

Megascolides-2

| | | | | | |
|----------------------|-------------|------------------------------|----------------------------|---------------------------|----------------------|
| Date : | 02 Feb 2007 | Well Site Manager : | Bruce Pilat | Rig Manager : | Cesar Miaco |
| Report Number | 36 | Drilling Supervisor : | Bruce Pilat / Brian Assels | Drilling Company : | Century Drilling Ltd |
| Easting | 403212 | Northing | 5767583 | Geologist : | Dave Horner |

Well Details

| | | | | | | | |
|------------|--------------|----------------------|---------|--------------|---------|----------------|-------------|
| Country: | Australia | Current Hole Size: | 8.500in | Casing O.D.: | 9.625in | Planned TD: | 2170m |
| Field: | Megascolides | Measured Depth: | 2130m | Casing MD: | 507m | Last BOP Test: | 29 Jan 2007 |
| Rig: | Century 11 | True Vertical Depth: | 2126m | Casing TVD: | 507m | FIT/LOT: | 20.00ppg / |
| RT - AMSL: | 156.20m | 24 Hr Progress: | 0m | TOL MD: | | Last LTI: | 04 Jan 2006 |
| RT - GL: | 5.20m | Days From Spud: | 29.42 | Liner MD: | | LTI Free Days: | 254 |
| Datum: | WGS 84 | Days On Well: | 35.31 | Liner TVD: | | | |

Current Ops @ 0600: Layout cement stinger
 Planned Operations: Flush and ND BOP's, LO kelly, clean mud tanks, Release rig.

Summary of Period 0000 to 2400 Hrs

LO BHA. RIH with cement stinger and set cement plug #1 & #2. Lay down DP. RIH and tag Plug #2. POH laying down DP.

Well Costs - AFE Number:

| | | | | | | | |
|-----------------|--------------|------------------|--------------|-------------|-----------|------------|--------------|
| Original AFE: | \$ 2,839,256 | Orig & Supp AFE: | \$ 2,839,256 | Daily Cost: | \$ 93,650 | Cum. Cost: | \$ 2,817,416 |
| Projected Cost: | \$ 3,200,000 | | | | | | |

HSE Summary

| Event (# Of) | Date of last | Days Since | Short Description |
|--------------------------------|--------------|------------|--|
| Alcohol & drug screening (2) | 02 Feb 2007 | 0 Days | Personnel Blow into Alcoholiser |
| Pre-Tour Meetings (2) | 02 Feb 2007 | 0 Days | Tripping and cement jobs & Body placement while LDDP |
| Safety Meeting (2) | 02 Feb 2007 | 0 Days | Hold pre-job safety meeting prior to cement jobs |

Operations For Period 0000 Hrs to 2400 Hrs on 02 Feb 2007

| Phse | Cls | Op | From | To | Hrs | Depth | Activity Description |
|------|-----|------|------|------|------|-------|--|
| E1 | P | LOG | 0000 | 0100 | 1.00 | 2130m | Complete electric line logs. RD wireline. |
| PH1 | P | PLD | 0100 | 0630 | 5.50 | 2130m | RIH BHA and LO HWDP. PU kelly, Break same. |
| PH1 | P | HBHA | 0630 | 0700 | 0.50 | 2130m | Clean up rig floor. Rig to RIH cement stinger. |
| PH1 | P | CMP | 0700 | 1030 | 3.50 | 2130m | PU, MU and RIH w/ 10 jts cement stinger, X/O & DP to 986m. |
| PH1 | P | CMP | 1030 | 1100 | 0.50 | 2130m | MU circ swage, break circ, spot 15 bbl HV pill. |
| PH1 | P | PLD | 1100 | 1130 | 0.50 | 2130m | POH laying out 6 DP. |
| PH1 | P | CMP | 1130 | 1230 | 1.00 | 2130m | MU Halliburton cement swage, Hold PJSM, pressure test lines. |
| PH1 | P | CMP | 1230 | 1300 | 0.50 | 2130m | Pump Cement Plug #1, 950m - 850 m. Pump 2 bbl water ahead, mix & pump 33.6 bbl of class G cement @ 15.8ppg, 2 bbl water, displace with 31 bbl mud |
| PH1 | P | PLD | 1300 | 1500 | 2.00 | 2130m | POH 6 stds, LO 24 singles. |
| PH1 | P | CMP | 1500 | 1530 | 0.50 | 2130m | Head up & circ 2 x tubing volumes. Spot 15 bbl HV pill, LD 6 jts DP. |
| PH1 | P | CMP | 1530 | 1600 | 0.50 | 2130m | Head up, pressure test lines & pump Cement Plug #2, 550m - 450 m. Pump 10 bbl water ahead, mix & pump 37 bbl Class G cement @ 15.8 ppg, 2 bbl water, displace with 15 bbls mud |
| PH1 | P | PLD | 1600 | 1700 | 1.00 | 2130m | POH 6 stds, LO 15 singles. |
| PH1 | P | CMP | 1700 | 1730 | 0.50 | 2130m | Head up and circ DP clean. |
| PH1 | P | PLD | 1730 | 1800 | 0.50 | 2130m | Con't lay down DP sideways. |
| PH1 | P | PLD | 1800 | 2130 | 3.50 | 2130m | RIH to 357m, lay down DP while WOC. |
| PH1 | P | CMP | 2130 | 2200 | 0.50 | 2130m | RIH and tag Plug #2 @ 422m w/ 20,000 lb. POH one single, head up, circ to clean DP. |
| PH1 | P | PLD | 2200 | 2400 | 2.00 | 2130m | Con't POH sideways. |

