

**DAILY GEOLOGICAL REPORT**DATE: 26 May 2010
REPORT NO.: 10
(associated DDR # 10)**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)	301.0 m	SPUD DATE	22 May 2010
DAYS SINCE SPUD	4.67 (Days on well: 9.67)	LAST CASING	7.000 in @ 247.0 m MD
PRESENT DEPTH MD	379.0 m	BACKGROUND GAS	1.00 Unit @ 285.0 m
24 Hr Progress	52.80 m	MAX GAS	1.00 Unit @ 285.0 m
AVERAGE ROP	57,599.95 m/h	ECD	
Operations Status @ 0600hrs	Drilling ahead in 6 1/8" hole	ESTIMATED PORE PRESSURE	
PROGNOSSED TD	750.0m MD 750.0m 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 pressure testing. RIH with 6 1/8" bit, drill out shoe, drill 3m new formation, run FIT. Drill ahead through claystones and siltstones to slow drilling break at 297m - from 16m/hr to 43 m/hr in fine sandstone - Cadna Owie or Algebuckina. Pump maintenance
HYDROCARBON SHOWS:	Nil
NEXT OPERATION:	Drill ahead in 6 1/8" hole

Lithology Summary

Interval MDBRT (m) From To	Lithology	%	Description
240.00 - 297.00	Claystone	100	Claystone Claystone, dark grey, grading down to siltstone, mid - dark grey, with very rare glauconite grains and carbonaceous fragments, becoming rarer downwards. Trace fine sandstone near base. Non calcareous. NB - This top replaces base in previous report
297.00 - 378.00	Sandstone	100	Sandstone Sandstone; as loose quartz grains, fine, occasional medium and coarse , grains, moderate to well sorted, mostly well. subrounded, in part subangular, traces of siltstone near top, claystone in lower part. Rare carbonaceous fragments, but in part washing out during sample preparation. Quartz transparent to translucent, clear, light grey, traces pink to orange garnet, yellow and yellow brown quartz. Base subject to revision with further drilling.

Gas Readings

Depth (m)	Total Gas (ppm)	BGG (ppm)	C1 (ppm)	C2 (ppm)	C3 (ppm)	iC4 (ppm)	nC4 (ppm)	iC5 (ppm)	nC5 (ppm)
288.00 - 301.00	100.000	100.00	-	-	-	-	-	-	-

Comment- No peaks. CO2 4 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, 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		



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Top	Actual Depth (159.30 m RT MSL)			Prognosis	H/L	Pick Criteria	Remarks
	MD	TVD	TVDSS	MD			
						Top first quartz sandstone	Very thin, indistinguishable from Algebuckina while drilling. Better defined on wireline logs

Well Geologist

Graham McClung