

Megascolides-2

| | | | | | |
|----------------------|-------------|------------------------------|------------|---------------------------|----------------------|
| Date : | 10 Jan 2007 | Well Site Manager : | Chris Dann | Rig Manager : | Steve Young |
| Report Number | 13 | Drilling Supervisor : | Chris Dann | Drilling Company : | Century Drilling Ltd |
| Easting | 403212 | Northing | 5767583 | Geologist : | Dave Horner |

Well Details

| | | | | | | | |
|------------|--------------|----------------------|----------|--------------|---------|----------------|-------------|
| Country: | Australia | Current Hole Size: | 12.250in | Casing O.D.: | 9.625in | Planned TD: | 1850m |
| 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

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 #RR2 - 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 #RR2 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 | 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: | Cl: | 8.20x1000 mg/l | Low Gravity Solids: | 1.2% | Gels 10s | 0 |
| Sample From: Suction | Nitrates: 0mg/l | Hard/Ca: | 280mg/l | High Gravity Solids: | 0.0% | Gels 10m | 1 |
| Time: 11:00 | Sulphites: 0mg/l | MBT: | 1.5 | Solids (corrected): | 1.2% | Fann 003 | 1 |
| Weight: 8.55ppg | API FL: 11cm³/30m | PM: | 0.33 | H2O: | 98.8% | Fann 006 | 2 |
| ECD TD: | API Cake: 1/32nd" | PF: | 0.1 | Oil: | 0.0% | Fann 100 | 11 |
| ECD Shoe: | PV 10cp | MF: | 0.75 | Sand: | 0 % | Fann 200 | 16 |
| Viscosity 52sec/qt | YP 10lb/100ft² | pH: | 10 | Barite: | 0 | Fann 300 | 20 |
| KCl Equiv: 1% | | PHPA Excess: | 0ppb | | | Fann 600 | 30 |

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 |
| 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 # RR2

| Size ("): | 8.50 | IADC# | Nozzles | Drilled over last 24 hrs | Calculated over Bit Run |
|----------------------|---------------|-------|---------|--------------------------|-----------------------------|
| Mfr: Security DBS | WOB(avg) | klb | | 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) 0.00ft/hr |
| Depth Out | TFA | | HSI NaN | | |

Bit Run Comment Rerun Bit from Megascolides # 1well

BHA Data

BHA # 3

| Weight(Wet) | Length | 218m | 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 | 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 | | 111 | |
| 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 | | 204.00 | | | | | Totco single Shot |
| 316.00 | 1.50 | | 316.00 | | | | | Totco single shot |
| 419.00 | 0.75 | | 419.00 | | | | | Totco single shot |
| 503.00 | 1.00 | | 503.00 | | | | | Totco 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 | 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 | 0 | 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 | 0 | | | | | 1. | | |
| 2 | G.D PZ-7 | 5.50 | | 97 | 0 | | | | | 2. | | |
| 3 | G.D PZ-7 | 5.50 | | 97 | 0 | | | | | 1. | | |
| | | | | | | | | | | 2. | | |

Casing Run

| OD | LOT / FIT | Csg Shoe (MD/TVD) | Cementing |
|------|-----------|-------------------|-----------|
| 9.62 | / | / | |
| 9.62 | / | 506.63m / | |