

**DAILY GEOLOGICAL REPORT**DATE: 23 May 2010
REPORT NO.: 7
(associated DDR # 7)**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)	199.5 m	SPUD DATE	22 May 2010
DAYS SINCE SPUD	1.67 (Days on well: 6.67)	LAST CASING	10.000 in @ 10.0 m MD
PRESENT DEPTH MD	242.0 m	BACKGROUND GAS	1.00 Unit @ 181.0 m
24 Hr Progress	174.50 m	MAX GAS	3.00 Unit @ 181.0 m
AVERAGE ROP	61,199.95 m/h	ECD	
Operations Status @ 0600hrs	Drilling ahead in 8.5" hole	ESTIMATED PORE PRESSURE	
PROGNOSSED TD	250.0m MD 250.0m 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:	Drilled 8.5" hole from 25 - 199.5m
HYDROCARBON SHOWS:	Nil
NEXT OPERATION:	Drill 8.5" hole to 248.2m. Circulate, run wiper trip, POOH, run 7" casing and cement. WOC

Lithology Summary

Interval MDBRT (m) From To	Lithology	%	Description
25.00 - 198.00	Claystone	100	Claystone Claystone, mid to dark grey, rarely silty, generally soft, occasionally firm with scattered very fine sands grains. Trace very fine carbonaceous fragments scattered throughout. Non calcareous.
	Silty claystone with glauconitic sandstone bands	100	Claystone, dark grey, rare carbonaceous fragments and very fine glauconite grains, grading to mid to dark grey siltstone with more common and larger scattered glauconite grains, both non calcareous. Interbedded with sandstone, light - mid grey, medium to very fine, lithic but dominated by subrounded black glauconite grains, slightly calcareous, up to 40% near top but decreasing downwards. Trace off white limestone or calcite.

Gas Readings

Depth (m)	Total Gas (ppm)	BGG (ppm)	C1 (ppm)	C2 (ppm)	C3 (ppm)	iC4 (ppm)	nC4 (ppm)	iC5 (ppm)	nC5 (ppm)
25.00 - 124.00	100.000	100.00	-	-	-	-	-	-	-

Comment- Background only CO2 to 4 units

124.00 - 181.00	200.000	200.00	-	-	-	-	-	-	-
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Comment- Background only. CO2 to 5 units

181.00 - 248.20	300.000	300.00	-	-	-	-	-	-	-
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Comment- Background only CO2 to 6 units**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,	Top boundary clear, but could contain equivalents of Oodnadatta and Bulldog Formations



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	MD	TVD	TVDSS	MD			
						slightly calcareous	

Well Geologist

Graham McClung