

DAILY GEOLOGICAL REPORT

WELL: Glenaire-01	REPORT No.:	20	DAYS FROM SPUD:	20	DATE:	28/09/06
PL: PEP 160 LOCATION: Otway Basin	0000 hrs Depth: Rig: Ensign 32	3103 m	LAST DEPTH: RT elevation:	3002 m 76.1 m	PROGRESS: PTD:	101 m 3945 m
Northing: 5 840 813 m N NEARBY WELLS:	Easting: 499 810 m E Tullich-1, Mceachern-1	, Haselgrov	Ground Level ve South-1, Heathfield	70.0m -1		

0600 OPS: Drill ahead with 152mm hole to 3156m, increase mud weight to 9.8 lb/gal, drill ahead to 3168m.

PREVIOUS 24 Hours Operations: Drill out shoe track and new hole to 3005m, FIT to 13.8 ppg mw eq, drill ahead with 152mm hole to 3103m.

Comment: Pressure response on FIT, cutting shape and hole instability would indicate the probable presence of a tectonically stressed fault/fracture being present at around 3000m.

Survey at 3108m = 8.5 degrees at 332 degrees TN.

At 3153m total gas readings rose to 4251 units (70:10:11:6:3) corresponding to a very strongly calcareous cemented sandstone (no visual porosity – dull orange carbonate fluorescence – no cut). Sample and drilling indicators suggest the gas came from a small partially open calcite lined fracture at this depth. Subsequently the mud weight was increased from 9.5 lb/gal to 9.8 lb/gal by the addition of KCI.

Formation Tops	Wellsite	Wellsite	Prognosed	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
3002 – 3108 (17)	SILTY CLAYSTONE, (90%) medium to dark grey to medium brown grey, grey black and very carbonaceous in part, abundant very fine altered feldspar grains in part, trace black carbonaceous flecks and detritus, common micromica, hard, subfissile. SANDSTONE, (10%) 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 black carbonaceous detritus, hard, no visual porosity, no oil fluorescence.	35 – 240 (76) (83:7:5:3:2)
Fluorescence	Nil in the sandstone, but: The detrital coal has no fluorescence but gives a very weak dull yellow crush cut.	
3108-3162 (40)	SILTY CLAYSTONE, (70%) medium to dark grey to medium brown grey, abundant very fine altered feldspar grains in part, slightly calcareous where arenaceous, trace black carbonaceous flecks and detritus, trace vein calcite at 3129m, common micromica, hard, subfissile. SANDSTONE, (30%) off white to light brown, silty to fine, dominantly very fine, subangular to subrounded, moderately sorted, moderate silica and very strong 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 black carbonaceous detritus, hard, no visual porosity, no oil fluorescence. COAL, (trace) black, subvitreous to vitreous, subconchoidal fracture, hard, brittle.	50 – 530 (190) (70:10:11:6:3)



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Fluorescence	The sandstone has dull orange mineral fluorescence, no cut. The coal has no fluc a weak pale yellow crush cut.	prescence but gives
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