

**CRC-1**

<b>Date :</b>	08 Mar 2007	<b>Well Site Manager :</b>	Kevin Murphy	<b>Rig Manager :</b>	Cesar Miaco
<b>Report Number</b>	22	<b>Drilling Supervisor :</b>	Kevin Murphy / Brian Assels / Roy Dunne	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	657913	<b>Northing</b>	5733761	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	6.75in	Casing O.D.:	7.625in	Planned TD:	2250.0m
Field:	Otway (Naylor)	Measured Depth:	2249.0m	Casing MD:	512.0m	Last BOP Test:	19 Feb 2007
Rig:	CDL Rig 11	True Vertical Depth:	2249.0m	Casing TVD:	512.0m	FIT/LOT:	/ 13.30ppg
RT - AMSL:	50.00m	24 Hr Progress:	173.5m	TOL MD:		Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	21.54	Liner MD:		LTI Free Days:	288
Datum:	GDA 94	Days On Well:	34.54	Liner TVD:			

Current Ops @ 0600:

Planned Operations: POOH, log well.

**Summary of Period 0000 to 2400 Hrs**

RIH PDC drilling BHA to 490m. SCDL. Con't RIH and drill 6-3/4" hole f/ 2075.5m to 2249m (TD). Circ hole clean prior to wiper trip.

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	08 Mar 2007	0 Days	Personnel blow into alcoholizer
Hazard Observation ( 1 )	08 Mar 2007	0 Days	Crown saver reset does not function correctly requiring personnel to put themselves in unnecessary position to manually reset.
Hazard Observation ( 1 )	08 Mar 2007	0 Days	Man rider sheave is still squeeling loudly when used. Bearing or complete sheave may need to be replaced.
Hazard Observation ( 1 )	08 Mar 2007	0 Days	Standpipe valve does not appear to open completely - may wash. Valve is considered to be a well control component and needs to be investigated at as operations permit.
Inspection ( 2 )	08 Mar 2007	0 Days	Visually inspect d/line, d/man, brakes, koomey, BOP stack and Koomey pressures.
Pre-Tour Meetings ( 2 )	08 Mar 2007	0 Days	Running in DP on the rig

**Operations For Period 0000 Hrs to 2400 Hrs on 08 Mar 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	TI	0000	0230	2.50	2075.5m	Continue RIH W/- Drilling BHA To 490m
PH1	P	RS	0230	0300	0.50	2075.5m	Rig Service
PH1	P	SC	0300	0330	0.50	2075.5m	Slip 38' Drill Line
PH1	P	TI	0330	0700	3.50	2075.5m	Continue RIH. Break circ @ 1500m. RIH to 2032m.
PH1	P	RW	0700	0800	1.00	2075.5m	PU kelly and wash f/ 2032m to 2075.5m.
PH1	P	DA	0800	2200	14.00	2249.0m	Drill 6-3/4" hole f/ 2075.5 to 2249m (TD).
PH1	P	CMD	2200	2400	2.00	2249.0m	Circ hole clean.

**Operations For Period 0000 Hrs to 0600 Hrs on 09 Mar 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
PH1	P	CMD	0000	0030	0.50	2249.0m	Circ & clean hole
PH1	P	SVY	0030	0100	0.50	2249.0m	Run wireline survey @ 2236m. 1.0deg @ S75W (uncorrected) / 266deg (corrected)
PH1	P	TO	0100	0600	5.00	2249.0m	Pump slug POOH on wiper trip to 1960m Tight hole F/- 2130m to 2058m

