

264001

**ANNUAL REPORT
YEAR 1**

T/24P

Maxus Energy Corporation

OR-0273

Contents

Annual Report

- a) Interpretation Undertaken
- b) Operations
- c) Conclusions
- d) Report Submitted
- e) Work Program

Appendix A

Enclosures

- 1. Approx. Top of Cretaceous (Purple Horizon)
- 2. Intra-Cretaceous (lt. Blue Horizon)
- 3. Approx. Base of Eocene Channel (Green Horizon)
- 4. E. Eocene to L. Eocene Channel Isochron (Brown to lt. Green)

Maxus Energy Corporation
717 North Harwood Street
Dallas, Texas 75201
214 953-2000

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January 31, 1991

MAXUS

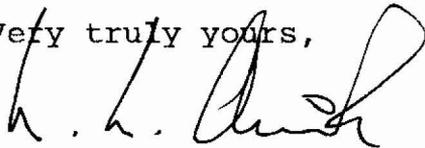
Mr. Peter Baillie
Department of Resources and Energy
Divisions of Mines and Mineral Resources
Gordons Hill Rd.
Rosny Park
Tasmania, Australia 701B

Dear Sir:

Enclosed please find the annual report for year one of Maxus Tasmania Inc., license T/24P. A copy of this report and the maps for the seismic interpretation of the reprocessed are being forwarded via courier.

Please advise us if additional information is required.

Very truly yours,



Luis E. Ardila
Manager
International Exploration

LEA/nau

cc: The Director
Bureau of Mineral Resources, Geology & Geophysics

ANNUAL REPORT
T/24P

INTERPRETATIONS UNDERTAKEN

- A) The pre-1981 regional seismic coverage, located within T/24P and to the north and south of the block, was acquired from the Tasmania authorities and supplemented by data held in Maxus files. The data quality varies from not useable to poor, and the quality is generally related to vintage and fold, which ranges from single to 6 fold. Time structure maps were prepared for the "Near Top Paleocene" and "Basement" horizons, and isochron maps were made for "Sea Floor to Basement" and "Near Top Paleocene to Basement" intervals. Other horizons carried on the seismic sections but not mapped include "Top Paleozoic" which was picked only in the King Island area, while the "Top Cretaceous(?)" and "Top Oligocene" were picked over most of the region. The significant results of the study are the confirmation that much of T/24P is non-prospective due to shallow basement, and affirmation of the presence of the Sandy Cape sub-basin, although in a somewhat different configuration than that depicted by the Esso interpretations completed in the early 1970's. An observation of economic significance is that much of the Sandy Cape sub-basin is located in water depths exceeding 200m. Copies of this interpretation were submitted to the relevant authorities with the third quarter report. The reprocessing of approximately 733 kms of the Amoco 1981

seismic survey was completed by Halliburton Geophysical Services in Sydney during the second quarter, resulting in substantial improvement in the objective (Cretaceous) portion of the seismic data.

This reprocessing fulfilled the year-one bid obligations. The interpretation of these data were completed in the fourth quarter (copies of the maps are attached). Mapped horizons include "Intra Cretaceous", "Approximate Top of Cretaceous" and "Approximate Base of Eocene" plus an isochron of the Eocene to late Eocene section to delineate the configuration of the sediments filling the Lower Eocene submarine channels. The most significant result of the interpretation was re-emphasizing that the main potential of the block is contingent on a trap configuration in which the channel fill provides a seal, thus requiring that the channel sediments be comprised of fine clastics. Potential four-way dip closures within the objective Cretaceous section are minimal, but some possible downthrown fault closures, located within and along the northern fault margin of the sub-basin, were defined. This reinterpretation was valuable in planning and designing the year two seismic acquisition program.

A Baylor University Master of Science thesis by T. L. Bellows entitled, "Seismic Stratigraphy of the Cape Sorell Basin, Offshore Western Tasmania" was obtained and copies were sent to the authorities. Mr. Bellow's conclusion that

the hydrocarbon potential of the area is low, largely ignores the pre-Tertiary stratigraphic section which contains the oil shows and potential source rocks described from Amoco Cape Sorell-1. It is this sequence to which Maxus ascribe the main prospectivity of the permit. The re-evaluation of the Cape Sorell-1 well has been suspended, as Amoco has to date been unable to locate the unwashed samples and the core material which are required for proposed geochemical source rock and maturity analyses. Microscopic review of the washed samples has noted little difference from the previous lithologic logs.