Operations For Period 0000 Hrs to 0600 Hrs on 03 Feb 2007

| Phse | Cls | Op | From | To | Hrs | Depth | Activity Description |
|------|-----|-----|------|------|------|-------|--|
| PH1 | P | PLD | 0000 | 0430 | 4.50 | 2130m | RIH to 385m and lay down DP in stages to empty mast. |
| PH1 | P | CMP | 0430 | 0500 | 0.50 | 2130m | Bottom of stinger at 120m. Rig to and pump 15 bbl hi-vis pill. |
| PH1 | P | PLD | 0500 | 0530 | 0.50 | 2130m | POH laying out 3 x DP, 4 x EUE. Bottom of stinger at 57m. |
| PH1 | P | PLD | 0530 | 0600 | 0.50 | 2130m | Rig up Halliburton. Hold pre-job safety meeting. Pump cement plug #3. pump 1 bbl |

Operations For Period 0000 Hrs to 0600 Hrs on 03 Feb 2007

| Phse | Cls | Op | From | To | Hrs | Depth | Activity Description |
|------|-----|----|------|----|-----|-------|--|
| | | | | | | | water ahead,mix & pump 12.6bbl of Class G cement @ 15.8ppg with 0.25 gal/10bbl NF-6,chase with 1 bbl water, POH laying down stinger. |

WBM Data

| | | | | | | | | | |
|-------------------------------|----------------------|-------------|------------|------------------------|---------|----------|----|----------------------------|--|
| Daily Chemical Costs: \$ 165 | | | | Cost To Date: \$ 60356 | | | | Engineer : Peter N Aronetz | |
| Mud Type: KCI-PHPA-POLYMER | Flowline Temp: | CI: | 11.50x1000 | Low Gravity Solids: | 7.4% | Gels 10s | 6 | | |
| Sample From: P/Suction | Nitrates: 0mg/l | Hard/Ca: | 120mg/l | High Gravity Solids: | 0.0% | Gels 10m | 10 | | |
| Time: 18:00 | Sulphites: 250mg/l | MBT: | 5 | Solids (corrected): | 7.4% | Fann 003 | 5 | | |
| Weight: 9.45ppg | API FL: 5.6cm³/30m | PM: | 0.55 | H2O: | 92.6% | Fann 006 | 7 | | |
| ECD TD: 0.00ppg | API Cake: 1/32nd" | PF: | 0.16 | Oil: | 0.0% | Fann 100 | 30 | | |
| ECD Shoe: | PV 19cp | MF: | 1.5 | Sand: | 0.20% % | Fann 200 | 41 | | |
| Viscosity 63sec/qt | YP 31lb/100ft² | pH: | 9.8 | Barite: | 0 | Fann 300 | 50 | | |
| KCl Equiv: 1.8% | CaCO3 Added: 39.8ppb | PHPA Added: | 2.15ppb | | | Fann 600 | 69 | | |

Comment: Sx of material listed as used today are damaged write-offs, with exception of the XANTHAN Gum (used for HiVis pills)
 Recount of all mud chemical inventory located an 4 extra sx of PAC-R, one of which is damaged and not returnable.
 3sx were credited and entered as a negative usage.

Shakers, Volumes and Losses Data

| Available | 693.0bbl | Losses | 371.0bbl | Equip. | Descr. | Mesh Size | Hours |
|------------|----------|------------------|----------|-------------|---------|--------------|-------|
| Active | 538.0bbl | Downhole | 371.0bbl | De-Gaser 1 | Rig | | 0 |
| Hole | 112.0bbl | Shakers & Equip. | 0.0bbl | De-Sander 1 | Pioneer | 2 Cones | 0 |
| Slug | | Dumped | 0.0bbl | De-Silter 1 | Pioneer | 10 Cones | 0 |
| Reserve | 25.0bbl | Centrifuges | | Shaker 1 | DFE | 2x175, 1x140 | 2 |
| HiVis Pill | 18.0bbl | De-Sander | | Shaker 2 | DFE | 2x175, 1x140 | 2 |
| Built | 0.0bbl | De-Silter | 0.0bbl | | | | |

