5% pH:10.2

Sandstone: lt-med grn gy, v f-med, dom v f,  
sband-rnd, mod srted, abnt off wh arg mtx, mod  
sil & mod calc cmt, abnt off wh altrd felds grn,  
com qtz &

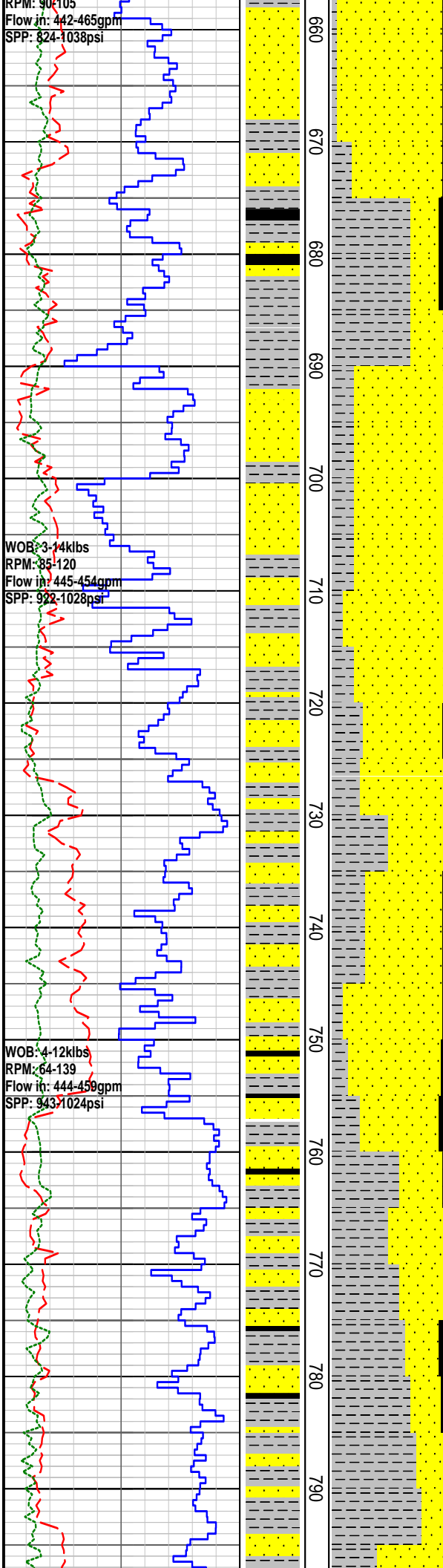
gy grn volc lith grn, tr rd brn lith, com blk coal



RPM: 30105  
Flow in: 442-465gpm  
SPP: 824-1038psi

WOB: 3-14kibs  
RPM: 85-120  
Flow in: 445-454gpm  
SPP: 922-1028psi

WOB: 4-12kibs  
RPM: 64-139  
Flow in: 444-459gpm  
SPP: 943-1024psi



0.086% @ 676m

det, tr calc in frac, mod hd, v pr vis por, no oil fluor.

Sandstone: lt-med grn gy, v f-med, dom f, sband-rnd, mod srtd, abnt off wh arg mtx, mod sil & mod calc cmt, abnt off wh altrd felds grn, com qtz &

gy grn volc lith grn, tr rd brn lith, com blk coal det, tr calc ln frac, mod hd, v pr vis por, no oil fluor.

Fluorescence (670m-685m): the calc frac infill mat has 10% mod bright patchy lt yel fluor giving wk dull yel wh crush cut, tr residue.

Claystone: med-dk gy-med bn gy-med grn gy, of v slty, oft v f aren w/altrd felds grn, mod carb, com blk carb flks & det, tr mic, tr calc lined frac, mod hd, sbfiss.

Survey @ 705.00m  
Inc = 3.00 deg

Sandstone: lt-med grn gy, v f-med, dom f, sband-rnd, mod srtd, abnt off wh arg mtx, mod sil & mod calc cmt, abnt off wh altrd felds grn, com qtz &

gy grn volc lith grn, tr rd brn lith, com abnt blk coal det, tr calc ln frac, mod hd, v pr vis por, no oil fluor.

Claystone: med-dk gy-med bn gy-med grn gy, of v slty, oft v f aren w/altrd felds grn, mod carb, com blk carb flks & det, tr mic, tr calc lined frac mod hd, sbfiss.

MWIN:8.65ppg Mud temp:39deg  
PV/YP:9/7 FV:41 Gels:0/1  
Solids:1.8% pH:10.0

Sandstone: lt-med grn gy, v f-med, dom f, sband-rnd, mod srtd, abnt off wh arg mtx, mod sil & mod calc cmt, abnt off wh altrd felds grn, com qtz &

gy grn volc lith grn, tr rd brn lith, com blk coal det, tr calc ln frac, mod hd-hd, v pr vis por, no oil fluor.

Coal: bk-v dk bn, oft v arg, ethy lstr w/blk frac where arg, sbvit lstr w/sbconch frac where clean, hd, britl.

Survey @ 771.00m  
Inc=3.00 deg Azi=7.00 deg  
TVD=770.70m

MWIN:8.60ppg Mud temp:41deg  
PV/YP:13/14 FV:49Gels:1/2  
Solids:1.5% pH:10.0

Claystone: med-dk gy-med bn gy-med grn gy, of v slty, oft v f aren w/altrd felds grn, mod carb, com blk carb flks & det, tr mic, tr calc lined frac mod hd, sbfiss.

Sandstone: lt-med grn gy, v f-f, dom f, sband-rnd, mod srtd, abnt off wh arg mtx-mtx spprtd, mod-strg sil & mod calc cmt, abnt off wh altrd felds grn,

WOB: 4-19kibs  
RPM: 83-141  
Flow in: 444-456gpm  
SPP: 866-1026psi

14/01/2007

WOB: 2-16kibs  
RPM: 65-135  
Flow in: 438-456gpm  
SPP: 890-1032psi

WOB: 6-14kibs  
RPM: 71-111  
Flow in: 445-450gpm  
SPP: 943-1027psi

800  
810  
820  
830  
840  
850  
860  
870  
880  
890  
900  
910  
920  
930

0.069% @ 815.5m

0.068% @ 854m

0.061% @ 863.5m

0.079% @ 878.5m

0.079% @ 901m

0.056% @ 921.5m

com qtz & gy grn volc lith grn, tr rd brn lith, com blk coal det, rare calc in frac, hd, no vis por, no oil fluor.

Claystone: lt-dk gy-med bn gy, oft v slty, oft v f aren w/altrd felds grn, mod carb i/p, tr-com blk carb flks & coaly det, com mic, mod hd, sbfiss.

Sandstone: off wh-med grn gy, v f-occ med, dom f, sband-rnd, mod srted, abnt off wh arg mtx-mtx suptrd, mod-strg sil & mod calc cmt, abnt off wh altrd

felds grn, com gy grn volc lith grn, tr rd brn lith & qtz grn, com blk coal det, hd, no vis por, no oil fluor.

Claystone: lt-dk bn gy-med bn gy, oft v slty, oft v f aren w/altrd felds grn, mod carb i/p, tr-com blk carb flks & coaly det, com mic, tr cacil lined frac, mod hd, sbfiss.

Coal: v dk bn-bk, oft v arg, ethy lstr, blkly-ptylty frac where arg, sbvlt lstr w/sbconch frac where clean, hd.

Claystone: lt-dk bn gy-med gy, oft v slty, oft v f aren w/altrd felds grn, mod carb i/p, abdnt blk carb flks & coaly det, com mic, com cacil lined frac, mod hd, sbfiss.

