

27 October 2004

Department of Primary Industries
Minerals and Petroleum Regulation
Department of Primary Industries
Level 16, 1 Spring Street
MELBOURNE 3000

Attn: Horacio Haag
Manager, Petroleum Operations

Dear Sir

APPLICATION FOR APPROVAL TO DRILL A WELL
- **VIC/P54 : GRAYLING-1**

Apache Northwest Pty Ltd, as Operator of Exploration Permit for Petroleum 54 make application to drill Grayling-1 exploration well, and will fulfil part of the Year 3 commitment.

Salient well details are as follows:

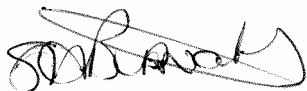
Latitude	38° 09' 40.24" S
Longitude	148° 19' 35.95" E
Map Sheet Name	SJ55 (Melbourne)
Graticular Block No.	1852
Proposed Total Depth	2944.0 mMDRT (-2919.0 mTVDAHD)
Estimated Cost:	~A\$8.24 million
Scheduled Commencement Date	19 November 2004
Estimated Days of Drilling	18 days
Drilling Contractor	Diamond Offshore

The complete listing of material to be sent to you in support this application is:

- Geological Prognosis & Drilling Program (x 3 CD - attached)
- Environmental Plan (x 2 CD : sent to att: Terry McKinley 9-Sept-04)

Should you have any queries in respect of this application, please contact me otherwise we look forward to your early approval.

Regards



Shelley Burnaby
Joint Venture Coordinator