OPERATIONS

B. During the final quarter of the first permit year 1990, Maxus Energy Corporation completed a 842.05 Km survey, called the Strahan Sub-basin survey, over the permit T/24P. The survey was undertaken by the seismograph contractor, Halliburton geophysical services using their seismic survey ship the Magnificent Creek. The survey recorded seismic, gravity and magnetic data over detailed and regional grids in the Strahan sub-basin of the Sorell Basin.

The Survey was recorded over a period of 6 days from November 28 to December 3, 1990. No delays due to weather or operational problems were encountered.

A detailed grid of 25 lines and a regional grid of 3 lines were shot. All lines in the survey are identified by the prefix MXT90-. In addition to seismic, gravity data were

recorded on all lines, while magnetic data were recorded on all lines except line MXT90-10. It was originally planned that only 24 detailed lines would be shot, however line MXT90-19 was inadvertently shot on the wrong bearing. The line was reshot in the correct location and both lines will now be processed and added to the data base. The correct line is identified as line MXT90-19A while the additional line is MXT90-19. In shooting the extra line an additional 32.275 Km of data were recorded.

Full details of the lines shot during the survey are listed on Appendix A.

Total cost of the survey including processing, was a
A \$ 715,000.

CONCLUSIONS

- C. Other than those mentioned in section A no conclusions of note have been derived. It is anticipated that important and significant conclusions will be developed following the processing and interpretation of the 1990 Strahan Basin seismic, gravity and magnetic data. Future work program for T/24P is contingent on these results.

REPORTS SUBMITTED

- D. Maxus' reports submitted during the year were the maps resulting from: 1) the regional seismic interpretation and 2) detail seismic structure and isopach maps from the interpretation of the reprocessed 1981 Amoco seismic data. third party data transmitted included Mr. Bellow's thesis, and the 1981 Amoco magnetic profiles acquired from Amoco

which had not been lodged with the Tasmania Department of Mines.

