

RESUME OF DRILLING OPERATIONS

The East Mereenie No. 3 was spudded at 6:00 a.m. on 18th November, 1965. 17½" hole was drilled with water to 78 feet where lost circulation occurred. Drilled dry to 85 feet, ran and cemented 15" conductor pipe at 84 feet. Hooked up separator and rigged for gas drilling. 13¾" hole was drilled with dry natural gas to 630 feet where water influx forced the adoption of gas/mist drilling. 13¾" hole was gas mist drilled to 2620 feet. Gas/mist drilled 9¾" hole 2620' - 2631'. Ran and cemented 10¾" casing to 2582 feet. Gas/mist drilled and cored 9¾" hole, 2631' - 2690'. Ran cement plugs at 2690 feet in an unsuccessful attempt to seal off water producing Sandstone below 10¾" casing shoe. Gas/mist drilled 9¾" hole 2690' - 2855'. Gas/water drilled 9¾" hole 2855' - 3600'. Ran deviation surveys regularly and directionally drilled 9¾" hole below 2700 feet. Ran Gamma-Ray log at 3121 feet (run No. 1). Revert to gas/mist drilling at 3600 feet. Gas/mist drilled and cored 9¾" hole 3600' - 4807'. Ran Gamma-Ray log at 4051 feet (run No. 2). Finished gas drilling at 4807 feet; commence salt water drilling. Salt water drilled 9¾" hole 4807' - 4930'. Reduced hole size to 8¾"; salt water drilled and cored 8¾" hole 4930' - 5126'. Salt water drilled and cored 7¾" hole 5126' - 5215' T.D. Ran Gamma-Ray, Guard and Acoustic Velocity logs. Ran drill stem tests, set cement plugs for abandonment. Rig released 2:00 a.m. 17th January, 1966.

I N T R O D U C T I O N

The East Mereenie No. 3 well was the sixth well drilled on the Mereenie field by Exoil (N.T.) Pty. Ltd. and its partners. It was the second successfully gas drilled hole in Australia and the first directionally drilled hole on the Mereenie field. The well was drilled on Oil Permit 43 issued by the Northern Territory of Australia to Magellan Petroleum (N.T.) Pty. Ltd. Partners in the well with Exoil were Magellan Petroleum (N.T.) Pty. Ltd., Farmout Drillers No Liability, Transoil (N.T.) Pty. Ltd. and Krewliff Investments Pty. Ltd.

The well was sited one mile south-west of East Mereenie No. 1. It was the first well drilled on the south flank of the Mereenie Anticline and was located to test the Upper Pacoota reservoir within the oil column.