

DAILY GEOLOGICAL REPORT

DGR 05

Date:	02 August 2006	Licence / State:	P39 (V) / VIC
Report Period:	06:00 - 06:00 Hours	Rig:	Ensign 32
Days from Spud:	4	GL:	2.7m
Current Hole Size:	17.5"	RT:	8.6m
Depth @ 0600 Hrs:	320m MDRT	PTD:	2281m MDRT (-1338mSS)
	-306m TVDSS	Spud Date:	04:30 hrs 29/07/06
24 Hr Progress:	0m		
Current Operation:	Continue to pick up drillpipe singles and rack back as stands in derrick. (Expect to make up 12.25" directional BHA by 07:00hrs).		
Nope Cost (Drill)\$	(C&S)\$	Cost To Date:	
	(P&A)\$		

Casing Data	Hole Size	Depth	Casing Size	Wt:	Type	Shoe Depth	LOT
(Conductor)		100m	20"			60m	
	17.5"	320m	13.375"	54.5	J55 BTC	317m	EMW= ppg
	12.25"		9.625"	47.0	N80 BTC		

Mud Data	Type:	Wt:	Visc:	WL:	PH:	KCl%:	Cl -:	PV/YP:	Rmf:
	KCL	8.7	90	7.0	9.5	5.0	25000	17 / 21	-

Bit Data	No.	Make	Type	Size	Hours	Meters	Condition
	1	Reed	Rock T11C	17.5"	0.45	20	0-0-NO-A-0-I-RR-BHA
	1RR	Reed	Rock T11C	17.5"	2.95	200	1-1-NO-A-0-I-RR-TD

Surveys	Type	MD (m)	Inclination	Azimuth (T)	TVD (m)	Offset (m)	Direction (T)
	MWD	261.6	16.6	112.2	260.3	14.4	115.5
	MWD	276.5	19.1	117.1	274.5	19.0	115.4
	MWD	291.3	21.7	120.0	288.4	24.1	116.1
	MWD	303.7	23.2	118.7	299.9	28.9	116.6

OPERATIONS SUMMARY

Previous 24 hrs Operations Summary:

Complete pressure testing BOPs to 200psi Low / 1700psi High. Run wear bushing. Pressure test surface equipment while Halliburton performed top-up cement job between 13.375" casing and 20" conductor. Hold safety meeting with new incoming crew. Hold Muster Drill and test Emergency Shutdown Systems – all okay. Pickup singles of drillpipe and rack back as stands in the derrick prior to making up 12.25" directional BHA.

Anticipated operations:

Continue to pick up drillpipe singles to make a total of 52 stands in derrick. By 07:00hrs expect to make up 12.25" directional BHA with Tricone bit and motor (1.15° bend). Shallow test MWD, run in hole, tag and drill cement, shoe track and 3m formation. Circulate and displace hole to new KCl/PHPA mud. Perform LOT. Drill 12.25" directional hole to ~625m building angle to ~70° to 118.5° azimuth with a build rate of 4.5°/30m.

FORMATION TOPS (Preliminary Field picks)

FORMATION	ACTUAL TOP		High/Low	High/Low	PROGNOSED TOP	
	(MDmRT)	(TVDmSS)	To Prognosis	To East Reeve-1	(MDmRT)	(TVDmSS)
Jemmy's Point	5.9	2.7	-	-	6	3
Tambo River (Coquina)	143.0	-134.4	30.6m High	30.8m High	180	-165
Gippsland Limestone	235.0	-225.9	5.9m Low	0.2m High	230	-220
Lakes Entrance Formation					1876 **	-960 **
Latrobe Coarse Clastics					2098	-1155
Latrobe N. Asperus (Coal)					2163	-1220
Total Depth					2281	-1338

** Revised Prognosis

HYDROCARBON SHOW SUMMARY

INTERVAL	LITHOLOGY & HYDROCARBON FLUORESCENCE	GAS

GAS	MD (m)	Peak	Background	Chromatograph
Trip Gas	-	-	-	-
Connection Gas	-	-	-	-

INTERVAL ROP (min/ft)	LITHOLOGY	GAS (Peak / BG) Composition