

**DAILY GEOLOGICAL REPORT**DATE: 03 Jun 2010
REPORT NO.: 18
(associated DDR # 18)**WELL: CBM 93-002**

RIG	Wallis Rig D 39	RIG TYPE	Land
COMPLETION TYPE		TARGET	Test gas potential of Purni Formation
Depth at Midnight (MD)	742.2 m	SPUD DATE	22 May 2010
DAYS SINCE SPUD	12.67 (Days on well: 17.67)	LAST CASING	4.500 in @ 523.5 m MD
PRESENT DEPTH MD	772.0 m	BACKGROUND GAS	10.00 Unit @ 732.0 m
24 Hr Progress	30.00 m	MAX GAS	22.00 Unit @ 736.0 m
AVERAGE ROP	54,359.96 m/h	ECD	
Operations Status @ 0600hrs	Coring ahead	ESTIMATED PORE PRESSURE	
PROGNOSED TD	1,150.0m MD 1,150.0m TVD		

Well Details

Latitude:	25.00° 21.00" 16.10' South	UTM(N/S):	RT - MSL:	159.30 m RT MSL
Longitude:	135.00° 26.00" 5.30' East	UTM(E/W):	GL Elevation:	158.0 m

Operations Summary and General Remarks

OPERATION SUMMARY:	Completed DST1, 701.5 - 712.2m. Cored from 712.2 to 742m in sandstones and coals. Total cored coal >1m = 70.4m, total Purni coal 73.9m
HYDROCARBON SHOWS:	Nil
NEXT OPERATION:	Continue coring to TD, now estimated at 950m

Lithology Summary

Interval MDBRT (m)		Lithology	%	Description
From	To			
701.26 - 715.94		Coal	100	Coal 701.26 - 715.94m Coal, dull with discontinuous bright laminae in part. Grading from carbonaceous siltstone at base.
715.94 - 716.17		Interlaminated Sandstone & Claystone	100	Interlaminated Sandstone & Claystone 715.94 - 716.17m Sandstone, light grey, fine, grading up to laminated sandstone and dark grey claystone, occasionally thin bedded, light brown grey very fine sandstone at top.
716.17 - 717.95		Coal	100	Coal 716.17 - 717.95m Coal, mixed dull with discontinuous bright laminae, and banded bright. Fibrous bright rectangular fragments common on bedding planes. Grades to 30cm carbonaceous claystone at top.
717.95 - 720.87		Sandstone Grading up to Siltstone	100	Sandstone Grading up to Siltstone 717.95 - 720.87m Irregularly upward coarsening unit, from thinly bedded to laminated light grey fine - very fine sandstone and dark grey siltstone to very light grey fine sandstone at top.
720.87 - 723.00		Coal and Carbonaceous Claystone	100	Coal and Carbonaceous Claystone 720.87 - 723.0m Interbedded coal grading to carbonaceous mudstone and carbonaceous siltstone, about half of which is coal. Rare light - mid grey very fine sandstone interbedded with less carbonaceous lithologies.
723.00 - 723.50		Siltstone	100	Siltstone 723.0 - 723.5m Siltstone, slightly carbonaceous and very micaceous
723.50 - 725.18		Siltstone	100	Siltstone 723.5 - 725.18m Sandstone, mid grey, poorly sorted, moderately carbonaceous with occasional bands of coal or coalified wood. Poorly bedded, weakly cross bedded. Moderate visual porosity, possibly a weak silica cement.
725.18 - 730.20		Sandstone	100	Sandstone 725.18 - 730.2m Sandstone, light - mid grey, granular to very coarse at base, fining upward slightly, fairly uniform. 15cm boulder of silicified sediment near base. Friable and weak, good visual porosity, probably a weak silica cement.
730.20 - 733.50		Sandstone	100	Sandstone



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Interval MDBRT (m) From To		Lithology	%	Description
				730.2 - 733.5 Sandstone, light - mid grey, very coarse to coarse, white clay matrix, with common coal bands and laminae, although uniform beds are also present to 1m. Possible cross bedding or slumping. Sharp base.
733.50 - 734.21		Sandstone	100	Sandstone 733.5 - 734.21m Sandstone similar to above, coarse to medium, thinly interbedded with very carbonaceous claystone grading to coal.
734.21 - 741.65		Coal	100	Coal 734.21 - 741.65m Coal, grading to carbonaceous claystone in part, particularly in upper 1.5m, hard, dull with occasional bright bands, weak vertical fractures. One 15cm pyrite concretion noted. Sharp base.
741.65 - 744.85		Sandstone fining up to Siltstone	100	Sandstone fining up to Siltstone 741.65 - 744.85m Upward fining sequence from 1.2m medium clayey quartzose sandstone, quite uniform, to thin bedded and laminated dark grey siltstone and very fine sandstone.
744.85 - 748.28		Siltstone	100	Siltstone 744.85 - 748.28m Similar sequence but more silty. Sharp base but may represent top of a much thicker upward fining sequence. Siltstone is medium to dark grey, grading to silty sandstone, with two coals 0.2 and 0.3m thick near top.
748.28 - 765.85		Sandstone	100	Sandstone 748.28 - 765.85m Sandstone, light grey, mostly coarse or coarse to medium, white clay matrix, fairly uniform but with some variation which may represent boundaries to thick beds. Rare coal bands around 752 and 755.5m, siltier intervals at 753, 754 and 763m.

Gas Readings

Depth (m)	Total Gas (ppm)	BGG (ppm)	C1 (ppm)	C2 (ppm)	C3 (ppm)	iC4 (ppm)	nC4 (ppm)	iC5 (ppm)	nC5 (ppm)
736.20 - 742.20	1,000.000	200.00	1 - 14	0 - 2	0 - 0	0 - 0	0 - 0	0 - 0	0 - 0

Comment- While drilling coal seam. CO2 224ppm, background whether circulating or not

Prognosis and Preliminary Correlation

Top	Actual Depth (159.30 m RT MSL)			Prognosis	H/L	Pick Criteria	Remarks
	MD	TVD	TVDSS	MD			
Eyre Formation	4.00	4.00	-155.30	4.00	N/A		
Winton Formation	20.00	20.00	-139.30	60.00	40.0 H	Top grey claystones	Top may be unweathered Eyre Fmn
MacKunda Fm	198.00	198.00	38.70		N/A	First glauconitic sandstones, slightly calcareous	Top boundary clear, but could contain equivalents of Oodnadatta and Bulldog Formations
Cadna-owie Fm	291.00	291.00	131.70	484.00	193.0 H	Top first quartz sandstone	Very thin, indistinguishable from Algebuckina while drilling. Better defined on wireline logs
Algebuckina Sandstone	314.00	314.00	154.70	490.00	176.0 H	Second fast drilling break - no change in cuttings	May include Poolowanna Formation and/or other early Mesozoic units
Purni Formation	512.00	512.00	352.70	700.00	188.0 H	Reverse drilling break above 5.5m coal	

Well Geologist

Graham McClung