WBM Data							
Daily Chemical Costs: \$ 4048.00				Cost To Date: \$ 57570.00		Engineer : Peter N ARONETZ	
Mud Type:	Water Based	Flowline Temp:	44.5C°	pH:	9.8	Low Gravity Solids:	6.50%
Description:	KCl / PHPA / POLYMER	Nitrates:	0mg/l	PM:	0.4	High Gravity Solids:	0.00%
Sample From:	Past Shale Shakers	Sulphites:	250mg/l	PF:	0.52	Solids (corrected):	6.50%
Time:	21:45	API FL:	5.9cm³/30min	MF:	3.48	H2O:	93.5%
Weight:	9.45ppg	API Cake:	1/32nd"	Cl:	27300mg/l	Oil:	0.0%
ECD TD:	9.86ppg	PV	15cp	Hard/Ca:	40mg/l	Sand:	1.0 %
ECD Shoe:		YP	17lb/100ft²	MBT:	6.50	Barite:	0.00lb/bbl
Viscosity	52sec/qt			KCl Equiv:	5.2%	CaCO3 Added:	21.2ppb
				PHPA Added:	1.36ppb		
				Fluoresceine:	4.950ppm		

**Comment:** Recycled last 80bbls of fluid from sump for this interval, to make up D/Fluid volume. Total for this interval: 2465bbls.

Shakers, Volumes and Losses Data							
Available	880bbl	Losses	51bbl	Equip.	Descr.	Mesh Size	Hours
Active	531bbl	Downhole	21bbl	1	Lin. Motion SHAKER	1 x 84 & 2 x 50	24
Hole	289bbl	Shakers & Equip.	15bbl	2	Lin. Motion SHAKER	1 x 84 & 2 x 50	24
Slug		Dumped	5bbl	3	De-Sander	2 x 8" Cones	18
Reserve	60bbl	Centrifuges		4	De-Silter	12 x 4" Cones	0
		Desander	10bbl				
		De-Silter	0bbl				
Built	90bbl						

**Comment:** Recycled last 80bbls of fluid from sump for this interval, to make up D/Fluid volume. Total for this interval: 2465bbls.

Bit Data								
<b>Bit # 4RR1</b>								
Size ("):	6.750	IADC#		<b>Nozzles</b>	<b>Drilled over last 24 hrs</b>	<b>Calculated over Bit Run</b>		
Mfr:	Stealth Tools	WOB(avg)	10.0klb	4 x 12(/32nd")	Progress	173.5m	Cum. Progress	173.5m
Type:	PDC	RPM(avg)	110		On Bottom Hrs	10.00	Cum. On Btm Hrs	10.00
Serial No.:	6904	RPM (DH)(avg)	110		IADC Drill Hrs	14.00	Cum IADC Drill Hrs	14.00
Bit Model	M46H4	F.Rate	250.0gpm		Total Revs	63500	Cum Total Revs	63500
Depth In	2075.5m	SPP	1300.0psi		OB-ROP(avg)	17.35m/hr	Cum. OB-ROP(avg)	17.35m/hr
Depth Out		TFA	0.442	HSI	HSI			

BHA Data							
<b>BHA # 11</b>							
Weight(Wet)	20.0klb	Length	272.7m	Torque(max)	7000.0ft-lbs	D.C. (1) Ann Velocity	0fpm
Wt Below Jar(Wet)	25.0klb	String	118.0klb	Torque(Off.Btm)	1000.0ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	119.0klb	Torque(On.Btm)	5000.0ft-lbs	H.W.D.P. Ann Velocity	0fpm
		Slack-Off	117.0klb	Jar Hours	6	D.P. Ann Velocity	0fpm

BHA Run Comment Core #5 in Flaxman's Formation/Upper Waarre C.

Equipment	Length	OD	ID	Serial #	Hours	Comment
Core Bit	1 x 0.26m	6.75in	2.56in	083719	35	4 x 6.75" fixed stabilizers
Core Barrel	1 x 19.63m	6.75in			36	
NMDC	1 x 9.19m	4.75in	2.31in		8	
4.75" DC	16 x 9.43m	4.75in	2.88in		208	
Drilling Jars	1 x 9.37m	4.75in	2.88in	380-47763-03	208	
4.75" DC	3 x 9.50m	4.75in	2.88in		208	
3 1/2" HWDP	6 x 9.14m	3.50in	2.31in		228	
Total Length:	272.67m					