Survey @ 884.00m  
Inc=4.00 deg Azi=7.00 deg  
TVD=883.49m

MWIN:8.65ppg Mud temp:44deg  
PV/YP:14/15FV:49Gels:1/2  
Solids:1.9% pH:10.0

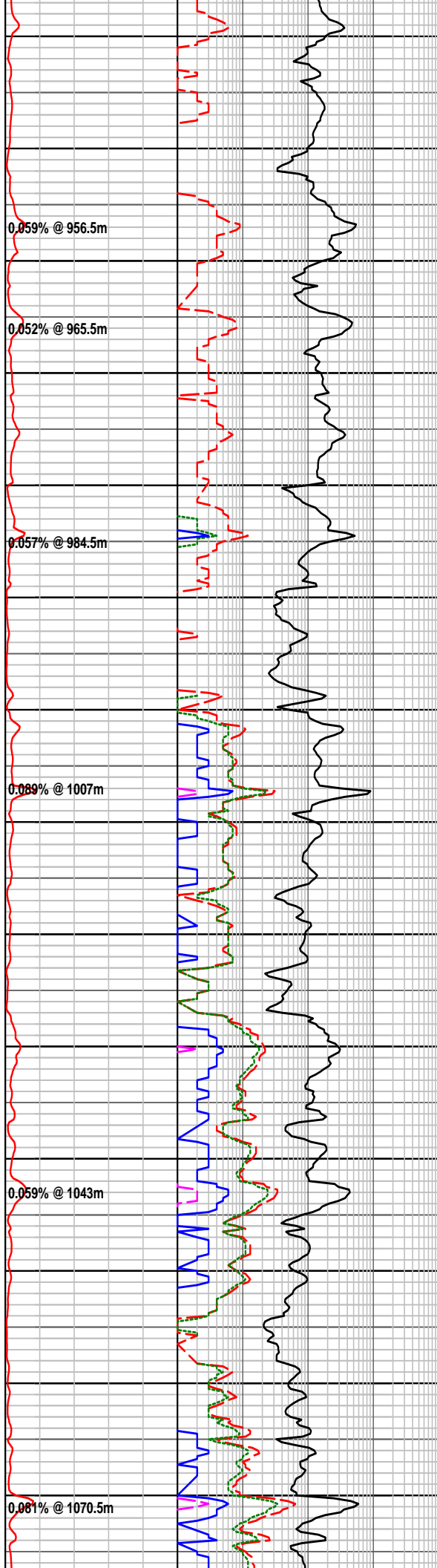
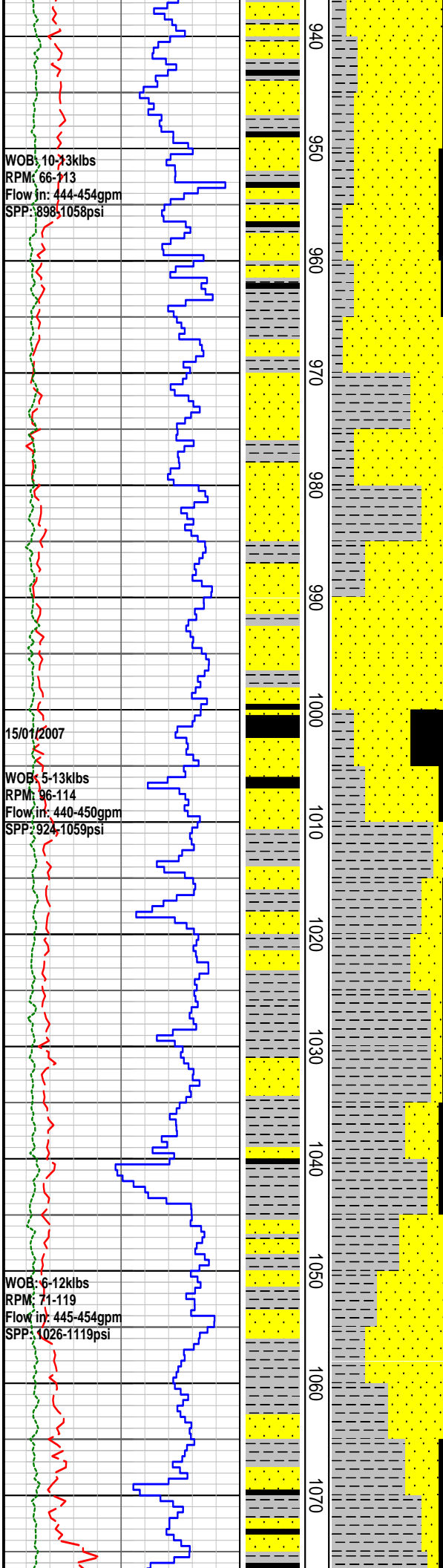
Coal: v dk bn-bk, oft v arg, ethy lstr, blkly-ptylty frac where arg, sbvlt lstr w/sbconch frac where clean, hd.

Claystone: lt-dk bn gy-med gy, oft v slty, oft v f aren w/altrd felds grn, mod carb i/p, abdnt blk carb flks & coaly det, com mic, com cacil lined frac, mod hd, sbfiss.

Sandstone: off wh-med grn gy, vf-occ med, dom f, sbang-rnd, mod srted, abnt off wh arg mtx, mtr sprtd, mod-strng sil & calc cmt, abnt off wh altrd felds

grn, com gy grn volc lith, tr rd brn lith & qtz grn com blk coal det, tr-com calc lined frac, hd, no





vis por, no intergranular oil fluor

Fluorescence (930m-935m): the calc frac infill matl has tr mod brt ptchy lt yel fluor, wk dull wh crsh cut, tr res.

Coal: v dk brn-blk, oft v arg, ethy lstr, blkly-plty frac where arg, subvit lstr w/subconch frac where clean, hd.

Claystone: lt-dk brn-med gy, oft v slty, oft v aren w/altrd felds grn, mod carb i/p, tr-com blk carb flks & coal det, com mic, tr calc lined frac, hd, sbfiss.

Survey @ 987.00m  
Inc=5.00 deg Azi=357.00 deg  
TVD=986.17m

Sandstone: off wh-med grn gy, vf-med, dom f grn, sbang-rnd, mod srtd, abnt off wh arg mtx, mtx sprtd, mod-strng sli & calc cmt, abnt off wh altrd felds grn, com gy grn volc lith,

tr rd brn lith & qtz grn, com blk coal det, tr calc lined frac, hr, no vis por, no oil fluor.

MWIN:8.60ppg Mud temp:51deg  
PV/YP:15/18FV:51Gels:2/3  
Solids:1.6% pH:9.5

Coal: bk, mod arg i/p, ethy lstr, blkly-sbconch ethy-sbvit lstr, hd, brttl

Sandstone: off wh-med grn gy, vf-occ f, dom v f, sbang-rnd, mod srtd, abnt off wh arg mtx, mtx sprtd, mod-strng sli & calc cmt, abnt off wh altrd felds

grn, com gy grn volc lith, tr rd brn lith & qtz g rn com blk coal det, tr calc lined frac, hd, no vis por, no oil fluor.

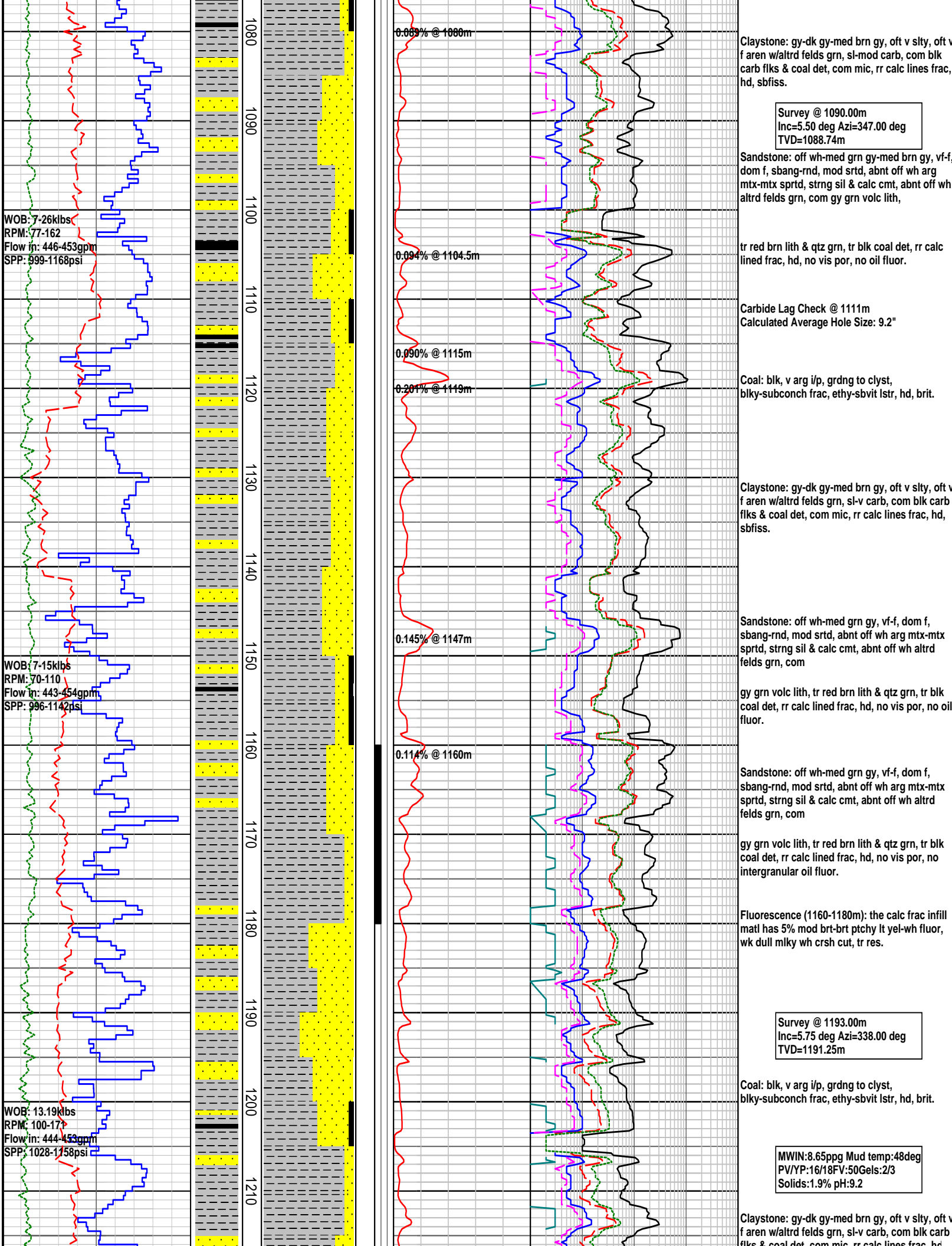
Claystone: med-dk gy-med-dk bn gy, oft v slty, occ v f aren w/altrd felds grn, mod-v carb i/p, com blk carb flks & coal det, com mic, tr calc lined frac, hd, sbfiss.

Coal: bk, mod arg i/p, ethy lstr, blkly-sbconch ethy-sbvit lstr, hd, brttl

Sandstone: off wh-med grn gy, vf-f, dom v f, sbang-rnd, mod srtd, abnt off wh arg mtx, mtx sprtd, mod-strng sli & calc cmt, abnt off wh altrd felds

grn, com gy grn volc lith, tr rd brn lith & qtz g rn com blk coal det, rare calc lined frac, hd, no vis por, no oil fluor.

Claystone: med-dk gy-med-dk bn gy, oft v slty, occ v f aren w/altrd felds grn, v carb i/p, abnt blk carb flks & coal det, com mic, tr calc lined frac, hd, sbfiss.



16/01/2007

WOB: 11-20kibs  
RPM: 66-165  
Flow in: 444-452gpm  
SPP: 1073-1199psi

WOB: 15-31kibs  
RPM: 84-121  
Flow in: 444-453gpm  
SPP: 1100-1218psi

WOB: 8-30kibs  
RPM: 77-115  
Flow in: 444-459gpm  
SPP: 1030-1247psi

1220  
1230  
1240  
1250  
1260  
1270  
1280  
1290  
1300  
1310  
1320  
1330  
1340  
1350

0.0566% @ 1228.5m

lks & coal det, com mic, tr calc lines frac, no  
sbfiiss.

