

**Megascolides-2**

<b>Date :</b>	07 Jan 2007	<b>Well Site Manager :</b>	Chris Dann	<b>Rig Manager :</b>	Steve Young
<b>Report Number</b>	10	<b>Drilling Supervisor :</b>	Chris Dann	<b>Drilling Company :</b>	Century Drilling Ltd
<b>Easting</b>	403212	<b>Northing</b>	5767583	<b>Geologist :</b>	Dave Horner

**Well Details**

Country:	Australia	Current Hole Size:	12.250in	Casing O.D.:	Planned TD:	1850m
Field:	Megascolides	Measured Depth:	510m	Casing MD:	Last BOP Test:	
Rig:	Century 11	True Vertical Depth:	510m	Casing TVD:	FIT/LOT:	/
RT - AMSL:	156.20m	24 Hr Progress:	23m	TOL MD:	Last LTI:	04 Jan 2006
RT - GL:	5.20m	Days From Spud:	3.42	Liner MD:	LTI Free Days:	225
Datum:	WGS 84	Days On Well:	9.33	Liner TVD:		

Current Ops @ 0600: Rotate and reciprocate drill string while circulating to maintain hole condition while waiting on equipment to run 9 5/8" casing

Planned Operations: Circulate to maintain hole condition while waiting on equipment to run 9 5/8" casing - Trip out of hole - Rig up to run 9 5/8" casing - Run & cement 9 5/8" casing

**Summary of Period 0000 to 2400 Hrs**

Drill 12 1/4" hole from 487m to 510m - Circulate clean & survey - Trip out to run casing - Rig up to run 9 5/8" casing - Make up shoe track & 2nd casing joint - Layout casing double & run 12 1/4" bit in hole to condition hole while waiting on equipment to run 9 5/8" casing

**Well Costs - AFE Number:**

Original AFE:	\$ 2,839,256	Orig & Supp AFE:	\$ 2,839,256	Daily Cost:	\$ 59,584	Cum. Cost:	\$ 787,968
Projected Cost:	\$ 2,839,256						

**HSE Summary**

Event (# Of)	Date of last	Days Since	Short Description
Alcohol & drug screening ( 2 )	07 Jan 2007	0 Days	Personnel Blow into Alcoholiser
Pre-Tour Meetings ( 2 )	07 Jan 2007	0 Days	Racking back drill collars on rig floor & Running casing

**Operations For Period 0000 Hrs to 2400 Hrs on 07 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	P	DA	0000	0600	6.00	510m	Drill 12 1/4" hole from 487m to 510m
SH	P	CMD	0600	0700	1.00	510m	Pump Hi-vis sweep, circulate clean, flow check & check for fill, spot heavy slug & drop survey
SH	P	TO	0700	1200	5.00	510m	Pull out of hole with 12 1/4" drilling assembly to run 9 5/8" casing - lay out 12 1/4" stabilizer (unable to service break)
SH	P	HBHA	1200	1230	0.50	510m	Lay out 2ea 8" drill collars
SH	P	HT	1230	1300	0.50	510m	Clean rig floor and remove excess equipment
SH	P	RRC	1300	1600	3.00	510m	Rig up to run 9 5/8" casing
SH	P	CRN	1600	1730	1.50	510m	Pick up shoe joint & test float - Install centralizer - Pick up float collar joint & make up to shoe joint with Halliburton Weld A ( Power tong malfunctioning & correct rotary tong jaw not on location) Casing stabbing board not functional
SH	TP (RE)	RR	1730	1930	2.00	510m	Work on casing power tong & source rotary tong jaws in Wacol Qld.
SH	TP (RE)	RR	1930	2130	2.00	510m	Lay out double joint of 9 5/8" casing & measure casing stabbing board for modification
SH	P	HBHA	2130	2400	2.50	510m	Pick up & make up 12 1/4" bit on 6 1/4" drill collars - run in hole to 483m to condition hole while waiting on equipment to run 9 5/8" casing

**Operations For Period 0000 Hrs to 0600 Hrs on 08 Jan 2007**

Phse	Cls	Op	From	To	Hrs	Depth	Activity Description
SH	P	RW	0000	0030	0.50	510m	Pick up 4 1/2" drill pipe & wash from 483m to 510m - no fill
SH	TP (RE)	RR	0030	0600	5.50	510m	Rotate & reciprocate drill string while circulating to maintain hole condition while waiting on equipment to run 9 5/8" casing - Work on modifying casing stabbing board and installing flare & vent lines to flare pit

**WBM Data**

Daily Chemical Costs: \$ 298		Cost To Date: \$ 2517				Engineer : Peter N Aronetz	
Mud Type: FluidReclaimed fm ME	Flowline Temp:	Cl:	4.70x1000 mg/l	Low Gravity Solids:	4.8%	Gels 10s	10
Sample From: Suction Tk	Nitrates: 0mg/l	Hard/Ca:	660mg/l	High Gravity Solids:	0.2%	Gels 10m	11
Time: 22:00	Sulphites: 0mg/l	MBT:	18	Solids (corrected):	5.0%	Fann 003	8
Weight: 9.10ppg	API FL: 26cm³/30m	PM:	0.15	H2O:	95.0%	Fann 006	9
ECD TD: 9.16ppg	API Cake: 3/32nd"	PF:	0	Oil:	0.0%	Fann 100	10
ECD Shoe:	PV 4cp	MF:	0.55	Sand:	0.15 %	Fann 200	12
Viscosity 36sec/qt	YP 10lb/100ft²	pH:	8	Barite:	2.4	Fann 300	14
KCl Equiv: 0%		PHPA Excess:	0ppb			Fann 600	18