WORK PROGRAM, YEAR TWO

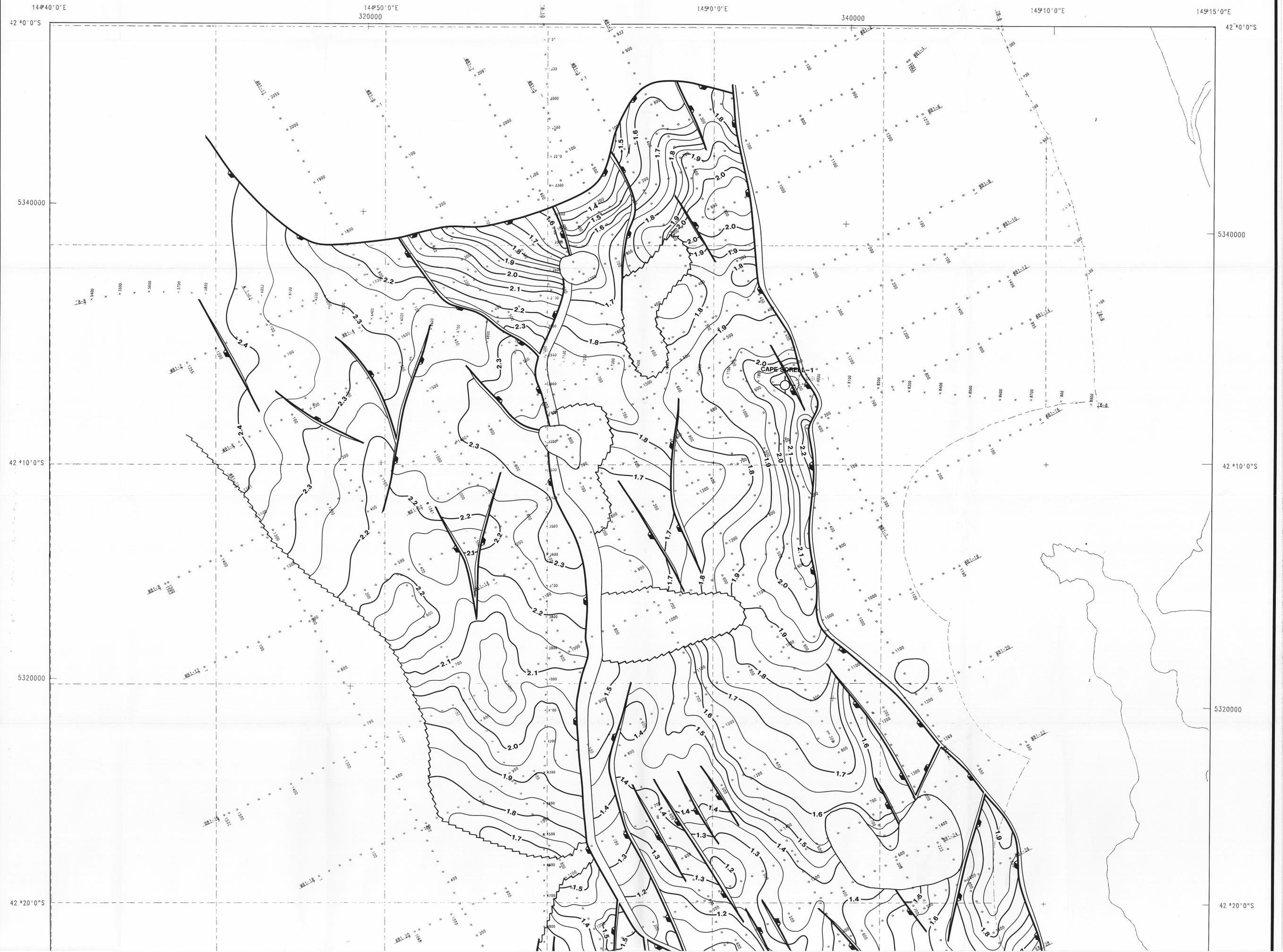
E) The work program for the second license year consists of the processing and interpretation of the 1990 Strahan Basin Survey and relevant regional, and prospect oriented geologic and geophysical studies. The anticipated project expenditures for the second year are primarily related to the processing of the 1990 Strahan Basin survey, estimated to be A \$ 315,750.

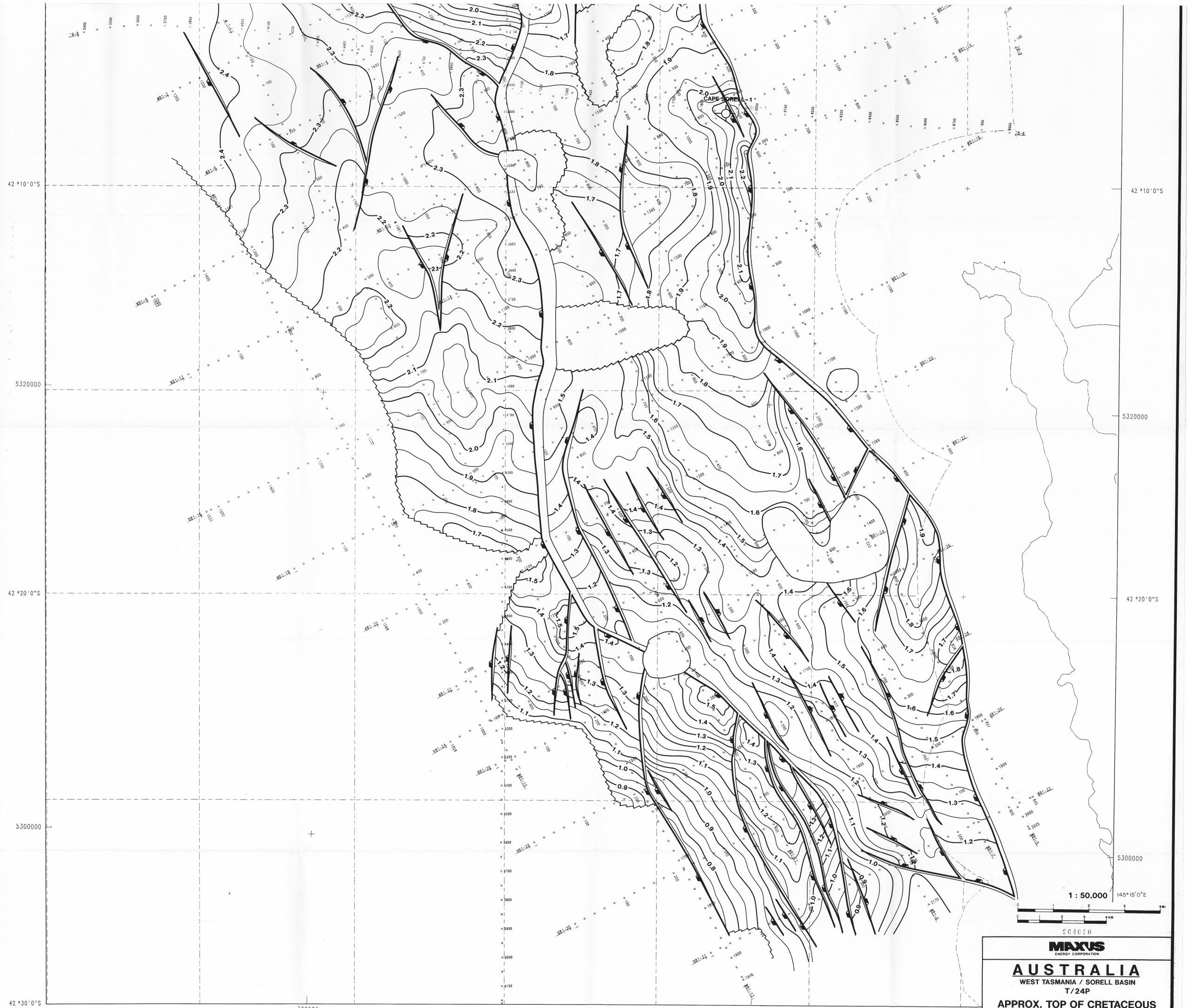
With the completion of the 842 km Strahan Basin Survey all primary obligations for the permit have been fulfilled.