Claystone: med-dk gy-med grn-med brn, oft v  
silty, v f aren w/altrd felds gr i/p, sli-mod carb,  
com blk carb flecks & coal det com micmic,  
tr-com calc lined frac, hd, sbfiiss.

Fluorescence (1240-1270): the calc frac infill  
has 5-10% mod brt-brt patchy pl yel fluor giving  
a wk dull yel wh crsh cut, tr res.

Sandstone: off wh-med grn gy, vf-f, dom f,  
sbang-rnd, mod srtd, abnt off wh arg mtx-mtx  
sprtd, strng sil & calc cmt, abnt off wh altrd  
felds grn, com

gy grn volc lith, tr red brn lith & qtz grn, tr blk  
coal det, tr-com calc lined frac, hd, no vis por,  
no intergranular oil fluor.

Sandstone: off wh-med grn gy-lt brn gy, vf-f,  
dom f, sbang-rnd, mod srtd, abnt off wh arg  
mtx-mtx sprtd, strng sil & calc cmt, abnt off wh  
altrd felds

grn, com gy grn volc lith, tr red brn lith & qtz  
grn, tr blk coal det, tr calc lined frac, hd-v hd, no  
vis por, no intergranular oil fluor.

Survey @ 1296.00m  
Inc=4.75 deg Azi=357.00 deg  
TVD=1293.82m

Fluorescence (1280-1290 & 1300-1305): the calc  
frac infill has tr mod brt-brt patchy pl yel fluor  
giving a wk dull yel wh crsh cut, tr res.

Claystone: gy-med grn gy-med brn gy, oft v silty  
v f aren w/altrd felds grn i/p, sl-mod carb, com  
blk carb flks & coal det, com mic, tr calc lines  
frac, hd, sbfiiss.

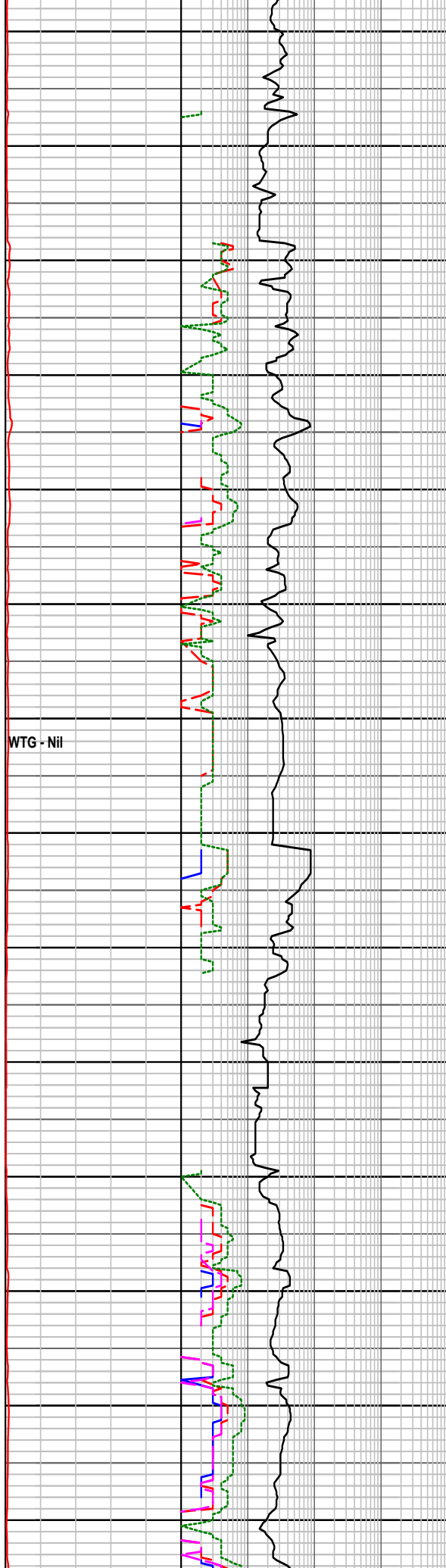
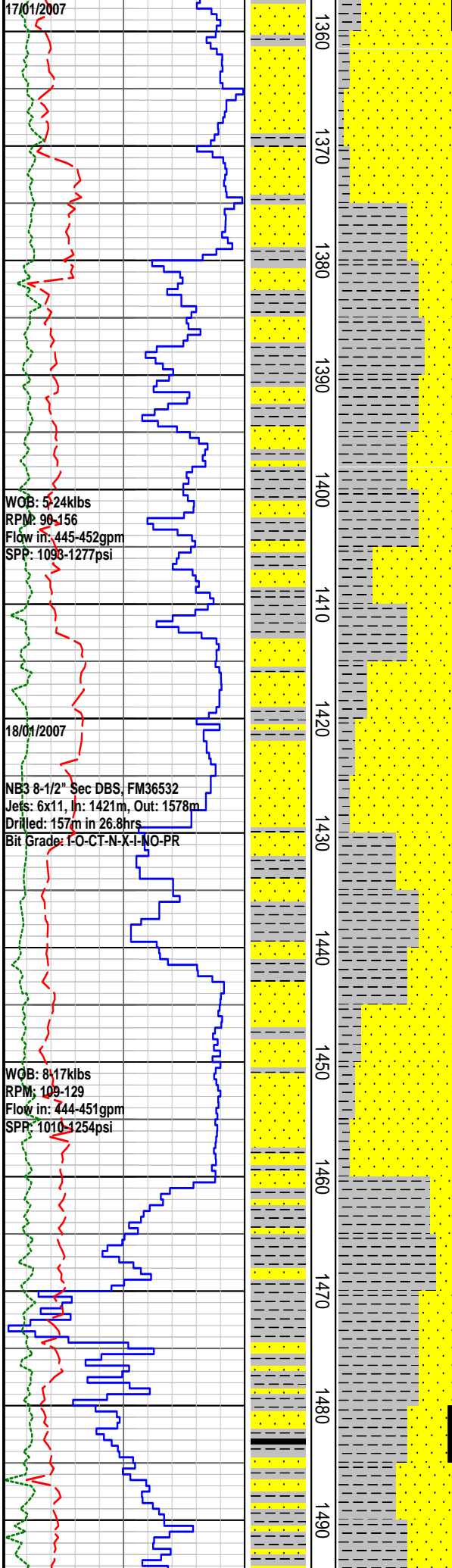
Carbide Lag Check @ 1318m  
Calculated Average Hole Size: 10.0"

Fluorescence (1310-1330 & 1335-1340): the calc  
frac infill has 10-20% mod brt-brt patchy pl yel  
fluor giving a wk dull yel wh crsh cut, thin

ring res, tr med dk brn oil staining on some calc  
xtal surf.

Sandstone: off wh-med grn gy, vf-f, dom f,  
sbang-rnd, mod srtd, abnt off wh arg mtx-mtx  
sprtd, strng sil & calc cmt, abnt off wh altrd  
felds grn, com

gy grn volc lith, tr red brn lith & qtz grn, tr blk  
coal det, com calc & tr goethite lined frac, hd-v  
hd, no vis por, no integranular oil fluor.



Claystone: gy-med grn gy-med brn gy, oft v slty  
v f aren w/altrd felds grn i/p, sl-mod carb, com  
blk carb flks & coal det, com mic, tr calc lines  
frac, hd, sbfiss.

Fluorescence (1370-1375): the calc fract infill  
has 5% mod bri -bri ptchy pl yel fluor giving a  
wk dull yel wh crsh cut, tr res.

Sandstone: off wh-med grn gy, vf-f, dom f,  
sbang-rnd, mod srtd, abnt off wh arg mtx-mtx  
sprtd, strng sil & calc cmt, abnt off wh altrd  
felds grn, com

gy grn volc lith, tr red brn lith & qtz grn, tr blk  
coal det, rr calc lined frac, hd, no vis por, no  
intergranular oil fluor.

Survey @ 1399.00m  
Inc=4.00 deg Azi=352.00 deg  
TVD=1396.52m

Sandstone: off wh-med grn gy, vf-f, dom vf,  
sbang-rnd, mod srtd, abnt off wh arg mtx-mtx  
sprtd, strng sil & calc cmt, abnt off wh altrd  
felds grn, com

gy grn volc lith, tr red brn lith & qtz grn, com blk  
coal det, tr calc lined frac, hd-v hd, no vis por,  
no intergranular oil fluor.

WTG - Nil

POOH to change bit.

Sandstone: off wh-med grn gy, vf-med, dom  
f-med, sbang-rnd, mod srtd, abnt off wh arg  
mtx-mtx sprtd, v strng sil & calc cmt, abnt off  
wh altrd

felds grn, com gy grn volc lith, tr red brn lith &  
qtz grn, tr blk coal det, rr calc lined frac, v hd,  
no vis por, no intergranular oil fluor.

Claystone: gy-dk gy-med brn gy-med grn gy, of  
v slty, v f aren w/altrd felds grn i/p, sl-mod carb,  
com blk carb flks & coal det, com mic, rr calc  
lines frac, hd, sbfiss.

Sandstone: off wh-med grn gy, vf-med, dom  
med, sbang-rnd, mod srtd, abnt off wh arg  
mtx-mtx sprtd, strng sil & calc cmt, abnt off wh  
altrd felds grn, com gy grn volc lith, tr red

brn lith & qtz grn, tr blk coal det, hd-v hd, no vis  
por, no oil fluor.

Claystone: gy-dk gy-med grn gy-med brn gy, v  
slty i/p, vf aren w/altrd felds gr i/o, sl-mod carb,  
tr blk carb flks & coal det com mic, hd, sbfiss.

Fluorescence (1470-1485 & 1490-1505): the calc  
frac infill has tr-5% mod bri-bri ptchy pl yel fluor  
giving a wk dull yel wh crsh cut, tr res.

