DAILY GEOLOGICAL REPORT

WELL: Glenaire-1ST1	**REPORT No.:**	37	**DAYS FROM SPUD:**	37	**DATE:**	15/10/06
PL: PEP 160	**0000 hrs Depth:**	3207 m	**LAST DEPTH:**	3182 m	**PROGRESS:**	25 m
LOCATION: Otway Basin	**Rig:** Ensign 32		**RT elevation:**	76.1 m	**PTD:**	3945 m
Northing: 5 840 813 m N	**Easting:** 499 810 m E		**Ground Level**	70.0m		
NEARBY WELLS:	Tullich-1, Mceachern-1, Haselgrove South-1, Heathfield-1					

0600 OPS: RIH to shoe, circulate, bottoms up gas from shoe 2491u.

PREVIOUS 24 Hours Operations: RIH, drill ahead with 152mm hole to 3207m, well flowing oil and gas cut mud, circulate through choke, increase mud weight to 10.8ppg, drill string blocked, POOH, clear string of salt, RIH.

Comment: Well began flowing oil/gas cut mud from around 3192m (well TD 3207m), maximum gas readings 4560 units (61:12:13:9:5). The crude is green, waxy (pour point 35 degrees C.), and is on the heavier end of a light crude, gives a bright pale greenish yellow white fluorescence with a milky white cut. Best assessment is for the flow to be from small fractures associated with a coal/sand section around 3192m. No fluorescence was observed in the sand and the sand visually has no discernable intergranular porosity. Estimated potential recoverable volume – low.

Formation Tops **(Wellsite)**	Wellsite (mRT)	Wellsite (mSS)	Prognosed Depths (mRT)	Prognosed Depths (mSS)	Prognosis Diff H/L	
Gambier Limestone	6.1	70	6	70	0	
Dilwyn Formation	29	47	82	-6	53H	
Pember Formation	320	-244	347	-271	27H	
Pebble Point Formation	380	-304	421	-345	41H	
Sherbrook Group	448	-372	487	-411	39H	
Eumeralla Formation	609	-533	656	-580	47H	
Windermere/Katnook Ss	Not Present	n/p	2034	-1958	Not Present	
Laira Formation	1968	-1892	2059	-1983	91H	
Pretty Hill Formation			3746	-3670		
T.D.			3945	-3869		

Interval (m) ROP (ave) min/m	**Lithology Description**	**Gas/Background Breakdown C1/C2/C3/C4/C5**
3182 – 3207 (33)	SILTY CLAYSTONE, (80%) medium to dark grey to medium brown grey, abundant very fine altered feldspar grains in part, trace black carbonaceous flecks and detritus, very carbonaceous in part, common micromica, hard, subfissile. SANDSTONE, (20%) off white to light brown, silty to fine, dominantly very fine, subangular to subrounded, moderately sorted, strong silica and calcareous cements, abundant off white argillaceous matrix – matrix supported, abundant altered feldspar grains, trace green grey brown red and black volcanogenic lithics, trace quartz grains, trace fine brown mica flakes, trace fine black carbonaceous detritus, hard, no visual porosity, no oil fluorescence. COAL, (trace) black to very dark grey, very argillaceous in part, earthy to subvitreous lustre, irregular/contused fracture, hard, brittle.	25 – 4560 (300) (61:12:13:9:5)
Fluorescence	The sandstone has dull yellow-orange mineral fluorescence but no cut. The coaly material has no fluorescence but gives a very weak pale yellow crush cut. The oil flowing from around 3192m gives a bright pale greenish yellow white fluorescence with a milky white cut, pour point 35 degrees C.	

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