**Comment:** Prepare 25bbbls Barite-based heavy pill, pump before POOH

**Shakers, Volumes and Losses Data**

Available	678.0bbl	Losses	65.0bbl	Equip.	Descr.	Mesh Size	Hours
Active	213.0bbl	Downhole	18.0bbl	De-Gaser 1	Rig		0
Hole	226.0bbl	Shakers & Equip.	21.0bbl	De-Sander 1	Pioneer	2 Cones	10
Slug		Dumped	15.0bbl	De-Silter 1	Pioneer	10 Cones	10
Reserve	239.0bbl	Centrifuges		Shaker 1	DFE	3x84	12
		De-Sander	11.0bbl	Shaker 2	DFE	3x84	12
Built	0.0bbl						

**Comment:** Prepare 25bbbls Barite-based heavy pill, pump before POOH

**Bit Data**

Bit # 1	Wear	I	O1	D	L	B	G	O2	R
		2	2	WT	A	E	I	SS	TD
Size ("):	12.23	IADC#	116	<b>Nozzles</b>		<b>Drilled over last 24 hrs</b>		<b>Calculated over Bit Run</b>	
Mfr:	Security DBS	WOB(avg)	15.00klb	3 x 20/(32nd")		Progress	23m	Cum. Progress	508.0m
Type:	Rock	RPM(avg)	110			On Bottom Hrs	4.00	Cum. On Btm Hrs	40.00
Serial No.:	10826043	RPM (DH)(avg)	110			IADC Drill Hrs	6.00	Cum IADC Drill Hrs	55.00
Bit Model	XS/S	F.Rate	633gpm			Total Revs	26751	Cum Total Revs	304487
Depth In	16m	SPP	1200psi			OB-ROP(avg)	5.75ft/hr	Cum. OB-ROP(avg)	12.70ft/hr
Depth Out	510m	TFA	0.92	HSI13731910289.31					

**BHA Data**

BHA # 1							
Weight(Wet)	51.00klb	Length	223m	Torque(max)	90ft-lbs	D.C. (1) Ann Velocity	140fpm
Wt Below Jar(Wet)	49.00klb	String	80.00klb	Torque(Off.Btm)	5ft-lbs	D.C. (2) Ann Velocity	181fpm
		Pick-Up	80.00klb	Torque(On.Btm)	75ft-lbs	H.W.D.P. Ann Velocity	120fpm
		Slack-Off	80.00klb	Jar Hours	111	D.P. Ann Velocity	120fpm

BHA Run Description 12.25" top hole

Equipment	Length	OD	ID	Serial #	Hours	Comment
Bit	1 x 0.30m	12.25in				
Bit Sub	1 x 0.73m	7.94in	2.88in			
X/Over	1 x 0.70m	7.50in	2.88in			
8" DC	1 x 9.26m	8.00in	3.00in	CDL8015		
8" DC	1 x 9.00m	8.00in	3.00in	CDL8005		
String Stabiliser	1 x 1.68m	12.25in	2.94in	HOFECO581	61.5	
Drill Collar	1 x 108.49m	6.25in	3.00in			
Drilling Jars	1 x 9.58m	6.25in	3.00in	HOFECO	118	
Drill Collar	1 x 26.76m	6.25in	3.00in			
HWDP	1 x 56.10m	6.25in	2.94in			
Total Length:	222.60m					

Survey								
MD (m)	Incl. (deg)	Corr. Az (deg)	TVD (m)	'V' Sect (deg)	Dogleg (deg/30m)	N/S (m)	E/W (m)	Tool Type
204.00	1.0		204.00					Totco single Shot
316.00	1.5		316.00					Totco single shot
419.00	0.8		419.00					Totco single shot
503.00	1.0		503.00					Totco single shot

Summary		
Company	Pax On	
Karoon Gas Ltd	3	
Halliburton	2	
Century Drilling Ltd	21	
RMN Drilling Fluids	1	
BHI	2	
Eurest	3	
Total on Rig		32

Bulk Stocks						
Name	Unit	In	Used	Adjust	Balance	
AMC Biocide G	25L can	0	0	0	13.0	
AMC Defoamer	25L can	0	0	0	3.0	
AMC PAC-R	25kg sack	0	0	0	71.0	
AMC PHPA	25kg sack	0	0	0	60.0	
AUS-BEN	25kg sack	0	0	0	0.0	
AUS-DEX	25kg sack	0	0	0	96.0	
AUS-GEL	25kg sack	0	0	0	252.0	
Baryte	25kg sack	0	30	0	494.0	
CaCl	25kg sack	0	0	0	0.0	
Caustic Soda	25kg pail	0	0	0	18.0	
Citric Acid	25kg sack	0	0	0	38.0	
Cement - Class A	40kg sack	0	0	0	0.0	
Kwik-seal C	40lb sack	0	0	0	32.0	
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	11.0	
KCl	25kg sack	0	0	0	420.0	
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	8.0	
Sodium Sulfite	25kg sack	0	0	0	20.0	
Xanthan Gum	25kg sack	0	0	0	16.0	
Xtra-sweep	12lb box	0	0	0	4.0	
Diesel fuel		0	2700	0	8,300.0	

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	105	1200	211			1.			
2	G.D PZ-7	5.50		97	105	1200	211			1.			
3	G.D PZ-7	5.50		97	105	1200	211			1.			
										2.			