

Megascolides-1 RE

| | | | | | |
|----------------------|-------------|------------------------------|---------------|---------------------------|----------------------------|
| Date : | 15 Dec 2006 | Well Site Manager : | Cesar Miaco | Rig Manager : | Cesar Miaco / Fred Sanchez |
| Report Number | 2 | Drilling Supervisor : | Brian Holland | Drilling Company : | Century Drilling Ltd |
| Easting | 402155.9 | Northing | 5767949.5 | Geologist : | |

Well Details

| | | | | | | | |
|------------|--------------|----------------------|---------|--------------|---------|----------------|-------------|
| Country: | Australia | Current Hole Size: | 8.500in | Casing O.D.: | 9.625in | Planned TD: | 1960m |
| Field: | Megascolides | Measured Depth: | 534m | Casing MD: | 508m | Last BOP Test: | 12 Dec 2006 |
| Rig: | Century 11 | True Vertical Depth: | 534m | Casing TVD: | 508m | FIT/LOT: | / 16.86ppg |
| RT - AMSL: | 125.20m | 24 Hr Progress: | 0m | TOL MD: | | Last LTI: | 04 Jan 2006 |
| RT - GL: | 5.20m | Days From Spud: | 2.00 | Liner MD: | | LTI Free Days: | 202 |
| Datum: | WGS 84 | Days On Well: | 47.00 | Liner TVD: | | | |

Current Ops @ 0600: Washing and reaming at 1465m
 Planned Operations: Continue to wash to bottom. Polish up the existing cement plug. Survey out and Run Cement stinger and set new KOPlug.
 POOH WOC

Summary of Period 0000 to 2400 Hrs

Washed and reamed, Drilled cement plug and continued to wash and ream through stale mud to 1465m

Well Costs - AFE Number:

| | | | | | | | |
|---------------|-----|------------------|-----|-------------|------|------------|------|
| Original AFE: | NaN | Orig & Supp AFE: | NaN | Daily Cost: | \$ 0 | Cum. Cost: | \$ 0 |
|---------------|-----|------------------|-----|-------------|------|------------|------|

Operations For Period 0000 Hrs to 2400 Hrs on 15 Dec 2006

| Phse | Cls | Op | From | To | Hrs | Depth | Activity Description |
|------|-----|----|------|------|------|-------|--|
| PH1 | P | TO | 0000 | 0030 | 0.50 | 0m | Continue to POOH from 83m to Surface |
| PH1 | P | RW | 0030 | 0400 | 3.50 | 516m | M/U New BHA & RIH to 516m |
| PH1 | P | RW | 0400 | 0500 | 1.00 | 557m | PU Kelly and MU Ream and Wash to 557m |
| PH1 | P | DC | 0500 | 1000 | 5.00 | 593m | Tag Cement and drill plug from 557m to 593 m |
| PH1 | P | RW | 1000 | 1030 | 0.50 | 593m | Circulate & work tight hole |
| PH1 | P | RS | 1030 | 1100 | 0.50 | 593m | Rig Service |
| PH1 | P | DC | 1100 | 1600 | 5.00 | 619m | Continue to Drill cement plug from 593 to 619m |
| PH1 | P | RW | 1600 | 2000 | 4.00 | 752m | RIH washing and reaming |
| PH1 | P | RW | 2000 | 2400 | 4.00 | 1174m | Continue through bridge at 990 m and wash and ream 1174m |

Operations For Period 0000 Hrs to 0600 Hrs on 16 Dec 2006

| Phse | Cls | Op | From | To | Hrs | Depth | Activity Description |
|------|-----|----|------|------|------|-------|---|
| PH1 | P | RW | 0000 | 0100 | 1.00 | 1212m | Wash and Ream from 1174 to 1212 m |
| PH1 | P | TI | 0100 | 0130 | 0.50 | 1212m | Clean and strap additional drill pipe confirm measurement and tally |
| PH1 | P | RW | 0130 | 0600 | 4.50 | 1766m | (IN PROGRESS) Ream and wash from 1212 m to 1766 m (below anticipated top of cement plug 3). Encountered tight hole. Elected to set kick-off plug. |

