



## DAILY GEOLOGICAL REPORT

**WELL:** Shenandoah #1 **REPORT No.:** 40 **DAYS FROM SPUD:** 40 **DATE:** 09/09/07  
**PEL:** EP 98 **00:00 DEPTH:** 1545mKB **LAST 24hr DEPTH:** 1466mKB **24 hr Progress:** 79m  
**LOCATION:** Beetaloo Basin **RIG:** Century Rig 7 **KB: (Final Survey)** 232.55m **13<sup>3/8</sup>" Csg:** 312m  
**GEOLOGIST:** J Hulse **GL: (Final Survey)** 226.75m **PTD:** 2,900m

**NEARBY WELLS:** Balmain #1 (Twin)

**06:00 Depth/Operation:** 1555mKB / Clean and condition hole ready to displace to mud.  
**Operations 00:00 to 06:00:** Drill ahead to 12 1/4" hole TD at 1555mKB. Short Wiper trip to last bit mark.  
**Previous 24 Hours Operations:** Ream to bottom, Drill ahead 12 1/4" hole from 06:00hours.

| Formation Tops            | Actual Depths (m) |       |        | Prognosed Depths (m) |        |         | Diff to Prog.<br>H/L | Thickness<br>(m) |
|---------------------------|-------------------|-------|--------|----------------------|--------|---------|----------------------|------------------|
|                           | MDKB              | TVD   | TVDSS  | MDKB                 | TVD    | TVDSS   |                      |                  |
| Undifferentiated Tertiary | 5.8               | 5.8   | +227   | 5.8                  | 5.8    | +227    | -                    | 45.7             |
| Jinduckin Formation       | 51.5              | 51.5  | +181.3 | 54.8                 | 54.8   | +178    | 3.3H                 | 32.7             |
| Tindall Limestone         | 84.2              | 84.2  | +148.6 | 83.8                 | 83.8   | +149    | 0.4L                 | 178.8            |
| Antrim Volcanics          | 263.0             | 263.0 | -30.5  | 265.3                | 265.3  | -32.5   | 2.0H                 | 85.0             |
| Bukalara Sandstone        | 348.0             | 348.0 | -115.5 | 348.3                | 348.3  | -115.5  | 0.0                  | 58.0             |
| Hayfield Mudstone         | 406.0             | 406.0 | -173.5 | 406.3                | 406.3  | -173.5  | 0.0                  | 375.9            |
| Hayfield Sand             | 782.5             | 782.3 | -549.7 | 782.2                | 782.2  | -549.4  | 0.3L                 | (10.5)           |
| Jamison Sandstone         | 855.0             | 854.8 | -622.2 | 856.3                | 856.3  | -623.5  | 1.3H                 | 85.0             |
| Kyalla Formation          | 940.0             | 939.8 | -707.2 | 940.8                | 940.8  | -708.0  | 0.8H                 |                  |
| Moroak Sandstone          |                   |       |        | 1551.8               | 1551.8 | -1319   |                      |                  |
| Velkerri Formation        |                   |       |        | 1641.8               | 1641.8 | -1409   |                      |                  |
| Bessie Creek Sandstone    |                   |       |        | 2481.8               | 2481.8 | -2249   |                      |                  |
| Total Depth               |                   |       |        | 2900.0               | 2900.0 | -2667.2 |                      |                  |

### Remarks:

| Interval (m)<br>ROP (min/m) | Lithology Description | Gas/B'ground<br>Breakdown<br>C1/C2/C3/C4/C5 |
|-----------------------------|-----------------------|---|
|-----------------------------|-----------------------|---|

#### Formation: Kyalla Shale / Sandstone

|                              |   |  |
|------------------------------|---|--|
| 1466-1471mKB<br>(18-56min/m) | <b>Mudstone (95-100%):</b> Pale grey green – light grey – dark grey brown, common – abundant micromicaceous, sub blocky, firm – moderately hard, massive – weakly laminar, minor sub fissile, trace pyrite, grading to siltstone and arenaceous siltstone in part.<br><b>Sandstone (Trace – 5%):</b> Light yellow brown – light grey, very fine, siliceous, grading to siltstone, trace medium bit fractured clear quartz, nil visible porosity, no shows.  | <u>1467mKB</u><br>Tg 6 units<br>Bkg < 1 unit<br>87/7/3/1/2     |
| <b>Fluorescence</b>          | Nil   |  |
| <b>Gas Flaring</b>           | Nil   |  |
| 1471-1491mKB<br>(10-20min/m) | <b>Mudstone (60-90%):</b> Pale grey green, minor reddish brown, firm, uniform, massive, minor micromicaceous, trace carbonaceous laminae. Dark brown grey, hard – very hard, micromicaceous, weakly laminar, minor – common carbonaceous fragments and laminae, sub fissile – trace fissile.<br><b>Sandstone (5-40%):</b> Light translucent grey – white, fine – coarse, predominantly medium, minor very coarse well rounded quartz, poorly consolidated – loose, quartzose, common siliceous cement, common - abundant bit fracture, trace pyrite, trace glauconite?, trace pale yellow – orange quartz, nil – poor visible porosity, nil – fair inferred porosity. | <u>1474.5mKB</u><br>Tg 12.9 units<br>Bkg 1 unit<br>75/16/6/2/1 |
| <b>Fluorescence</b>          | 1482-1485mKB Trace dull yellow fluorescence, no cut   |  |
| <b>Gas Flaring</b>           | Nil   |  |



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|                           |   |  |
|---------------------------|---|--|
| 1491-1521mKB<br>(8min/m)  | <p><b>Mudstone (95-100%):</b> Pale green, soft – firm, minor micromicaceous, rare micaceous layers. Medium – dark brown, common – abundant carbonaceous fragments, hard, micromicaceous, rare black coaly silt; carbonaceous, abundant vitreous carbonaceous fragments.</p> <p><b>Sandstone (0-5%):</b> White – light grey, fine – coarse, predominantly medium, becoming fine – very fine at base of interval, sub angular - sub round, moderately sorted, abundant siliceous cement, moderately well consolidated, rare loose quartz, nil visible porosity and no shows.</p>  | <u>1503mKB</u><br>Tg 9.2 units<br>Bkg 3 units<br>77/14/5/2/1 |
| <b>Fluorescence</b>       | Nil   |  |
| <b>Gas Flaring</b>        | Nil   |  |
| 1521-1555mKB<br>(12min/m) | <p><b>Mudstone (80-100%):</b> Predominantly pale green, soft – firm, sub blocky, massive, minor micromicaceous, minor micaceous layers. Common medium grey brown – dark brown, hard, sub blocky – sub platy, micromicaceous, common – abundant carbonaceous fragments and laminae.</p> <p><b>Siltstone (5-20%):</b> (1) Medium brown, micaceous, sub blocky, moderately hard, common arenaceous, siliceous in part, minor carbonaceous fragments. (2) Dark brown – black, carbonaceous, micaceous, blocky – sub blocky, minor light brown fossil fragments.</p> <p><b>Sandstone (Trace – 3%):</b> Dark – medium grey – light grey, very fine – medium, moderately sorted, siliceous cement, minor calcareous cement, trace argillaceous matrix, trace pyrite, minor - common carbonaceous specks, minor mica, friable – moderately well consolidated, nil – poor visible porosity, no shows..</p> | <u>1531.5mKB</u><br>Tg 11 units<br>Bkg 3 units<br>89/6/3/2/1 |
| <b>Fluorescence</b>       | Nil   |  |
| <b>Gas Flaring</b>        | Nil   |  |