

**Megascolides-2**

<b>Date :</b>	16 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	19	<b>Drilling Supervisor :</b>	Chris Dann	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	8.500in	Casing O.D.:	9.625in	Planned TD:	1850m
Field:	Megascolides	Measured Depth:	1357m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	1357m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	136m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	12.42	Liner MD:		LTI Free Days:	237
Datum:	WGS 84	Days On Well:	18.33	Liner TVD:			

Current Ops @ 0600: Drilling 8 1/2" hole at 1377m  
 Planned Operations: Continue to drill 8 1/2" hole with WLS every ~100m

**Summary of Period 0000 to 2400 Hrs**

Drill 8 1/2" hole from 1221m to 1357m with WLS at 1296m

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 62,060	Cum. Cost:	\$ 1,426,082
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	16 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	16 Jan 2007	0 Days	General Housekeeping & Correct use of non powered tools

**Operations For Period 0000 Hrs to 2400 Hrs on 16 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	1300	13.00	1308m	Drill 8 1/2" hole from 1221m to 1308m
PH1	P	SVY	1300	1330	0.50	1308m	Circulate, flow check and Wire Line Survey
PH1	P	DA	1330	2300	9.50	1355m	Drill 8 1/2" hole from 1308m to 1355m
PH1	P	RS	2300	2330	0.50	1355m	Rig Service
PH1	P	DA	2330	2400	0.50	1357m	Drill 8 1/2" hole from 1355m to 1357m

**Operations For Period 0000 Hrs to 0600 Hrs on 17 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	1377m	Drill 8 1/2" hole from 1357m to 1377m

**WBM Data**

Daily Chemical Costs: \$ 3075		Cost To Date: \$ 21267		Engineer : Peter N Aronetz	
Mud Type: KCI-PHPA-POLYMER	Flowline Temp: 50C°	Cl: 10.50x1000 mg/l	Low Gravity Solids: 2.8%	Gels 10s	3
Sample From: Below Shaker	Nitrates: 0mg/l	Hard/Ca: 100mg/l	High Gravity Solids: 0.0%	Gels 10m	4
Time: 22:50	Sulphites: 200mg/l	MBT: 5.5	Solids (corrected): 2.8%	Fann 003	3
Weight: 8.80ppg	API FL: 7.4cm³/30m	PM: 0.46	H2O: 97.2%	Fann 006	5
ECD TD: 9.26ppg	API Cake: 1/32nd"	PF: 0.1	Oil: 0.0%	Fann 100	23
ECD Shoe:	PV 18cp	MF: 1	Sand: .15 %	Fann 200	34
Viscosity 55sec/qt	YP 24lb/100ft²	pH: 10	Barite: 0	Fann 300	42
KCl Equiv: 1.7%		PHPA Excess: 1.83ppb		Fann 600	60

**Comment:** Treat fluid to maintain parameters.  
 Receive instructions to increase fluid density, reduce running hrs of de-sander+de-silter. Target: 8.9ppg.  
 Penetrating more reactive shales, K+ ion depletes faster, MBT on the increase. Ramp up KCl additions to make up for increased depletion and requirement for extra MW, but still trying to stay close to 1.5%.

Receive supplies of 40µ CaCO3, PHPA, Biocide+Defoamer and XTRA SWEEP.  
 AMC D/T: 06571, UNIMIN D/T 130725; GST C/N 14538, -981;

**Shakers, Volumes and Losses Data**

Available	828.0bbl	Losses	143.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	538.0bbl	Downhole	20.0bbl	De-Gaser 1	Rig		0
Hole	286.0bbl	Shakers & Equip.	74.0bbl	De-Sander 1	Pioneer	2 Cones	22
Slug		Dumped	20.0bbl	De-Silter 1	Pioneer	10 Cones	18
Reserve	4.0bbl	Centrifuges		Shaker 1	DFE	2x175, 1x140	24
		De-Sander	29.0bbl	Shaker 2	DFE	2x175, 1x140	24
Built	160.0bbl						

**Comment:** Re-cycling 40bbls of fluid from sump on location.  
 Reclaim a further 100bbls of fluid from sump @ M-1 site.  
 Treat fluid to maintain parameters.  
 Receive instructions to increase fluid density, reduce running hrs of de-sander+de-silter. Target: 8.9ppg.

