

**DAILY GEOLOGICAL REPORT**DATE: 02 Jun 2010
REPORT NO.: 17
(associated DDR # 17)**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)	712.2 m	SPUD DATE	22 May 2010
DAYS SINCE SPUD	11.67 (Days on well: 16.67)	LAST CASING	4.500 in @ 523.5 m MD
PRESENT DEPTH MD	712.2 m	BACKGROUND GAS	14.00 Unit @ 661.0 m
24 Hr Progress	126.00 m	MAX GAS	52.00 Unit @ 687.0 m
AVERAGE ROP	46,799.96 m/h	ECD	
Operations Status @ 0600hrs	DST 1 in progress	ESTIMATED PORE PRESSURE	
PROGNOSSED 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:	Core from 664 to 712m. Intersected 10 m coal below 702m. Circulate and prepare for DST 1 - Injectivity falloff test - between 701.5 and 712m. Commence DST 1
HYDROCARBON SHOWS:	Tiny gas bubbles noticed on surface of coal below 702m.
NEXT OPERATION:	Complete DST1. Continue coring to TD around 1000m

Lithology Summary

Interval MDBRT (m) From To		Lithology	%	Description
672.34 - 674.70		Interbedded sandstone and siltstone	100	Interbedded Sandstone & Siltstone 672.34 - 674.7m Sandstone, mid - dark grey, fine - very fine, and siltstone, dark grey, thinly interbedded, with siltstone occasionally grading to dark grey claystone. Occasional beds to 15cm of coarse quartzose clayey friable sandstone occur as distinct bands.
674.70 - 677.60		Sandstone	100	Sandstone 674.7 - 677.6m Sandstone, very coarse, grading upward to coarse, coarse - medium and medium with occasional siltstone bands. Grades to overlying unit.
677.60 - 679.38		Sandstone	100	Sandstone 677.6 - 679.38m Sandstone, light grey, medium, with occasional carbonaceous laminae and slump structures, otherwise fairly uniform
679.38 - 681.70		Interbedded Sandstone & Siltstone	100	Interbedded Sandstone & Siltstone 679.38 - 681.7m Interbedded sandstone, light grey, medium, and siltstone, dark grey, 70:30, thin bedded or laminated, with occasional beds of uniform sandstone to 30cm
681.70 - 683.80		Sandstone	100	Sandstone 681.7 - 683.8m Sandstone, light grey, coarse - medium, in part medium, fairly uniform apart from occasional bands of dark grey siltstone or claystone, with one laminated zone over 20cm at 682m
683.80 - 686.90		Sandstone	100	Sandstone 683.8 - 686.9m Sandstone, light - mid grey, medium - fine, thin bedded and laminated with scattered bands and laminae of dark grey siltstone and claystone, sometimes carbonaceous, making up about 10% of the unit. Low angle cross bedding, possible slumping (rare), and common large fragments of coal or wood between 685 & 686m
686.90 - 694.90		Sandstone	100	Sandstone 686.9 - 694.9m Sandstone in gross upward fining cycle, light - mid grey, very coarse at base, becoming coarse to medium near top with occasional siltstone or claystone laminae. High angle cross bedding, particularly near base
694.90 - 698.00		Sandstone	100	Sandstone

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Interval MDBRT (m) From To		Lithology	%	Description
				694.9 - 698.0 Sandstone is upward fining cycle similar to above, grading from coarse to medium, but very irregular and showing signs of slumping and mixing of lithologies. High angle bedding in part, cross bedding or slumping. Mixed up coal and carbonaceous claystone near base, but generally uniform.
698.00 - 701.26		Interbedded Sandstone, Siltstone and Claystone	100	Interbedded Sandstone, Siltstone and Claystone 698.0 - 701.26m Thinly interbedded and laminated sandstone, siltstone, claystone and minor coal. Sandstone, 60%, light - mid grey, fine, silty in part. Siltstone and claystone both dark grey, about 20% each, in part carbonaceous. Two bands of bright and dull coal to 20cm present. Mostly thin bedded but laminae common.
701.26 - 712.20		Coal	100	Coal Base of seam not yet reached. 701.26 - 712.2m Coal

Gas Readings

Depth (m)	Total Gas (ppm)	BGG (ppm)	C1 (ppm)	C2 (ppm)	C3 (ppm)	iC4 (ppm)	nC4 (ppm)	iC5 (ppm)	nC5 (ppm)
664.00 - 712.00	4,600.000	2,600.00	13 - 37	1 - 3	0 - 0	0 - 0	0 - 0	0 - 0	-

Comment- Gas system not fully operational 706 - 712m. CO2 150 - 180 ppm throughout, no peaks**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	

Core

Core #:	26	Start Depth (MD):	664.2 m
Formation:	Purni Formation	End Depth (MD):	670.2 m
Contractor:	Wallis Drilling	Core Diameter:	61 mm
Equipment:		Barrel Length:	6.0 m
Sleeve Type:	Others	Amount Recovered:	5.9 m
Encapsulation Type:			
Shipping:			
Comments:			
Core Description:	See lithology section		

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Core #:	27	Start Depth (MD):	676.0 m
Formation:		End Depth (MD):	682.0 m
Contractor:		Core Diameter:	mm
Equipment:		Barrel Length:	6.0 m
Sleeve Type:		Amount Recovered:	6.1 m
Encapsulation Type:			

Shipping:

Comments:

Core Description: See lithology section

Core

Core #:	27	Start Depth (MD):	670.2 m
Formation:		End Depth (MD):	676.2 m
Contractor:		Core Diameter:	mm
Equipment:		Barrel Length:	6.0 m
Sleeve Type:		Amount Recovered:	6.0 m
Encapsulation Type:			

Shipping:

Comments:

Core Description: See lithology section

Core

Core #:	29	Start Depth (MD):	682.2 m
Formation:		End Depth (MD):	688.2 m
Contractor:		Core Diameter:	mm
Equipment:		Barrel Length:	6.0 m
Sleeve Type:		Amount Recovered:	6.0 m
Encapsulation Type:			

Shipping:

Comments:

Core Description: See lithology section

Core

Core #:	30	Start Depth (MD):	688.2 m
Formation:		End Depth (MD):	694.2 m
Contractor:		Core Diameter:	mm
Equipment:		Barrel Length:	6.0 m
Sleeve Type:		Amount Recovered:	6.0 m
Encapsulation Type:			

Shipping:

Comments:

Core Description: See lithology section

Core

Core #:	31	Start Depth (MD):	694.2 m
Formation:		End Depth (MD):	702.2 m
Contractor:		Core Diameter:	mm
Equipment:		Barrel Length:	6.0 m
Sleeve Type:		Amount Recovered:	6.0 m
Encapsulation Type:			

Shipping:

Comments:

Core Description: See lithology section



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Core

Core #:	32	Start Depth (MD):	700.2 m
Formation:		End Depth (MD):	706.2 m
Contractor:		Core Diameter:	mm
Equipment:		Barrel Length:	6.0 m
Sleeve Type:		Amount Recovered:	6.0 m
Encapsulation Type:			

Shipping:

Comments:

Core Description: See lithology section

Core

Core #:	33	Start Depth (MD):	706.2 m
Formation:		End Depth (MD):	712.2 m
Contractor:		Core Diameter:	mm
Equipment:		Barrel Length:	6.0 m
Sleeve Type:		Amount Recovered:	6.0 m
Encapsulation Type:			

Shipping:

Comments:

Core Description: See lithology section

Well Geologist

Graham McClung