APPENDIX A

LINE	HDG DEG	LINE KMS	GRAVITY	MAG
MXT90-1	152	23.875	YES	YES
MXT90-2	064	29.150	YES	YES
MXT90-3	331	26.425	YES	YES
MXT90-4	244	27.325	YES	YES
MXT90-5	152	31.450	YES	YES
MXT90-6	064	30.075	YES	YES
MXT90-7	152	30.975	YES	YES
MXT90-8	244	27.975	YES	YES
MXT90-9	331	30.450	YES	YES
MXT90-10	064	29.175	YES	NO
MXT90-11	331	31.925	YES	YES
MXT90-12	064	26.775	YES	YES
MXT90-13	151	32.875	YES	YES
MXT90-14	244	24.875	YES	YES
MXT90-15	331	34.475	YES	YES
MXT90-16	064	23.975	YES	YES
MXT90-17	331	32.325	YES	YES
MXT90-18	244	23.150	YES	YES
MXT90-19	343	32.275	YES	YES
MXT90-19A	332	34.850	YES	YES
MXT90-20	064	22.475	YES	YES
MXT90-21	152	37.850	YES	YES
MXT90-22	244	25.400	YES	YES
MXT90-24	064	25.875	YES	YES
MXT90-26	244	13.900	YES	YES
MXT90-28	270	40.500	YES	YES
MXT90-R1	334	54.750	YES	YES
MXT90-R2	090	36.925	YES	YES

SURVEY TOTAL -----842.050KMS.