Sandstone: off wh-med grn gy, vf-f, dom f,  
sbang-rnd, mod srtd, abnt off wh arg mtx-mtx  
sprtd, strng sil & calc cmt, abnt off wh altrd  
felds grn, com



WOB: 5-15klbs  
RPM: 53-133  
Flow in: 439-487gpm  
SPP: 1106-1183psi

19/01/2007

WOB: 4-18klbs  
RPM: 80-129  
Flow in: 443-451gpm  
SPP: 1058-1433psi

20/01/2007

NS4 8-1/2" Sec DBS, XS16D  
Jets: 3x13, In: 1578m, Out: 1810m  
Drilled: 232m in 61.2hrs  
Bit Grade: 2-4-WT-S-B-I-SS-PR

WOB 1.8-29.85 klbs  
RPM 89-136  
Flow in: 441-458gpm  
SPP: 1056-1684psi

1500  
1510  
1520  
1530  
1540  
1550  
1560  
1570  
1580  
1590  
1600  
1610  
1620  
1630

TG 0.0085% @ 1578m

gy grn volc lith, tr red brn lith & qtz grn, tr blk coal det, tr calc lined frac, hd-v hd, no vis por, no intergranular oil fluor.

Survey @ 1493.00m  
Inc=4.00 deg Azi=350.00 deg  
TVD=1490.27m

Sandstone: off wh-med grn gy, vf-med, dom f, sbang-rnd, mod srtd, abnt off wh arg mtx-mtx sprtd, strng sil & calc cmt, abnt off wh altrd felds

grn, com gy grn volc lith, tr red brn lith & qtz grn, tr blk coal det, tr calc lined frac, hd-v hd, no vis por, no oil fluor.

Claystone: gy-v dk gy-med grn gy-med brn gy, v slty i/p, v f aren w/altrd felds gr i/p, mod-v carb, grd i/p-argll coal, com blk carb flecks, & coal det, com

mic, tr calc lined frac, hd, sbfiss.

Sandstone: off wh-med grn gy, vf-f, dom vf, sbang-rnd, mod srtd, abnt off wh arg mtx-mtx sprtd, strng sil & calc cmt, abnt off wh altrd felds

grn, com gy grn volc lith, tr red brn lith & qtz grn, com blk coal det, tr calc lined frac, hd-v hd, no vis por, no oil fluor.

Claystone: gy-dkgy-med grn gy-med brn gy, v slty i/p, vf aren w/altrd felds grn i/p, sli-mod carb, com blk carb flecks & coaly det, com mic, tr calc lined frac, hd, sbfiss-fiss.

POOH to change bit.

Sandstone: off wh-med grn gy,vf-med, dom f, sbang-rnd, mod srtd, abnt off wh arg mtx-mtx sprtd, v strng sil & calc cmt, abnt off wh altrd felds grn,

com gy grn volc lith, tr red brn lith & qtz grns, com blk coal det, tr calc lined fracv, v hd, no vis por, no oil fluor.

Survey @ 1596.00m  
Inc=3.25 deg Azi=354.00 deg  
TVD=1593.03m

Claystone: gy-dkgy-med grn gy-med brn gy, v slty i/p, vf aren w/altrd felds grn i/p, sli-mod carb, com blk carb flecks & coaly det, com mic, tr calc lined frac, hd, sbfiss-fiss.

Fluorescence (1620-1630): the wh xtl'n calc frac infill (tr-5% of tot spl) has 50-80% brt ptchy v pl yel wh fluor giving a wk instant followed by strng

brt milky crsh cut, thk rr yel wh ring res.

21/01/2007

WOB: 5.75-35.96 klbs  
RPM: 77-190  
Flow in: 428-834gpm  
SPP: 1439-1738psi

WOB: 18-33klbs  
RPM: 72-85  
Flow in: 443-455gpm  
SPP: 1332-1822psi

22/01/2007

WOB: 21-33klbs  
RPM: 149-183  
Flow in: 330-349gpm  
SPP: 894-1015psi

1640  
1650  
1660  
1670  
1680  
1690  
1700  
1710  
1720  
1730  
1740  
1750  
1760  
1770

WTG 0.0082% @ 1722m

Sandstone: off wh-med grn gy, vf-f, dom vf, sbang-rnd, mod srtd, abnt off wh arg mtx-mtx sprtd, strng sil & calc cmt, abnt off wh altrd felds grn, com

gy grn volc lith, tr red brn lith, tr blk coal det, tr calc lined frac, hd-v hd, no vis por, no oil fluor.

MWIN:9.0ppg Mud temp:54deg  
PV/YP:19/19 FV:51 Gels:2/3  
Solids:4.3% pH:10.0

Sandstone: off wh-med grn gy, vf-f, dom f, sbang-rnd, mod srtd, abnt off wh arg mtx-mtx sprtd, v strng sil & calc cmt, abnt off wh altrd felds grn,

com gy grn volc lith, tr red brn lith, tr-com blk coal det, tr calc lined frac, v hd, no vis por, no oil fluor.

Claystone: gy-dkgy-occ med brn gy-med grn gy, v slty i/p, vf aren w/altrd felds grn i/p, mod carb, tr-com blk carb flecks & coaly det, com mic, tr calc lined frac, hd, sbfiss-fiss.

Survey @ 1710.00m  
Inc=3.00 deg Azi=47.00 deg  
TVD=1706.88m

Sandstone: off wh-med grn gy, vf-f, dom vf, sbang-rnd, mod srtd, abnt off wh arg mtx-mtx sprtd, strng sil & calc cmt, abnt off wh altrd felds grn, com

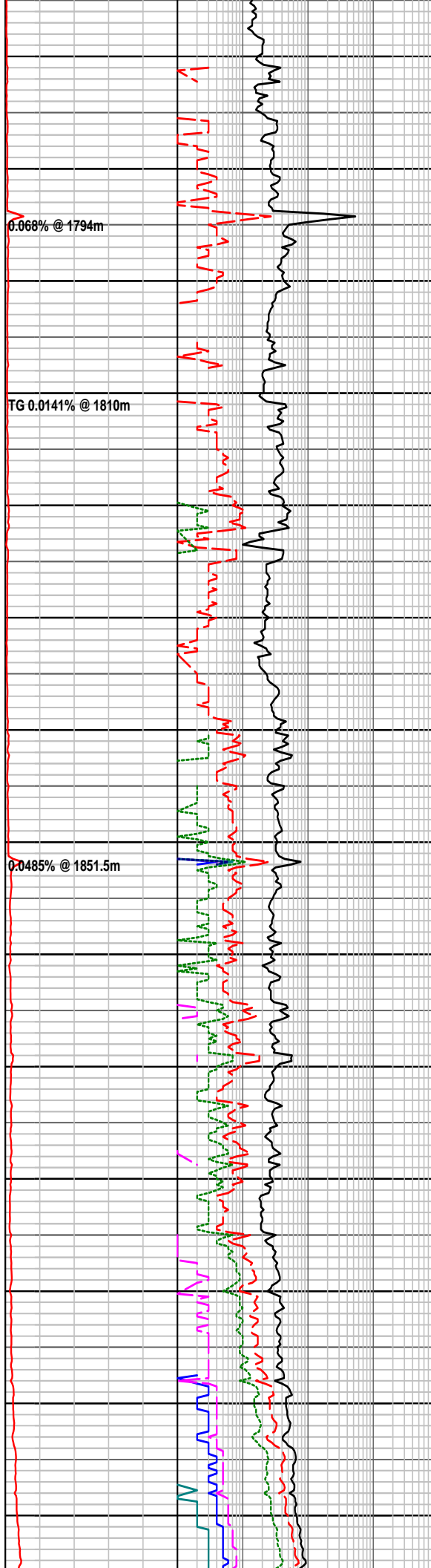
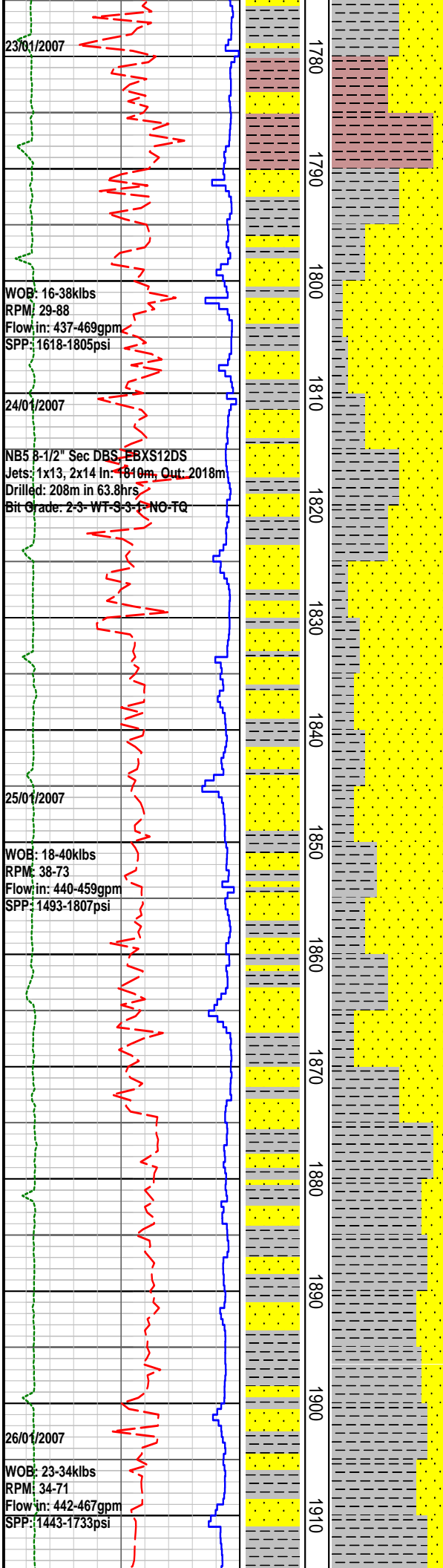
gy grn volc lith, tr red brn lith, tr blk coal det, tr calc lined frac, hd-v hd, no vis por, no oil fluor.

