

DAILY GEOLOGICAL REPORT

WELL: Glenaire-1ST1 REPORT No.: 40 DAYS FROM 40 DATE: 18/10/06

SPUD:

 PL:
 PEP 160
 0000 hrs Depth:
 3418 m
 LAST DEPTH:
 3361m
 PROGRESS:
 57 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: Drill ahead with 152mm hole at 3451m.

PREVIOUS 24 Hours Operations: Drill ahead with 152mm hole to 3386m, wiper trip, (work tight hole at 3259m), wiper trip gas 4233 units, dill ahead with 152mm hole to 3418m.

Comment: Survey at 3427m = 2.99 degrees at 169.22 azimuth.

Connection gases on all connections to 4578 units of total gas often with small volumes of free oil in the drilling mud - lag timing on connection gases corresponds to a depth of 3192m.

Hole slowly loosing mud into fractures below 3433m.

Formation Tops	Wellsite	Wellsite	Prognosed	I Depths	Prognosis	
(Wellsite)	(mRT)	(mSS)	(mRT)	(mSS)	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	
3386 – 3440 (4)	SILTY CLAYSTONE, (85%) medium to dark grey to medium brown grey, abundant very fine altered feldspar grains in part, trace to common black carbonaceous flecks and detritus, common micromica, hard, subfissile. SANDSTONE, (15%) off white to light brown, very fine 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, rare fine brown mica flakes, trace 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 to blocky fracture often contused and striated, hard, brittle.	10 to 200 units from Coal (90:4:2:5:1) 200 – 4473 units from oil flow (59:11:14:11:5)	
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. Free oil in mud associated with connection gases lagged from 3192m has a bright pale greenish yellow white fluorescence with a milky white cut, freezes at surface temperatures.		
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