

Megascolides-1 RE

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

Well Details

| | | | | | | | |
|------------|--------------|----------------------|---------|--------------|---------|----------------|-------------|
| Country: | Australia | Current Hole Size: | 8.500in | Casing O.D.: | 9.625in | Planned TD: | 1960m |
| Field: | Megascolides | Measured Depth: | 1635m | Casing MD: | 508m | Last BOP Test: | 12 Dec 2006 |
| Rig: | Century 11 | True Vertical Depth: | 1635m | Casing TVD: | 508m | FIT/LOT: | / 16.86ppg |
| RT - AMSL: | 125.20m | 24 Hr Progress: | 8m | TOL MD: | | Last LTI: | 04 Jan 2006 |
| RT - GL: | 5.20m | Days From Spud: | 0.00 | Liner MD: | | LTI Free Days: | 206 |
| Datum: | WGS 84 | Days On Well: | 54.02 | Liner TVD: | | | |

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

Summary of Period 0000 to 2400 Hrs

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

Well Costs - AFE Number:

| | | | | | | | |
|---------------|--------------|------------------|--------------|-------------|------|------------|------|
| Original AFE: | \$ 1,943,770 | Orig & Supp AFE: | \$ 1,943,770 | Daily Cost: | \$ 0 | Cum. Cost: | \$ 0 |
|---------------|--------------|------------------|--------------|-------------|------|------------|------|

HSE Summary

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

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

| Phse | Cls | Op | From | To | Hrs | Depth | Activity Description |
|------|-----|------|------|------|-------|-------|--|
| PH1 | P | HBHA | 0000 | 0100 | 1.00 | 1635m | M/U Mud motor and function test, calibrate newly install BHI block height encoder. |
| PH1 | P | TI | 0100 | 0200 | 1.00 | 1635m | RIH with BHA to jars |
| PH1 | P | SVY | 0200 | 0330 | 1.50 | 1635m | Pick up survey barrel and run in hole to rabbit the string and check depth to UBHI. OK |
| PH1 | P | TI | 0330 | 0630 | 3.00 | 1635m | Continue to RIH to 1628 m |
| ST | P | SVY | 0630 | 0730 | 1.00 | 1635m | Run Survey on WL. Retrieve tool and process. |
| ST | P | DM | 0730 | 2430 | 17.00 | 1641m | Orient tool face and slide. Time drilling to KO. 2 hr/metre. |

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

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

WBM Data

| Daily Chemical Costs: \$ 1262 | | | | Cost To Date: \$ 16955 | | | | Engineer : Peter Aronetz | |
|-------------------------------|---------------|----------------|-------------|------------------------|--------------------|----------------------|-------|--------------------------|----|
| Mud Type: | KCI / Polymer | Flowline Temp: | 43C° | Cl: | 19500.00x1000 mg/l | Low Gravity Solids: | 4% | Gels 10s | 1 |
| Sample From: | below shaker | Nitrates: | | | | High Gravity Solids: | 0% | Gels 10m | 2 |
| Time: | 22:00 | Sulphites: | 150mg/l | Hard/Ca: | 1200mg/l | Solids (corrected): | 6% | Fann 003 | 1 |
| Weight: | 9.20ppg | API FL: | 12cm³/30m | MBT: | 9 | H2O: | 94% | Fann 006 | 1 |
| ECD TD: | 9.47ppg | API Cake: | 2/32nd" | PM: | 2.35 | Oil: | 0% | Fann 100 | 8 |
| ECD Shoe: | 9.47ppg | PV | 9cp | PF: | 0.38 | Sand: | .25 % | Fann 200 | 13 |
| Viscosity | 40sec/qt | YP | 18lb/100ft² | MF: | 3.9 | Barite: | | Fann 300 | 18 |
| KCI Equiv: | 3% | | | pH: | 12.5 | | | Fann 600 | 32 |
| | | | | PHPA Excess: | | | | | |

Comment: Maintain fluid prperties while circulating

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

| Bit Data | | | | | | | | |
|-------------------|--|---------------|---------|--------------------|--------------------------|-------------------------|--------------------|-----------|
| Bit # 1 RR 3 | | | | | | | | |
| Size ("): | 8.50 | IADC# | 117 | Nozzles | Drilled over last 24 hrs | Calculated over Bit Run | | |
| Mfr: | Security DBS | WOB(avg) | 1.00klb | 3 x 20/(32nd") | Progress | 8m | Cum. Progress | 8.0m |
| Type: | Rock | RPM(avg) | 0 | | On Bottom Hrs | 24.00 | Cum. On Btm Hrs | 24.00 |
| Serial No.: | 10858843 | RPM (DH)(avg) | 125 | | IADC Drill Hrs | 24.00 | Cum IADC Drill Hrs | 24.00 |
| Bit Model | EBXSC15 | F.Rate | 250gpm | | Total Revs | 180000 | Cum Total Revs | 180000 |
| Depth In | 1635m | SPP | 700psi | | OB-ROP(avg) | 0.33ft/hr | Cum. OB-ROP(avg) | 0.33ft/hr |
| Depth Out | | TFA | 0.92 | HSI 14664009301.60 | | | | |
| Bit Daily Comment | TIME DRILL | | | | | | | |
| Bit Run Comment | This is to be run with steering assembly (BHA #4). | | | | | | | |

| BHA Data | | | | | | | |
|---------------------|-------------------|-----------|-----------|-----------------|---------|-----------------------|--------|
| BHA # 4 | | | | | | | |
| Weight(Wet) | 41.00klb | Length | 185m | Torque(max) | 0ft-lbs | D.C. (1) Ann Velocity | 185fpm |
| Wt Below Jar(Wet) | 23.00klb | String | 130.00klb | Torque(Off.Btm) | 0ft-lbs | D.C. (2) Ann Velocity | 185fpm |
| | | Pick-Up | 133.00klb | Torque(On.Btm) | 0ft-lbs | H.W.D.P. Ann Velocity | 118fpm |
| | | Slack-Off | 128.00klb | Jar Hours | 1 | D.P. Ann Velocity | 118fpm |
| BHA Run Description | Steering assembly | | | | | | |
| BHA Run Comment | Sliding | | | | | | |

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

| Summary | |
|--------------|--------|
| Company | Pax On |
| Total on Rig | 35 |