Claystone: gy-dk gy-med brn gy, v slty i/p, vf aren w/altrd felds gr i/p, mod carb, tr-com blk carb flecks & coal det, com micmic, rr calc lined frac, hd, sbfiss-fiss.

Sandstone: off wh-med grn gy, vf-f, dom f sbang-rnd, mod srtd, abnt off wh arg mtx-mtx sprtd, v strng sil & mod calc cmt, abnt off wh altrd felds

grn, com gy grn volc lith, tr red brn lith & qtz grn, tr-com blk coal det, rr calc lined frac, v hd, no vis por, no oil fluor.

MWIN:9.15ppg Mud temp:58deg  
PV/YP:23/25 FV:56 Gels:3/4  
Solids:5.3% pH:10.2



Shale: med brn-med dk brn gy-dk gy, mod slty i/p, mod carb, tr micmic, tr calcite & geothite lined frac, hd, sil text, subfiss.

Sandstone: off wh-med grn, vf-occ f, sbnd-rnd, mod srtd, abnt gn argil mtx, v strng sil, wk-mod calc cmt, abnt altd feld gr, com gy gn lith, com

rd brn lith, tr qtz gr, tr f brn mic flks, tr blk coal det, tr calcite and geothite lined frac, v hd, no vis por, no oil fluor.

Claystone: off wh-med brn-med brn gy-med dk gy, v slty i/p, v f aren w/altrd felds grn i/p, sl-v carb, tr-com blk carb flks & coal det, com mic, t calc lined frac, hd sbfiss-fiss.

Survey @ 1821.00m  
Inc=2.25 deg Azi=68.00 deg  
TVD=1817.77m

Sandstone: off wh-med grn gy, vf-f, dom f, sbang-rnd, mod srtd, abnt off wh arg mtx-mtx sprtd, v strng sil, mod calc cmt, abnt off wh altd felds gr,

com gy grn rd & brn lith, tr-com qtz gr, tr-com blk coal det, tr calc lined frac, v hd, no vis por, no oil fluor.

Fluorescence (1830-1855): the calc vein infill has tr-20% mod brt, ptchy, v pl, yel fluor, giving a wk milky wh crsh cut, tr res.

Sandstone: off wh-med grn gy, vf-f, dom f, sbang-rnd, mod srtd, abnt off wh arg mtx-mtx sprtd, v strng sil, mod calc cmt, abnt off wh altd felds gr,

com gy grn rd & brn lith, tr-com qtz gr, tr blk coal det, tr calc lined frac, v hd, no vis por, no intergranular oil fluor.

Sandstone: off wh-med grn gy, vf-occ med, dom f, sbang-rnd, mod srtd, abnt off wh arg mtx-mtx sprtd, v strng sil, mod calc cmt, abnt off wh altd felds

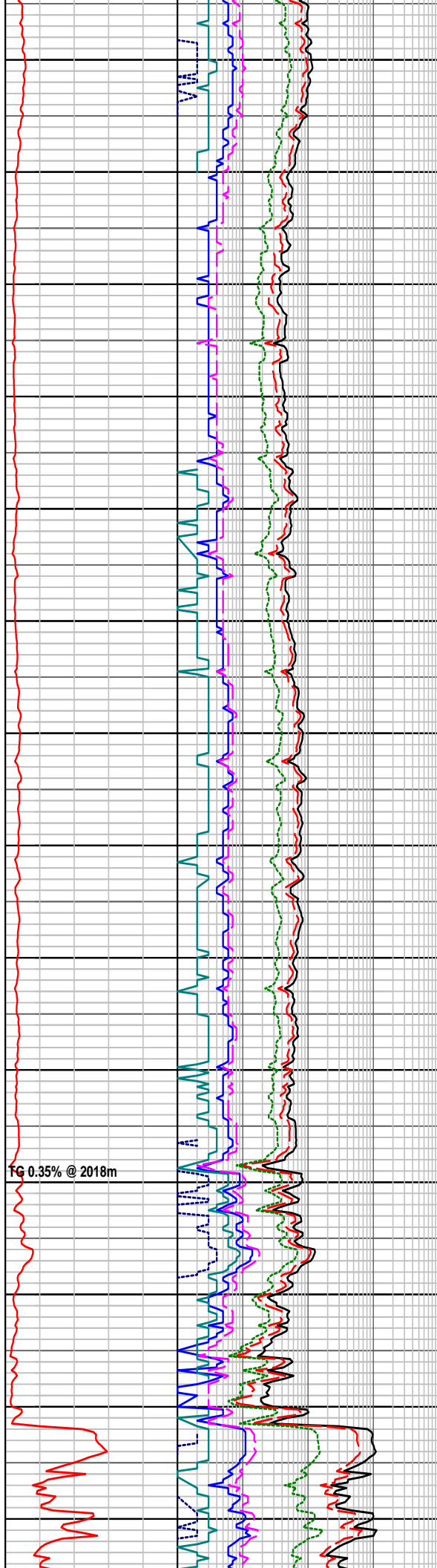
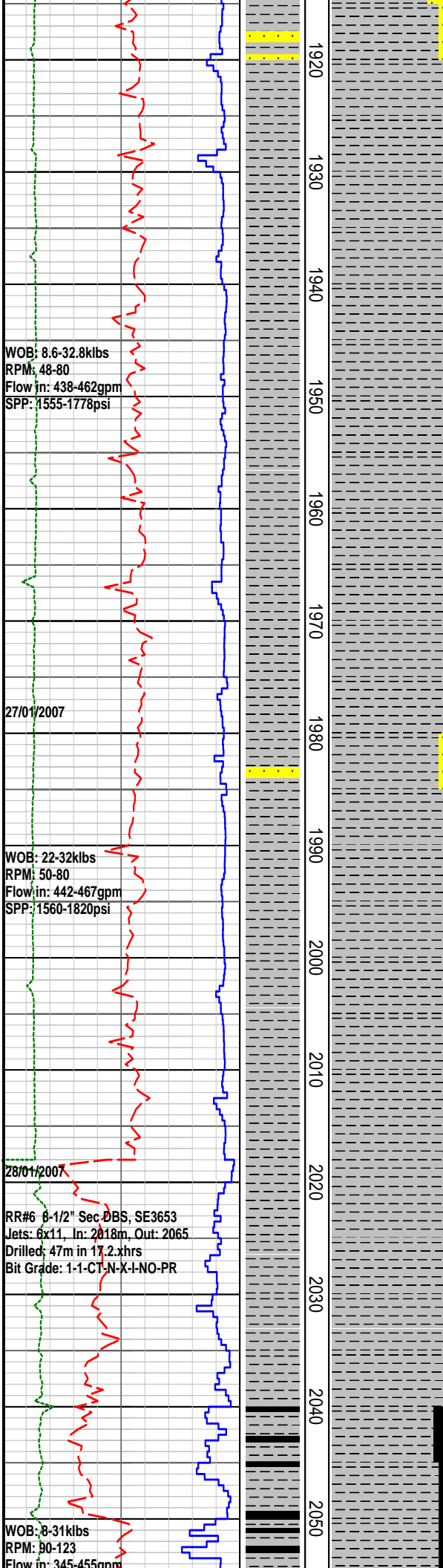
gr, com gy grn, rd & brn lith, tr qtz gr, tr blk coal det, tr calc lined frac, v hd, no vis por, no oil fluor.

Claystone: lt-v dk gy-med brn gy-med brn, occ slty, v f aren w/altrd felds grn i/p, mod carb, tr blk carb flks & coal det, com mic, tr calc lined frac, hd sbfiss.

MWIN:9.20ppg Mud temp:59deg  
PV/YP:19/21 FV:55 Gels:3/3  
Solids:5.7% pH:10.0

Sandstone: off wh-med brn gy, vf, sbang-rnd, mod srtd, abnt off wh arg mtx-mtx sprtd, v strng sil & calc cmt, abnt off wh altd felds gr, mtx sprtd,

com gy grn, rd & brn lith, tr qtz gr, tr blk coal det, tr calc lined frac, v hd, no vis por, no oil fluor.



det, tr calc lined frac, v nd, no vis por, no of fluor.

Survey @ 1915.00m  
Inc=3.75 deg Azi=96.00 deg  
TVD=1911.64m

Claystone: dk-v dk gy, occ mod slty, rr v f aren w/altrd felds grn, mod-dom v carb, tr blk carb flks & coal det, com mic, tr calc lined frac, hd sbfiss.

Claystone: dk-v dk gy, occ mod slty, rr v f aren w/altrd felds grn, mod-dom v carb, tr blk carb flks & coal det, com mic, tr calc lined frac, hd sbfiss.

Claystone: dk-v dk gy, rr med brn gy, occ mod slty, mod-dom v carb, tr black carb flks, coal det, com micmic, rr calc lnd fract, hd-sbfiss

MWIN:9.30ppg Mud temp:59.2deg  
PV/YP:20/22 FV:56  
Gels:4/5  
Solids:6.4% pH:9.8

Sandstone: off wh-med brn gy, vf, sbang-rnd, mod srtld, abnt off wh arg mtx-mtx sprtd, abnt off wh altrd felds gr, no shows

Claystone: dk-v dk brn, occ slig slty, dom v carb, tr blk carb flks & coal det, com mic, tr calc lined frac, hd sbfiss.

MWIN:9.25ppg Mud temp:59.1deg  
PV/YP:19/23 FV:55 Gels:4/6  
Solids:6.0% pH:10.5

Survey @ 2006.00m  
Inc=6.75 deg Azi=79.00 deg  
TVD=2002.25m

POOH to change bit.

