

**Megascolides-2**

<b>Date :</b>	13 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Agus Nugroho
<b>Report Number</b>	16	<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:	821m	Casing MD:	507m	Last BOP Test:	10 Jan 2007
Rig:	Century 11	True Vertical Depth:	821m	Casing TVD:	507m	FIT/LOT:	20.00ppg /
RT - AMSL:	156.20m	24 Hr Progress:	170m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	9.42	Liner MD:		LTI Free Days:	234
Datum:	WGS 84	Days On Well:	15.33	Liner TVD:			

Current Ops @ 0600: Drill 8 1/2" hole at 870m  
 Planned Operations: Continue to drill 8 1/2" hole and run WLS at ~100m intervals

**Summary of Period 0000 to 2400 Hrs**

Drill 8 1/2" hole from 651m to 821m with WLS at 705m & 771m

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 60,254	Cum. Cost:	\$ 1,238,777
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	13 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	13 Jan 2007	0 Days	Drilling and general rig floor operation - Running wire line surveys

**Operations For Period 0000 Hrs to 2400 Hrs on 13 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	717m	Drill 8 1/2" hole from 651m to 717m
PH1	P	SVY	0600	0700	1.00	717m	Circulate, flow check and run Totco deviation survey
PH1	P	DA	0700	1530	8.50	773m	Drill 8 1/2" hole from 717m to 773m
PH1	P	SVY	1530	1600	0.50	773m	Circulate, flow check and run directional survey (no reading obtained)
PH1	P	DA	1600	1730	1.50	783m	Drill 8 1/2" hole from 773m to 783m
PH1	P	SVY	1730	1800	0.50	783m	Circulate, flow check and run directional survey
PH1	P	DA	1800	2400	6.00	821m	Drill 8 1/2" hole from 783m to 821m

**Operations For Period 0000 Hrs to 0600 Hrs on 14 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	DA	0000	0600	6.00	870m	Drill 8 1/2" hole from 821m to 870m

**WBM Data**

Daily Chemical Costs: \$ 2574				Cost To Date: \$ 10116				Engineer : Peter N Aronetz	
Mud Type:	KCl-PHPA-POLYMER	Flowline Temp:	41C°	Cl:	8.40x1000 mg/l	Low Gravity Solids:	1.5%	Gels 10s	1
Sample From:	Below Shaker	Nitrates:	0mg/l	Hard/Ca:	240mg/l	High Gravity Solids:	0.0%	Gels 10m	2
Time:	22:30	Sulphites:	250mg/l	MBT:	3	Solids (corrected):	1.5%	Fann 003	1
Weight:	8.60ppg	API FL:	8.4cm³/30m	PM:	0.28	H2O:	98.5%	Fann 006	2
ECD TD:	8.88ppg	API Cake:	1/32nd"	PF:	0.12	Oil:	0.0%	Fann 100	14
ECD Shoe:		PV	13cp	MF:	1.55	Sand:	0.15 %	Fann 200	21
Viscosity	49sec/qt	YP	14lb/100ft²	pH:	10	Barite:	0	Fann 300	27
KCl Equiv:	1.4%			PHPA Excess:	1.80ppb			Fann 600	40

**Comment:** Re-cycling 140bbbls of fluid from sump on location. Phase in XANTHAN GUM to improve low-end rheology. Still building up PHPA concentration.

Shakers, Volumes and Losses Data							
Available	761.0bbl	Losses	51.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	585.0bbl	Downhole	6.0bbl	De-Gaser 1	Rig		0
Hole	172.0bbl	Shakers & Equip.	8.0bbl	De-Sander 1	Pioneer	2 Cones	24
Slug		Dumped	10.0bbl	De-Silter 1	Pioneer	10 Cones	24
Reserve	4.0bbl	Centrifuges		Shaker 1	DFE	2x140, 1x84	24
		De-Sander	27.0bbl	Shaker 2	DFE	2x140, 1x84	24
Built	160.0bbl						

**Comment:** Re-cycling 140bbbls of fluid from sump on location.  
Phase in XANTHAN GUM to improve low-end rheology.  
Still building up PHPA concentration.

Bit Data								
Bit # RR2								
Size ("):	8.50	IADC#		Nozzles	Drilled over last 24 hrs	Calculated over Bit Run		
Mfr:	Security DBS	WOB(avg)	10.00klb	5 x 11(/32nd")	Progress	170m	Cum. Progress	311.0m
Type:	PDC	RPM(avg)	90		On Bottom Hrs	16.00	Cum. On Btm Hrs	22.00
Serial No.:	10881881	RPM (DH)(avg)	90		IADC Drill Hrs	22.00	Cum IADC Drill Hrs	33.00
Bit Model	FM3553	F.Rate	450gpm		Total Revs	101875	Cum Total Revs	134632
Depth In	510m	SPP	1000psi		OB-ROP(avg)	10.62m/hr	Cum. OB-ROP(avg)	14.14m/hr
Depth Out		TFA	0.464	HSI				
Bit Daily Comment	HSI 3.45							
Bit Run Comment	Rerun Bit from Megascalides # 1well							

BHA Data							
BHA # 3							
Weight(Wet)	52.00klb	Length	218m	Torque(max)	150ft-lbs	D.C. (1) Ann Velocity	332fpm
Wt Below Jar(Wet)	41.00klb	String	93.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	93.00klb	Torque(On.Btm)	100ft-lbs	H.W.D.P. Ann Velocity	212fpm
		Slack-Off	92.00klb	Jar Hours	154	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	33.5		
Pony DC	1 x 3.06m	6.25in	2.88in	6510-3			
String Stabiliser	1 x 1.44m	8.50in	2.81in	6527	33.5		
NMDC	1 x 9.32m	6.75in	2.81in	H362	33.5		
Drill Collar	1 x 9.23m	6.50in	3.00in	E 436			
String Stabiliser	1 x 1.48m	8.50in	2.81in	S 65	33.5		
Drill Collar	11 x 9.02m	6.25in	3.00in				
Drilling Jars	1 x 9.58m	6.25in	3.00in		154		
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
419.00	0.75	360.00	418.94	6.29	0.22	6.29	0.00	Totco single shot
503.00	1.00	360.00	502.93	7.57	0.09	7.57	0.00	Totco single shot
705.00	3.00	360.00	704.79	14.62	0.30	14.62	0.00	Totco single shot
771.00	3.00	343.00	770.70	18.00	0.40	18.00	-0.51	Hofco single shot

Summary	
Company	Pax On
Karooon Gas Ltd	3
Century Drilling Ltd	19
RMN Drilling Fluids	1
BHI	2
Eurest	3
Total on Rig	
	28

Bulk Stocks					
Name	Unit	In	Used	Adjust	Balance
AMC Biocide G	25L can	0	1	0	10.0
AMC Defoamer	25L can	0	1	0	1.0
AMC PAC-R	25kg sack	0	0	0	65.0
AMC PHPA	25kg sack	0	15	0	33.0
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	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	12	0	378.0
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	5	0	15.0
Xanthan Gum	25kg sack	0	0	0	13.0
Xtra-sweep	12lb box	0	0	0	4.0
Diesel fuel		0	3400	0	11,800.0

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	107	1000	225	821		1.	70	100	147
										2.	100	310	210
2	G.D PZ-7	5.50		97	0					1.			
										2.			
3	G.D PZ-7	5.50		97	107	1000	225	821		1.	70	100	147
										2.	100	310	210

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