WBM Data

| | | | | | | | | | |
|-------------------------------|---------------|----------------|------------|-----------------------|-----------|----------------------|----|--------------------------|---|
| Daily Chemical Costs: \$ 5799 | | | | Cost To Date: \$ 6616 | | | | Engineer : Peter Aronetz | |
| Mud Type: | KCl / Polymer | Flowline Temp: | 82C° | Cl: | 15400mg/l | Low Gravity Solids: | | Gels 10s | 1 |
| Sample From: | Suction | Nitrates: | | Hard/Ca: | 680mg/l | High Gravity Solids: | | Gels 10m | 1 |
| Time: | 21:30 | Sulphites: | 50mg/l | MBT: | 6.7 | Solids (corrected): | 2% | Fann 003 | |
| Weight: | 8.85ppg | API FL: | 22cm³/30m | PM: | 4.2 | H2O: | | Fann 006 | |
| ECD TD: | | API Cake: | | PF: | 1.28 | Oil: | | Fann 100 | |
| ECD Shoe: | | PV | 38cp | MF: | 2.05 | Sand: | % | Fann 200 | |
| Viscosity | 38sec/qt | YP | 2lb/100ft² | pH: | 13.5 | Barite: | | Fann 300 | |
| KCl Equiv: | 4% | | | PHPA Excess: | | | | Fann 600 | |

| Shakers, Volumes and Losses Data | | | | | | | |
|----------------------------------|--------|------------------|--------|--------|--------|-----------|-------|
| Available | 0.0bbl | Losses | 0.0bbl | Equip. | Descr. | Mesh Size | Hours |
| Active | | Downhole | | | | | |
| Hole | | Shakers & Equip. | 0.0bbl | | | | |
| Slug | | Dumped | | | | | |
| Reserve | | Centrifuges | | | | | |
| Built | | | | | | | |

| Bit Data | | | | | | | |
|-------------|---------------|---------|-----|--------------------------|-----|-------------------------|-----------|
| Bit # 1 | | | | | | | |
| Size ("): | IADC# | Nozzles | | Drilled over last 24 hrs | | Calculated over Bit Run | |
| Mfr: | WOB(avg) | klb | | Progress | m | Cum. Progress | 0.0m |
| Type: | RPM(avg) | | | On Bottom Hrs | NaN | Cum. On Btm Hrs | 0.00 |
| Serial No.: | RPM (DH)(avg) | | | IADC Drill Hrs | NaN | Cum IADC Drill Hrs | 0.00 |
| Bit Model | F.Rate | gpm | | Total Revs | | Cum Total Revs | 0 |
| Depth In | m | SPP | psi | OB-ROP(avg) | | Cum. OB-ROP(avg) | 0.00ft/hr |
| Depth Out | | TFA | | HSI | NaN | | |

| BHA Data | | | | | | | |
|---|-----------|--------|-----------------|----------|-----------------------|-------------------|------|
| BHA # 2 | | | | | | | |
| Weight(Wet) | Length | 170m | Torque(max) | | D.C. (1) Ann Velocity | | 0fpm |
| Wt Below Jar(Wet) | String | | Torque(Off.Btm) | | D.C. (2) Ann Velocity | | 0fpm |
| | Pick-Up | | Torque(On.Btm) | | H.W.D.P. Ann Velocity | | 0fpm |
| | Slack-Off | | Jar Hours | | 0 | D.P. Ann Velocity | 0fpm |
| BHA Run Description Packed assembly to ream and wash in 8 1/2" hole | | | | | | | |
| Equipment | Length | OD | ID | Serial # | Hours | Comment | |
| Bit | 1 x 0.27m | 8.50in | | | | | |
| Bit Sub | 1 x 0.99m | 6.50in | 2.87in | | | | |
| NMDC | 1 x 9.33m | 6.75in | 2.88in | | | | |
| String Stabiliser | 1 x 1.48m | 8.50in | 2.87in | | | | |
| Drill Collar | 2 x 9.12m | 6.25in | 2.88in | | | | |
| String Stabiliser | 1 x 1.48m | 8.50in | 2.83in | | | | |
| Drill Collar | 9 x 9.12m | 6.25in | 2.88in | | | | |
| HWDP | 6 x 9.35m | 4.50in | 2.93in | | | | |
| Total Length: | 169.97m | | | | | | |

| Summary | |
|---------|----------------|
| Company | Pax On |
| | Total on Rig 8 |