Claystone: dk-v dk gy, rr med brn gy, occ mod slty, mod-dom v carb, tr black carb flks, coal det, com micmic, rr calc lnd fract, hd-sbfiss

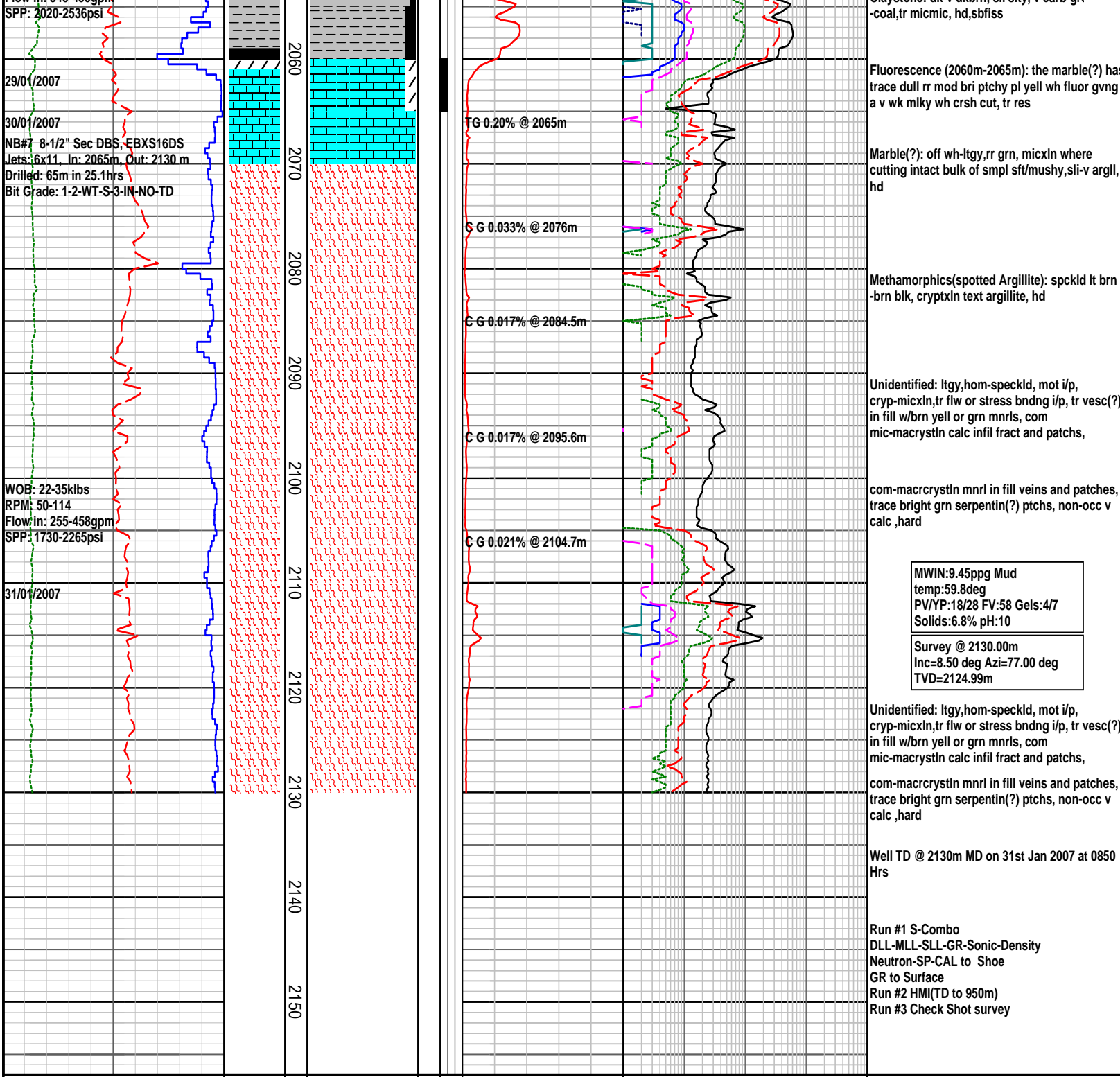
MWIN:9.30ppg Mud temp:54.3deg  
PV/YP:19/26 FV:58 Gels:4/6  
Solids:6.4% pH:10

Coal: dom v dkbrn, v argill, blk where cln, sbvit-ethy lstr, plty-blky fract, com slcknsd sfc, hd-brit, n fluor but gv a wk dull yell crsh cut, tr res

Survey @ 2053.00m  
Inc=8.50 deg Azi=77.00 deg  
TVD=2048.83m

Claystone: dk-v dkbrn, sli slty, v carb-rr





FORMATION EVALUATION LOG

RATE OF PENETRATION											INTERPRETED LITHOLOGY	MD meters 1:500	LITHOLOGY	CORE	OIL SHOWS	TOTAL GAS	CHROMATOGRAPH				REMARKS	
ROP (0-50m/hr)																	1	Methane ppm				10000
Backup ROP (50-200m/hr)																	1	Ethane ppm				10000
WOB (klb)																	1	Propane ppm				10000
TORQUE AVG																	1	iso-Butane ppm				10000
																	1	n-Butane ppm				10000
																	1	iso-Pentane ppm				10000
																	n-Pentane ppm					
																	10	100	1000	10000		
50	45	40	35	30	25	20	15	10	5													
200	185	170	155	140	125	110	95	80	65													
5	10	15	20	25	30	35	40	45	50													
5	10	15	20	25	30	35	40	45	50													



# INTEQ

Company	Karoon Gas Pty.Ltd.
Well	Megascolides-2
Permit	PEP162/EL4537
Region	Western Gippsland Basin, Narracan Trough
Designation	Vertical Exploration
Surface Loc.	Lat: 38deg 14min 02.228sec Long: 145deg 53min 39.158sec
Ref Elevation	156.2mRT to MSL
Total Depth	2130m MDRT
Contractor	Century Energy Services Pty. Ltd.
Rig	Century Rig 11
Type	Land Rig Rotary Drive

## LOG INTERVAL

Depth	2130m MDRT
Date	31 Jan 2007
Scale	1:500
Data Engineers	Shaharizad, Rio Marasigan, Bambang Budiarto, Shantosh K
Logging Geologists	N/A

## INTEQ LOG SUITE

Formation Evaluation  
Drilling Data Plot

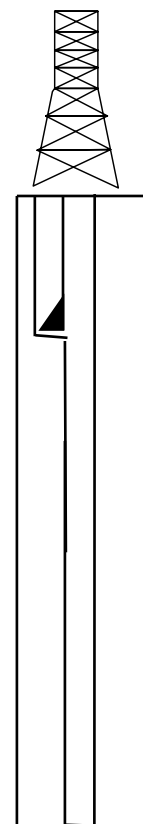
Drilling Data Pressure Plot  
Pressure Summary Plot

## 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 Resistivity
SWG	Swab Gas	TVD	True Vertical Depth

## LITHOLOGY SYMBOLS

Limestone Ls	Dolomite Dol	Marl Mrl	Argillaceous Limestone Arg Lst
Claystone Clyst	Siltstone Siltst	Sandstone Sst	Shale
Coal C	Fossil Fragments FF	No Returns NR	Cement Cmt
Volcanics Volc	Glauconite Glauc	Pyrite Pyr	Chert Cht



Datum, Rotary Table  
GL 5.2 m RT

GL @ 151 m AMSL

Drilling Fluid: 8.70ppg-9.10ppg

9 5/8" casing at 506m.

LOT @ 513m: 22.3ppg EMW

Drilling Fluid: 8.55ppg-9.45ppg

Drill 8 1/2" hole from 510m to 2130m

Well was P & A

	Casing Seat		Wireline Logs
	Liner Hanger		Formation Test
	Cored Interval		Sidewall Core
	Unrecovered		No Recovery
	Test Interval		No Recovery
	Mechanical Sidewall Core		No Recovery



## **END OF WELL REPORT**

**Karooon Gas Australia Pty. Ltd.**

**MEGASCOLIDES 2**

**04/01/07 - 02/02/07**

**by**

**BAKER HUGHES INTEQ**

The information, interpretations, recommendations, or opinions contained herein are advisory only and may be rejected. Consultant does not warrant their accuracy or correctness. Nothing contained herein shall be deemed to be inconsistent with, nor expand, modify or alter Consultants obligation of performance as provided for in a written agreement between the parties, or, if none, in Consultant's most recent price list.

# **Megascolides 2**

## **Final Well Report**

<b>SECTION 1</b>	Well Summary	
<b>SECTION 2</b>	Drilling and Engineering	
	2.1	Bit Run Summaries (Bit Table)
	2.2	Bit Run Hydraulic Summaries (Bit Hydraulics Table)
<b>SECTION 3</b>	Survey Summary	
<b>SECTION 4</b>	Geology & Shows	
	4.1	Geology Summary and Shows
<b>SECTION 5</b>	Sampling Summary and Record of Distribution	
<b>SECTION 6</b>	Time Depth Curve	
<b>SECTION 7</b>	Appendices	
	Formation Evaluation Log	1 : 500
	Drilling Data Plot	1 : 500

## **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:	156.2mRT to MSL
Drill Floor Elevation:	5.2m
Surface Co-ordinates:	Lat: 38deg 14min 02.228sec Long: 145deg 53min 39.158sec Datum: GDA 94, Zone 55
Block:	PEP 162 / EL4537
Well Type:	Vertical Exploration
Spud date:	04/01/07
Total Depth:	2130m
TD Date:	08:50hrs, 31/01/07
Primary Objective:	Top Crayfish, 1672m RT
Well Status:	Plug and Abandon
Baker Hughes INTEQ Crew:	Shaharizad, Rio Marasigan, Bambang Budiarto Shantosh Kulkarni
Data Engineers:	Shaharizad, Rio Marasigan, Bambang Budiarto Shantosh Kulkarni
Karooon Gas Representatives:	Bruce Pilat, Chris Dann (Companyman), David Horner (Wellsite Geologist)