1 : 50,000 145°15'0"E



263010

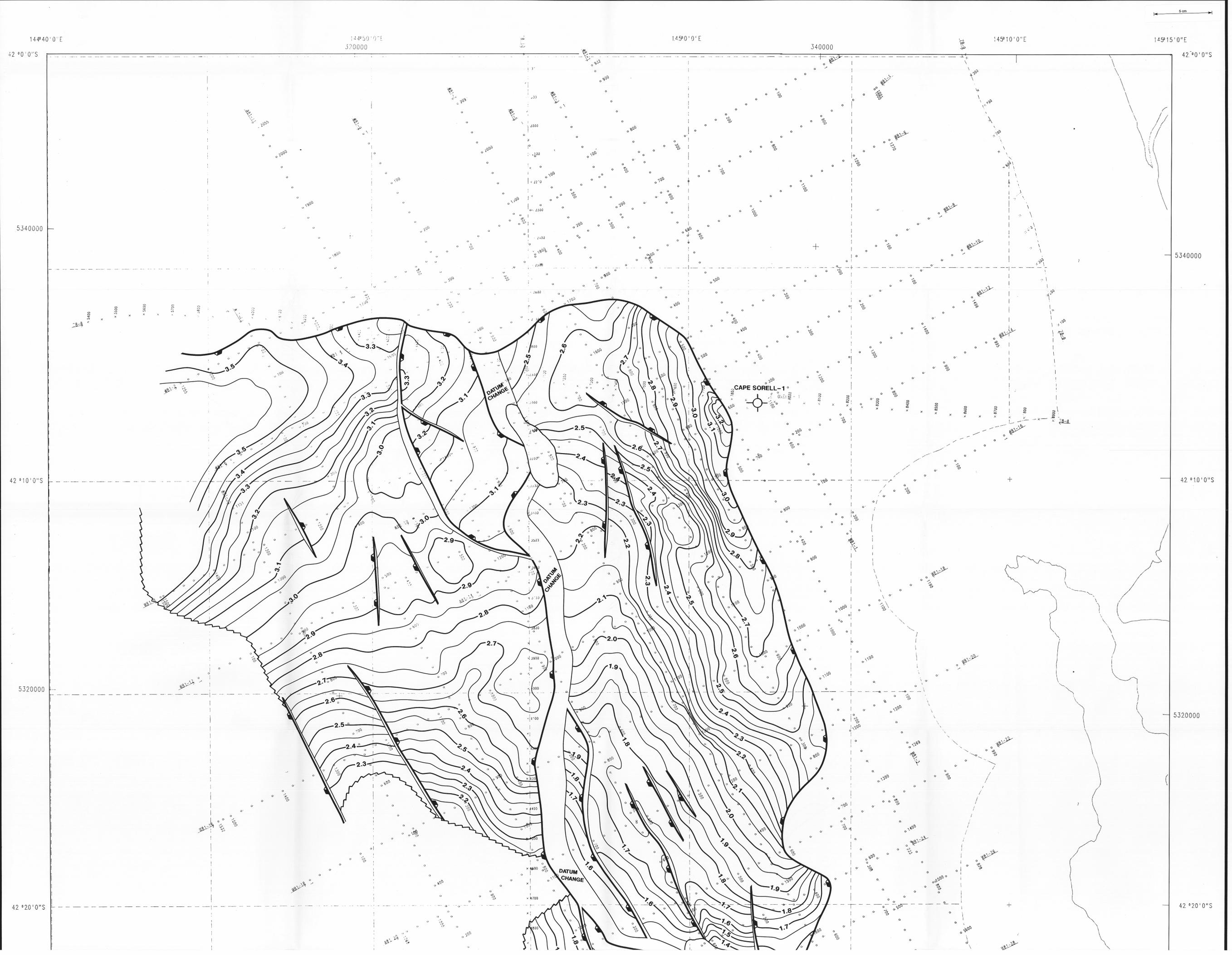
MAXUS
ENERGY CORPORATION

AUSTRALIA
WEST TASMANIA / SORELL BASIN
T/24P

**APPROX. TOP OF CRETACEOUS
(PURPLE HORIZON)**

SCALE: 1:50,000	C.I.: 50ms	DATE: 10/90
INTERPRETATION BY: J. HUGHES	DRAFTED BY: JC HULL	INDEX NO.: TS-WB-15B
		FILE NO.: B-K12

OR-273



5m

144°40'0"E 144°50'0"E 145°0'0"E 145°10'0"E 145°15'0"E

42°40'0"S 42°40'0"S 42°40'0"S 42°40'0"S 42°40'0"S

5340000 5340000 5340000 5340000 5340000

42°10'0"S 42°10'0"S 42°10'0"S 42°10'0"S 42°10'0"S

5320000 5320000 5320000 5320000 5320000

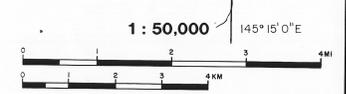
42°20'0"S 42°20'0"S 42°20'0"S 42°20'0"S 42°20'0"S