**BHA Data**

**BHA # 12**

Weight(Wet)	25.0klb	Length	260.5m	Torque(max)	15000.0ft-lbs	D.C. (1) Ann Velocity	266fpm
Wt Below Jar(Wet)	20.0klb	String	120.0klb	Torque(Off.Btm)	4000.0ft-lbs	D.C. (2) Ann Velocity	0fpm
		Pick-Up	121.0klb	Torque(On.Btm)	10000.0ft-lbs	H.W.D.P. Ann Velocity	184fpm
		Slack-Off	116.0klb	Jar Hours	209.5	D.P. Ann Velocity	184fpm

BHA Run Comment Units for torque not ft-lbs

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.18m	6.75in		6904	24.5	Tasman
Near Bit Stab	1 x 1.51m	6.75in	2.43in	5475-1	161.5	
Pony DC	1 x 2.90m	4.75in	2.25in	502-A32	161.5	
String Stabiliser	1 x 1.54m	6.75in	2.06in	5415-2	161.5	
NMDC	1 x 9.19m	4.75in	2.31in		161.5	
4.75" DC	1 x 9.49m	4.75in	2.31in		209.5	
String Stabiliser	1 x 1.54m	6.75in	2.00in	475-3	161.5	
4.75" DC	15 x 9.43m	4.75in	2.31in		209.5	
Drilling Jars	1 x 9.37m	4.75in	2.31in	380-47763-03	209.5	
4 3/4 DC	3 x 9.50m	4.75in	2.31in		209.5	
3 1/2" HWDP	6 x 9.14m	3.50in	2.12in		241.5	
Total Length:	260.51m					

**Survey**

MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (m)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
1808.00	2.00	139.00	1807.6	25.98	0.04	-25.98	17.38	Hofco single shot
1896.00	2.00	137.00	1895.5	28.27	0.02	-28.27	19.44	Hofco single shot
2022.00	0.75	86.00	2021.5	29.82	0.39	-29.82	21.76	Hofco single shot
2236.00	1.00	166.00	2235.5	31.53	0.16	-31.53	23.61	Hofco single shot

**Summary**

Company	Pax On
Upstream Petroleum	4
Century Drilling Ltd	25
BHI	2
RMN Drilling Fluids	1
Total on Rig	32

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
AMC Biocide G	25L can	0	1	0	5.0	
AMC Defoamer	25L can	0	1	0	11.0	
AMC PAC-R	25kg sack	0	3	0	66.0	
AMC PHPA	25kg sack	0	1	0	42.0	
AUS-BEN	25kg sack	0	4	0	34.0	
AUS-DEX	25kg sack	0	0	0	0.0	
AUS-GEL	25kg sack	0	0	0	168.0	
Baryte	25kg sack	0	0	0	686.0	
CaCl	25kg sack	0	0	0	2.0	
Calcium Carbonate 40µ	25 kg sacks	0	24	0	855.0	
Caustic Soda	25kg pail	0	1	0	32.0	
Citric Acid	25kg sack	0	0	0	34.0	
Cement - Class A	40kg sack	0	0	0	0.0	
Fluoresceine (5 kg)	5 kg	0	0	0	2.0	
Fluoresceine (1 pint)	1 pint	0	0	0	0.0	
Kwik-seal C	40lb sack	0	0	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	8.0	
KCl	25kg sack	0	114	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	30.0	
Soda Ash	25kg sack	0	0	0	44.0	
Sodium Sulfite	25kg sack	0	2	0	35.0	
Xanthan Gum	25kg sack	0	1	0	24.0	
Xtra-sweep	12lb box	0	0	0	5.0	
Diesel fuel		0	1500	0	15,900.0	

Pumps													
Pump Data - Last 24 Hrs								Slow Pump Data					
No.	Type	Liner (in)	MW (ppg)	Eff (%)	SPM	SPP (psi)	Flow (gpm)	Depth (m)	Ck. Line (psi)	SPM		SPP (psi)	Flow (gpm)
1	GD PZ-7	5.50	9.40	97	120	1300.00	250.00	2083.0		1.	70	500.00	
										2.	100	740.00	
2	GD PZ-7	5.50	9.50	97						1.			
										2.			
3	GD PZ-7	5.51	9.50	97				2083.0		1.	70	500.00	
										2.	100	700.00	