## **SECTION 2**

### **Drilling and Engineering**



BIT TABLE 2.1

<div></div>		LOCATION / WELL NAME		Rotary Type Abbreviations				Geology Abbreviations				A - All Rows				Dull Grade & Reason Pulled Abbreviations				JD - Junk Damage				<div></div>	
		Australia (Victoria)/ Megascoides 2		TS - Top Drive System				Sd - Sand				BC - Broken Cone				PR - Penetration rate				LHI - Left In Hole					
		OPERATOR		RT - Rotary Table				Sst - Sandstone				BHA - Bottomhole Assembly				RG - Rounded Gauge				LOG - Rom Logs					
		Karooon Gas Australia Pty. Ltd.		PD - Positive Displacement Motor				Lst - Limestone				BU - Balled Up Bit				SD - Short Tail Damage				LT - Lost Teeth					
CONTRACTOR / RIG		SB - Storable PDM & Bent Sub				Slt - Silt				CM - Condition Mud				FC - Flat Crested Wear				TQ - Torque				M - Middle Rows			
Century Energy Services Rig 11		M - suffix designates MWD				Cl - Clay				G - Gauge Rows				TW - Twist Off				WC - Weather Condition				MH - Mud Heel			
		Mud Type Abbreviations				Volc - Volcanics				DP - Drill Plug				IHP - Hole Problems				WT - Worn Teeth				NO - No Dull Wear			
		PHG - Gel Sweeps AQ - Aquacol				Dol - Dolomite				DSF - Drill String Failure				I - In Gauge								O - Out of Gauge			
		WB - Bentonite/polymer Mud																				PP - Pump Pressure			

BHA No.	Bit No.	Vendor	Type	Serial Number	Size (in)	IADC Code	Nozzles (x 1/32")	Depth		Drilled m	ROP (m/hr)	WOB (klb)	RPM (at bit)	TORQ (klb-ft)	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")																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
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12 1/4" HOLE SECTION																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
1	NB1	Security	XS15	10826043	12.25		3x20	15	510	495	40.2	12.3	2-27	98-150	0.3-10.1	255.5	Yes	155-1745	164-780	0.8	Clst,Sst,Coal	9.1	WB	5.13	2	2	WT	A	E	I	SS	TD																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														</



## HYDRAULICS TABLE 2.2

<div>  <div> <b>Hydraulics Summary Table</b>  <b>Megascolides 2 Gippsland Basin</b> </div>  </div>																					
		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				Jet Vel ft/sec	HHP hho	HHP /in <sup>2</sup> hp/in <sup>2</sup>	Impact Force lbf/in <sup>2</sup>	Bit Pr. Loss psi	%SPP Loss	Calc. SPP psi	Actual flowrate calc.
										DP Casing	DP OH	DC OH	Crit								
NB1	510	12.25	12.25	3x20	N	9.10	Waterbased	164-780	9.3	101.4	110.5	129.2	-	203.9	243.7	0.9	4.8	294	41.1	715	585
NB2	1421	8.5	9.2	5x11	N	8.70	Waterbased	371-492	9	185.9	171.3	242.0	-	311.1	374.6	3.1	11.1	654	45.8	1428	450
NB3	1578	8.5	10.04	6x11	N	8.90	Waterbased	439-487	9.1	185.9	136.9	178.7	-	259.3	341.1	2.2	9.5	464	35.7	1301	450
NB4	1810	8.5	10.04	3x13	N	9	Waterbased	424-475	9.2	185.9	136.9	178.7	-	347.6	503.4	4.5	13.7	963	50.2	1301	450
NB5	2018	8.5	10.04	1x11,2x14	N	9	Waterbased	424-475	9.2	185.9	125.5	159.6	-	371.3	512.5	4.6	14.0	979	50.0	1954	450
RR6	2065	8.5	10.04	6x11	N	9.30	Waterbased	280-320	9.6	132.2	97.4	142.0	-	184.4	166.4	0.8	5.0	245	27.5	892	320
NB7	2130	8.5	10.04	3x13	N	9.45	Waterbased	430 - 450	9.7	180.9	133.3	194.3	-	361.4	517.7	4.4	13.7	958	47.2	2080	438

## **SECTION 3**

### **SURVEY SUMMARY**

# TOTCO SURVEYS

## Megascolides 2

Interval (m) Survey	Inclination Degrees	Azimuth Degrees	TVD (m)
67.00m	0.00	360.00	67.00
166.00m	1.25	360.00	165.99
204.00m	1.00	360.00	203.98
316.00m	1.50	360.00	315.96
419.00m	0.75	360.00	418.94
503.00m	1.00	360.00	502.93
705.00m	3.00	360.00	704.79
771.00m	3.00	7.00	770.70
884.00m	4.00	7.00	883.49
987.00m	5.00	357.00	986.17
1090.00m	5.50	347.00	1088.74
1193.00m	5.75	338.00	1191.25
1296.00m	4.75	357.00	1293.82
1399.00m	4.00	352.00	1396.52
1493.00m	4.50	350.00	1490.27
1596.00m	3.25	354.00	1593.03
1710.00m	3.00	47.00	1706.88
1821.00m	2.25	68.00	1817.77

Interval (m) Survey	Inclination Degrees	Azimuth Degrees	Azimuth Degrees
1915.00m	3.75	96.00	1911.64
2006.00m	6.75	79.00	2002.25
2053.00m	8.50	77.00	2048.83
2130.00m	8.50	77.00	2124.99

## **SECTION 4**

### **GEOLOGY & SHOWS**

## 4.1 GEOLOGY AND SHOWS

Mud Logging Services for Megascolides 2 commenced from the start of the 12-1/4" surface hole section to 510m. 9-5/8" casing was set prior to continue drill 8-1/2" TD at 2130m. Cuttings samples were collected at every 10m interval for the 12-1/4" hole section (15m to 510m). Samples were collected at 5m intervals from 515m to 2130m. The main object of drilling the well was to evaluate the reservoir section previously encountered in Megascolides -1.

Megascolides 2 (Karoo Gas Australia Pty. Ltd.) was spudded at 14:00 hrs on 4 January 2007. All depths were measured from the Rotary Table 5.2m from ground level. Megascolides 2 was drilled to a total depth of 2130m

One sets of washed dried bulk samples

### 1 x 250 mg washed & dried sample for Department of Primary Industry (DPI):

Cardboard box #1 (30m-510 m) 10 m interval  
 Cardboard box # 2 (510m-610m) 5 m interval  
 Cardboard box # 3 (610m-720m) 5 m interval  
 Cardboard box # 4 (720m-870m) 5 m interval  
 Cardboard box # 5 (870m-1020m) 5m interval  
 Cardboard box # 6 (1020m-1170m) 5m interval  
 Cardboard box # 7 (1170m-1320m) 5m interval  
 Cardboard box # 8 (1320m-1470m) 5m interval  
 Cardboard box # 9 (1470m-1620m) 5m interval  
 Cardboard box # 10 (1620m-1770m) 5m interval  
 Cardboard box # 11 (1770m-1920m) 5m interval

One set of cuttings in samplex trays

### 1x 50g Samplex Tray Set for Karoon Gas Pty. Ltd.

Wooden box # 1 (30m-510m) 10 m interval  
 (510m-1610m) 5m interval.  
 Wooden box # 2 (1610m- td m) 5m interval

The lithology intersected at Megascolides-2 is summarized below started from 15m. For more detailed descriptions of the cuttings, please refer to the appendix section (Formation Evaluation Log).

## Surface – 40 m approximately

This section of the hole was comprised of volcanic rocks weathered to various colors of claystone. The Weathered Volcanics at the upper part of this section were predominantly dark yellowish orange to grayish orange, occasionally light reddish brown to dark brown and occasionally pale yellowish orange. It was generally very soft to slightly firm, very dispersed and very sticky with commonly coarse to very coarse angular to sub angular feldspatic grains. The lower part of this section varied from light greenish gray to brownish grey. The formation remained very soft, very soluble and very sticky. It presented as amorphous to sub blocky claystone sourced from weathered volcanics. There were also traces of argillaceous dark brown to black carbonaceous material of earthy luster that was soft to slightly firm at the lower part of this section.

No significant gas peaks were observed. Chromatograph analysis ranged from 5-9ppm of methane

## 40m – 68m approximately

The top of the Formation is comprised mainly of Claystone with occasional Sandstone. The claystone was light greenish grey to dark grey, amorphous to sub blocky. It was commonly very soft, very dispersed, very sticky and non calcareous. Traces of black, soft, formless and argillaceous carbonaceous material were also observed.

The Sandstones varied from off white to light yellow to grayish orange to yellowish brown. It was composed of coarse to very coarse grains that were angular to sub angular and was occasionally sub rounded and poor to moderately sorted. Traces of white to greenish grey argillaceous matrix (that was non calcareous), very weak silica cement and abundant transparent to translucent loose quartz grains were seen. Traces of dark grey to black carbonaceous materials were also found. No oil shows were observed. At lower parts of the section, the sandstone gradually became light grey to light olive grey to grey. The formation was dominantly composed of very coarse grains that were occasionally coarse, angular to sub angular, poor to moderately sorted, non calcareous and featured traces of argillaceous matrix with poor to no visual porosity and no hydrocarbon shows.

The lower section Claystones varied from light greenish grey to medium dark grey. It was very soft, very dispersed, very sticky, amorphous to sub blocky, very arenaceous in part and was grading to silty claystone. Traces of black carbonaceous material were been seen.

No significant gas peaks were recorded in this section. Chromatograph gas readings ranged from 10-12ppm.

## **68-820m approximately**

The formation consisted of interbedded claystone and sandstone with occasionally thin coal stringers towards the base of the section.

The upper Claystones of this formation varied from light greenish grey to brownish grey. They were generally very soft to slightly firm, moderately hard in part, dispersed, sticky, sub blocky to blocky, very arenaceous in part and grading to siltstone. The claystone was also slightly calcareous, sub fissile, with abundant carbonaceous detritus, traces of micro mica and traces pyrite.