Comment: 371bbbls 'Downhole losses': Fluid left in hole below cement plugs,
 71bbbls 'Other' addition: Volume of cement plugs
 43bbbls mud in Storage includes 18bbbls HiVis pill for CMT plug # 3

BHA Data

BHA # 5

| | | | | |
|-------------------|-----------|-----|-----------------|-----------------------|
| Weight(Wet) | Length | 96m | Torque(max) | D.C. (1) Ann Velocity |
| Wt Below Jar(Wet) | String | | Torque(Off.Btm) | D.C. (2) Ann Velocity |
| | Pick-Up | | Torque(On.Btm) | H.W.D.P. Ann Velocity |
| | Slack-Off | | Jar Hours | D.P. Ann Velocity |

| Equipment | Length | OD | ID | Serial # | Hours | Comment |
|---------------|-------------|--------|--------|----------|-------|---------|
| Tubing | 10 x 95.11m | 3.50in | | | | |
| X/O | x 1.00m | 6.25in | 1.88in | | | |
| Total Length: | 951.10m | | | | | |

Survey

| MD (m) | Incl. (deg) | Corr. Az (deg) | TVD (m) | 'V' Sect (deg) | Dogleg (deg/30m) | N/S (m) | E/W (m) | Tool Type |
|---------|-------------|----------------|---------|----------------|------------------|---------|---------|-------------------|
| 1812.00 | 2.25 | 44.00 | 1809.19 | 77.87 | 0.34 | 77.87 | -29.84 | Hofco single shot |
| 1915.00 | 3.75 | 72.00 | 1912.05 | 80.37 | 0.60 | 80.37 | -25.23 | Hofco single shot |
| 2009.00 | 6.75 | 55.00 | 2005.65 | 84.49 | 1.07 | 84.49 | -17.78 | Hofco single shot |
| 2055.00 | 8.50 | 63.00 | 2051.25 | 87.58 | 1.33 | 87.58 | -12.54 | Hofco single shot |

| Summary | |
|----------------------|--------|
| Company | Pax On |
| Karooon Gas Ltd | 3 |
| Century Drilling Ltd | 22 |
| RMN Drilling Fluids | 1 |
| BHI | 2 |
| Eurest | 3 |
| Total on Rig | 31 |

| Bulk Stocks | | | | | | |
|-----------------------|-------------|------|------|--------|----------|--|
| Name | Unit | In | Used | Adjust | Balance | |
| AMC Biocide G | 25L can | 0 | 0 | 0 | 15.0 | |
| AMC Defoamer | 25L can | 0 | 0 | 0 | 18.0 | |
| AMC PAC-R | 25kg sack | 0 | -3 | 0 | 56.0 | |
| AMC PHPA | 25kg sack | 0 | 0 | 0 | 18.0 | |
| AUS-BEN | 25kg sack | 0 | 0 | 0 | 0.0 | |
| AUS-DEX | 25kg sack | 0 | 0 | 0 | 0.0 | |
| AUS-GEL | 25kg sack | 0 | 0 | 0 | 251.0 | |
| Baryte | 25kg sack | 0 | 10 | 0 | 446.0 | |
| CaCl | 25kg sack | 0 | 0 | 0 | 0.0 | |
| Caustic Soda | 25kg pail | 0 | 0 | 0 | 7.0 | |
| Citric Acid | 25kg sack | 0 | 1 | 0 | 37.0 | |
| Cement - Class A | 40kg sack | 0 | 0 | 0 | 0.0 | |
| Kwik-seal C | 40lb sack | 0 | 2 | 0 | 30.0 | |
| 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 | 10.0 | |
| KCl | 25kg sack | 0 | 0 | 0 | 198.0 | |
| 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 | 16.0 | |
| Sodium Sulfite | 25kg sack | 0 | 0 | 0 | 12.0 | |
| Xanthan Gum | 25kg sack | 0 | 0 | 0 | 25.0 | |
| Xtra-sweep | 12lb box | 0 | 0 | 0 | 7.0 | |
| Diesel fuel | lt | 2180 | 580 | 0 | 10,800.0 | |
| Calcium Carbonate 40µ | 25 kg sacks | 0 | 0 | 0 | 354.0 | |

| 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 | | | | | | 1. | | |
| | | | | | | | | | | 2. | | |
| 2 | G.D PZ-7 | 5.50 | | 97 | | | | | | 1. | | |
| | | | | | | | | | | 2. | | |
| 3 | G.D PZ-7 | 5.50 | | 97 | | | | | | 1. | | |
| | | | | | | | | | | 2. | | |