



Karoon Gas Australia Ltd. A.C.N. 107 001 338  
Karoon Gas Pty. Ltd. ACN 056 976 642 (a subsidiary of Karoon Gas Australia Ltd)  
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27<sup>th</sup> December 2006

Mr Terry McKinley  
Manager-Petroleum Regulation  
Department of Primary Industries, Minerals and Petroleum Regulation Branch  
1 Spring St, Melbourne  
Victoria, 3000

Dear Sir

RE : Request to Plug & Abandon Megascalides-1RE-ST1, PEP 162 / EL 4537

Due to well evaluation determining that poor quality reservoir was encountered, Karoon Gas request approval to Plug and Abandon Megascalides 1RE-ST1 in accordance with the following outline:

- Lay out BHA
- RIH cementing stinger on open-ended drillpipe to 1890m
- Set 15 bbl Hi-vis pill at 1890m
- POH to 1840m. Circ & condition mud
- Set balanced plug 1 from 1740 – 1840m with Class A cement (recipe to be based on slurry testing).
- POH to 1640m & reverse circ two pipe volumes mud inhibited with biocide
- POH to 600m
- Set 15 bbl Hi-vis pill at 600m
- POH to 550m. Circ & condition mud
- Set balanced plug 2 from 450 – 550m with Class A cement with 1 – 2% CaCl<sub>2</sub> (recipe to be based on slurry testing).
- POH to 350m & reverse circ two pipe volumes mud inhibited with biocide
- Wait on cement 4 hrs.
- RIH and tag TOC with 20,000 lbs.
- POH to 100m
- Set 15 bbl Hi –visc pill at 100m.
- POH to 55m
- Set balanced plug 3 from 5 – 55mRT with Class A cement with 2% CaCl<sub>2</sub>.
- Install suspension plate on bradenhead (casing may be cut later and bradenhead removed to allow site restoration)

Note – volume for plug 1 to be based on 27/12/06 caliper (average 10.1" hole)  
- volume for open hole section of plug 2 to be based on 2004 caliper (average 13" hole)

Yours Faithfully

A handwritten signature in blue ink, appearing to read 'Lino Barro', written in a cursive style.

Lino Barro  
Engineering Manager  
Karoon Gas Pty Ltd