**Bit Data**

**Bit # RR2**

Size ("):	8.50	IADC#	Nozzles	Drilled over last 24 hrs	Calculated over Bit Run
Mfr: Security DBS	WOB(avg) 15.00klb	5 x 11(/32nd")	Progress 136m	Cum. Progress 847.0m	
Type: PDC	RPM(avg) 120		On Bottom Hrs 16.00	Cum. On Btm Hrs 68.00	
Serial No.: 10881881	RPM (DH)(avg) 120		IADC Drill Hrs 23.00	Cum IADC Drill Hrs 101.00	
Bit Model FM3553	F.Rate 450gpm		Total Revs 99748	Cum Total Revs 428389	
Depth In 510m	SPP 1200psi		OB-ROP(avg) 8.50m/hr	Cum. OB-ROP(avg) 12.46m/hr	
Depth Out	TFA 0.464	HSI 3.45			
Bit Run Comment	Rerun Bit from Megascolides # 1well				

**BHA Data**

**BHA # 3**

Weight(Wet)	52.00klb	Length	218m	Torque(max)	140ft-lbs	D.C. (1) Ann Velocity	332fpm
Wt Below Jar(Wet)	41.00klb	String	125.00klb	Torque(Off.Btm)	10ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	126.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity	212fpm
		Slack-Off	122.00klb	Jar Hours	222	D.P. Ann Velocity	212fpm

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	101.5	
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3		
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527	101.5	
NMDC	1 x 9.32m	6.75in	2.81in	H362	101.5	
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436		
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65	101.5	
Drill Collar	11 x 9.02m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in		222	
Drill Collar	3 x 9.01m	6.25in	3.00in			
HWDP	6 x 9.35m	4.50in	2.94in			
<b>Total Length:</b>	<b>218.30m</b>					

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
987.00	4.00	333.00	986.36	29.44	0.34	29.44	-4.65	Hofco single shot
1090.00	4.50	323.00	1089.08	35.86	0.26	35.86	-8.72	Hofco single shot
1193.00	5.75	313.00	1191.66	42.61	0.45	42.61	-14.92	Hofco single shot
1296.00	4.75	333.00	1294.24	49.93	0.60	49.93	-20.63	Hofco single shot

Summary	
Company	Pax On
Karooon Gas Ltd	3
Century Drilling Ltd	21
RMN Drilling Fluids	1
BHI	2
Eurest	3
<b>Total on Rig</b>	<b>30</b>

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
AMC Biocide G	25L can	16	1	0	23.0	
AMC Defoamer	25L can	3	0	0	3.0	
AMC PAC-R	25kg sack	0	8	0	48.0	
AMC PHPA	25kg sack	30	4	0	44.0	
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	251.0	
Baryte	25kg sack	0	0	0	456.0	
CaCl	25kg sack	0	0	0	0.0	
Caustic Soda	25kg pail	0	0	0	17.0	
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	42	0	308.0	
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	8	0	28.0	
Sodium Sulfite	25kg sack	0	3	0	49.0	
Xanthan Gum	25kg sack	0	0	0	34.0	
Xtra-sweep	12lb box	4	0	0	8.0	
Diesel fuel	lt	0	4500	0	17,000.0	

**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	107	1200	225	1355		1. 70 2. 100	110 300	147 210	
2	G.D PZ-7	5.50		97	0					1. 2.			
3	G.D PZ-7	5.50		97	107	1200	225	1355		1. 70 2. 100	120 300	147 210	

**Casing Run**

OD	LOT / FIT	Csg Shoe (MD/TVD)	Cementing
9 5/8"	/	506.63m /	