The Sandstone at the upper section varied from light yellow to yellowish grey to olive grey to dark grey. They were occasionally light greenish grey to brownish grey, predominantly very fine to fine, occasionally medium to coarse in part, angular to sub angular, occasionally rounded in part, poor to moderately sorted, with very fine white to grey argillaceous matrix. It was slightly sticky, non calcareous with no visible cement and grading to siltstone. It was occasionally opaque in part, friable, with very poor to no visual porosity and no shows.

Occasionally thin Coal stringers and lamina were interbedded with Claystone and Sandstone. The Coal was argillaceous, dark brown to black, soft to slightly hard, sub platy to blocky fractured with an earthy to vitreous luster.

## **820-1884 m approximately**

The formation consisted of interbedded claystone and sandstones and a very rare trace of Coal stringer towards the base of the section.

**Sandstone:** The color ranged from light to medium green grey, very fine to fine, dominantly very fine, sub angular 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 were present. The sandstone was predominantly hard, with poor to moderately well sorted and inferred porosity was poor, trace oil fluorescence.

**Claystone:** The color varied was predominantly 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, micro

micas, and calcite and geothite lined fractures were commonly present. The claystone was hard and sub fissile.

The total gas ranged from 0.020% to 0.630% with an average of 0.02%. Chromatograph analyzed methane (118-1256ppm), ethane (17-2373ppm), propane (0-324ppm), iso butane (0-329ppm), normal butane (0-343ppm), iso pentane (0-341ppm), and normal pentane (0-350ppm)

## Fluorescence

Fluorescence (670m-685m): the calcite fracture infill material has 10% mod bright patchy light yellow fluorescence giving weak dull yellow white crush cut, trace residue.

Fluorescence (930m-935m): the calcite fracture infill material has trace moderately bright patchy light yellow fluorescence, weak dull white crush cut, trace residue

Fluorescence (1160-1180m): the calcite fracture infill material has 5% moderately bright-bright patchy light yellow-white fluorescence, weak dull milky white crush cut, trace residue.

Fluorescence (1240-1270m): the calcite fracture infill has 5-10% moderately bright-bright patchy pale yellow fluorescence giving a weak dull yellow white crush cut, trace residue.

Fluorescence (1280-1290 & 1300-1305m): the calcite fracture infill has trace moderately bright - bright patchy pale yellow fluorescence giving a weak dull yellow white crush cut, thin ring residue, trace medium dark brown oil staining on some calc crystallin surf.

Fluorescence (1310-1330 & 1335-1340m): the calcite fracture infill has 10-20% moderately bright - bright patchy pale yellow fluorescence giving a weak dull yellow white crush cut, thin ring residue, trace medium dark brown oil staining on some calc crystallin surf.

Fluorescence (1370-1375): The calcite fracture infill has 5% moderately bright –bright patchy pale yellow fluorescence giving a weak dull yellow white crush cut, trace residue.

Fluorescence (1470-1485): The calcite fracture infill has trace to 5% moderately bright –bright patchy pale yellow fluorescence giving a weak dull yellow white crush cut, trace residue.

Fluorescence (1490-1505): The calcite fracture infill has trace to 5% moderately bright –bright patchy pale yellow fluorescence giving a weak dull yellow white crush cut, trace residue.

Fluorescence (1620-1630): the white crystalline calcite fracture infill (tr-5% of total sample) has 50%-80% bright patchy very pale yellow white fluorescence giving a weak instant followed by strong bright milky crush cut, thick rare yellow white fluorescence.

Fluorescence (1830-1855): The calcite fracture infill has trace to 20% moderately bright –bright patchy pale yellow fluorescence giving a weak dull yellow white crush cut, trace residue.

Fluorescence (2060-2065): The Marble(?) has trace dull - rare moderately bright patchy pale yellow white fluorescence giving a very weak milky white crush cut, trace residue.

## 1884m – 2060 m



The 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 sub rounded, 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 clastics (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 slickenside, with common micro mica where argillaceous, vitreous, platy to sub conchoidal 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 micro mica, hard and sub fissile.

The total gas ranged from 0.01% to 0.365% with and averaged of 0.004%. Chromatograph analyzed methane (19-1438ppm), ethane (4-769ppm), propane (2-175ppm), iso butane (0-15ppm), normal butane (0-20ppm), iso-pentane (0-9ppm) and normal pentane (0-4ppm).

## 2060m – 2130 m

This formation was light grey, the cutting was hard, homogeneous to speckled, mottled in part, cryptocrystalline to microcrystalline, trace flow or stress banding in part was observable at places, trace vesicular (?) in filled with brown yellow or green minerals, common micro to macro crystalline calcite in filled fractures and patches, common yellow orange and brown crypto to macro crystalline mineral in filled veins and patches, the cutting contains traces bright green serpentine (?) patches, non to occasionally very calcareous, it was hard

The fluorescence from the Marble vein has trace dull to rarely moderately bright patchy pale yellow white fluorescence giving a very weak milky white crush cut and trace residual ring.

The total gas recorded 0.01% to 0.98% with and averaged of 0.03%. Chromatograph analyzed methane (13-1544ppm), ethane (3-782ppm), propane (0-794ppm), iso-butane (0-786ppm) and normal butane (0-822ppm), iso pentane (0-775ppm) and normal pentane was (0-764ppm)

## **SECTION 5**

### **Sampling Summary and Record of Distribution**

## 5.1 SAMPLING AND DISTRIBUTION

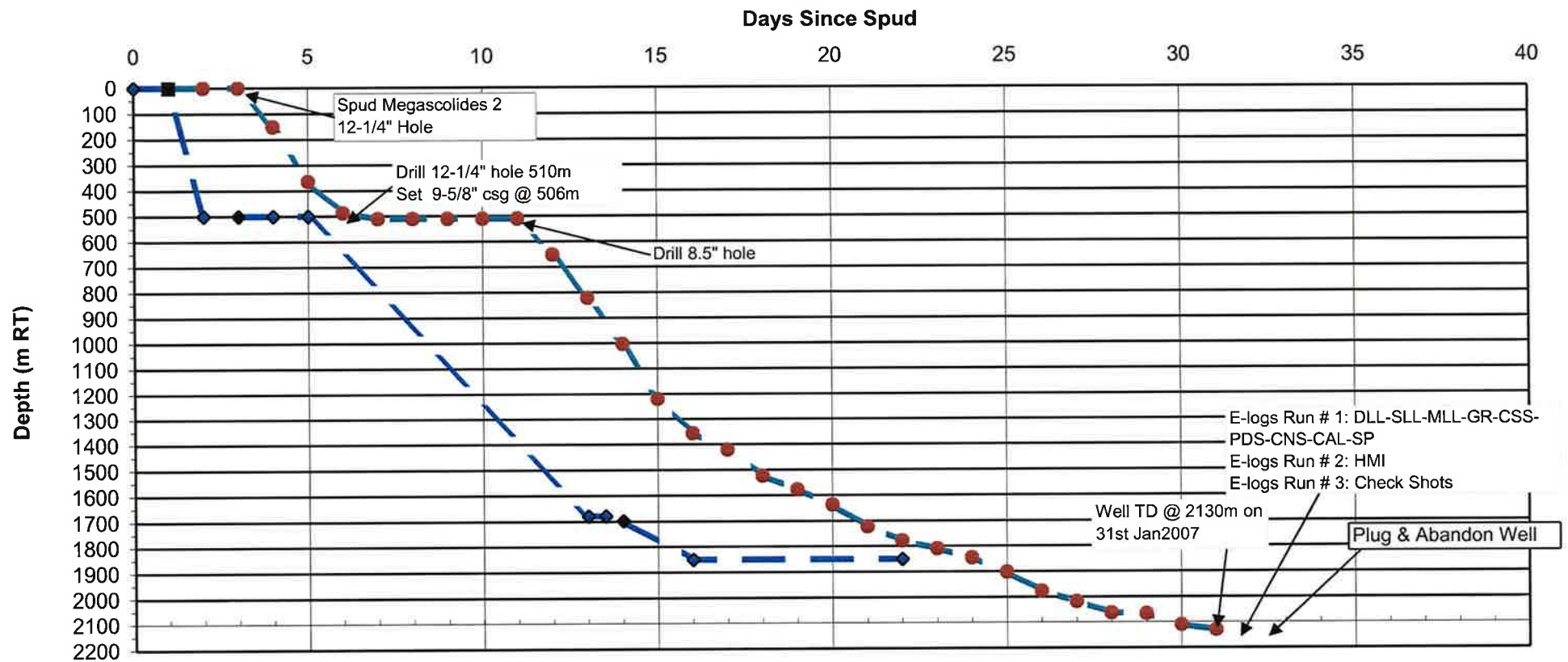
MEGASCOLIDES 2 Karoo Gas Australia		
Sample type	Interval	Descriptions
<b>SET: A</b> <b>Samplex trays (50g)</b> <b>for Karoon Gas</b> <b>Australia</b>	15m to 2130m (TD)	In two small Wooden boxes Box 1: 30m – 1610m Box 2: 1610m – 2130m (TD)
<b>SET:B</b> <b>Cloth bags (250g)</b> <b>washed and dried</b> <b>for DPI</b> <b>Australia</b>	30m to 2130m (TD)	Box #1intvl : 30 – 510 m Box#2 intvl : 510 – 610 m Box #3 intvl : 610 – 720 m Box #4 intvl : 720 – 870 m Box #5 intvl : 870 – 1020 m Box #6 intvl :1020 – 1170 m Box #7 intvl : 1170 – 1320 m Box #8 intvl : 1320 – 1470 m Box #9 intvl : 1470 – 1620 m Box #10 intvl : 1620 – 1770 m Box #11 intvl : 1770 – 1920 m Box #12 intvl : 1920 -2130m/TD

Set “A” Hand carried by operation’s geologist Ross Tolliday on 01 February 2007

## Section 6

### Time and depth Curve

# Karooon Gas Australia Megascolides 2 Time vs. Depth Curve



## **APPENDIX**

# **FORMATION EVALUATION LOG**

1:500

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