42°10'0"S
5320000
42°20'0"S
5300000
42°30'0"S

42°10'0"S
5320000
42°20'0"S
5300000

144°40'0"E 320000 14°50'0"E 145°0'0"E 340000 14°10'0"E



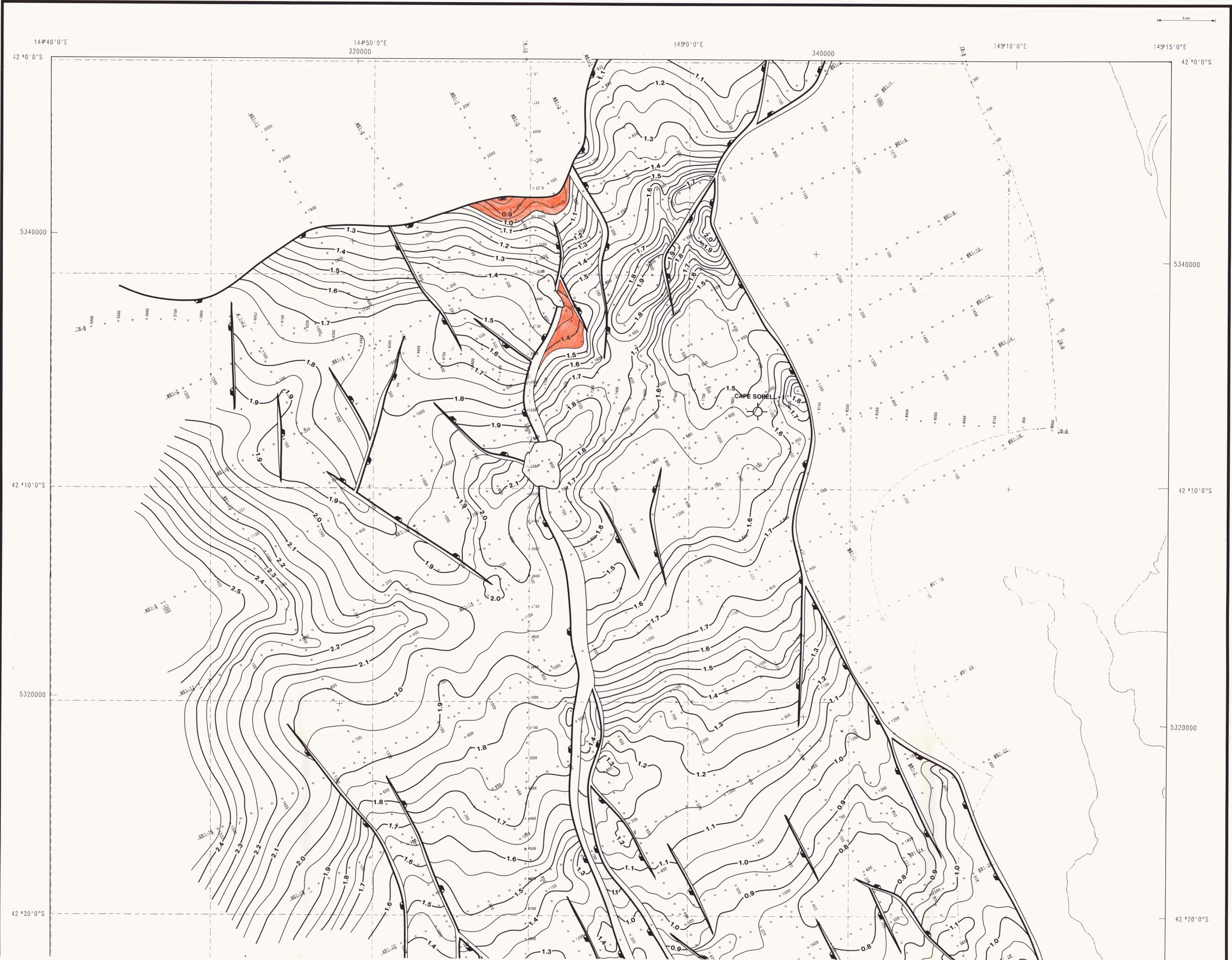
MAXUS
ENERGY CORPORATION

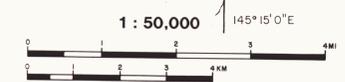
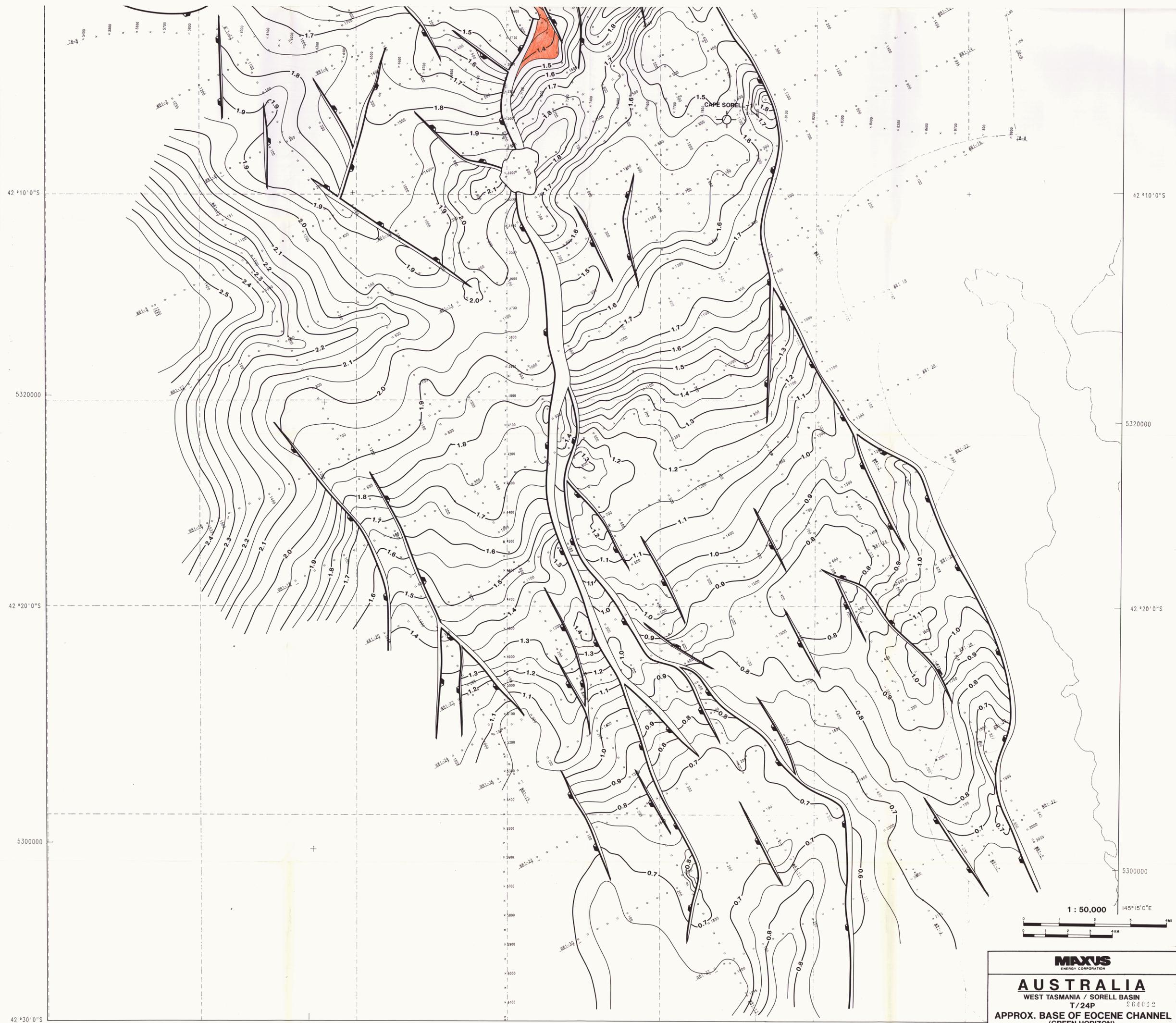
AUSTRALIA
WEST TASMANIA / SORELL BASIN
T/24P

INTRA-CRETACEOUS
(LT. BLUE HORIZON)
264011

SCALE: 1:50,000 C.I.: 50ms DATE: 10/90
INTERPRETATION BY: J. HUGHES INDEX NO.: TS-WB-15B FILE NO.: B-K12
DRAFTED BY: JC HULL

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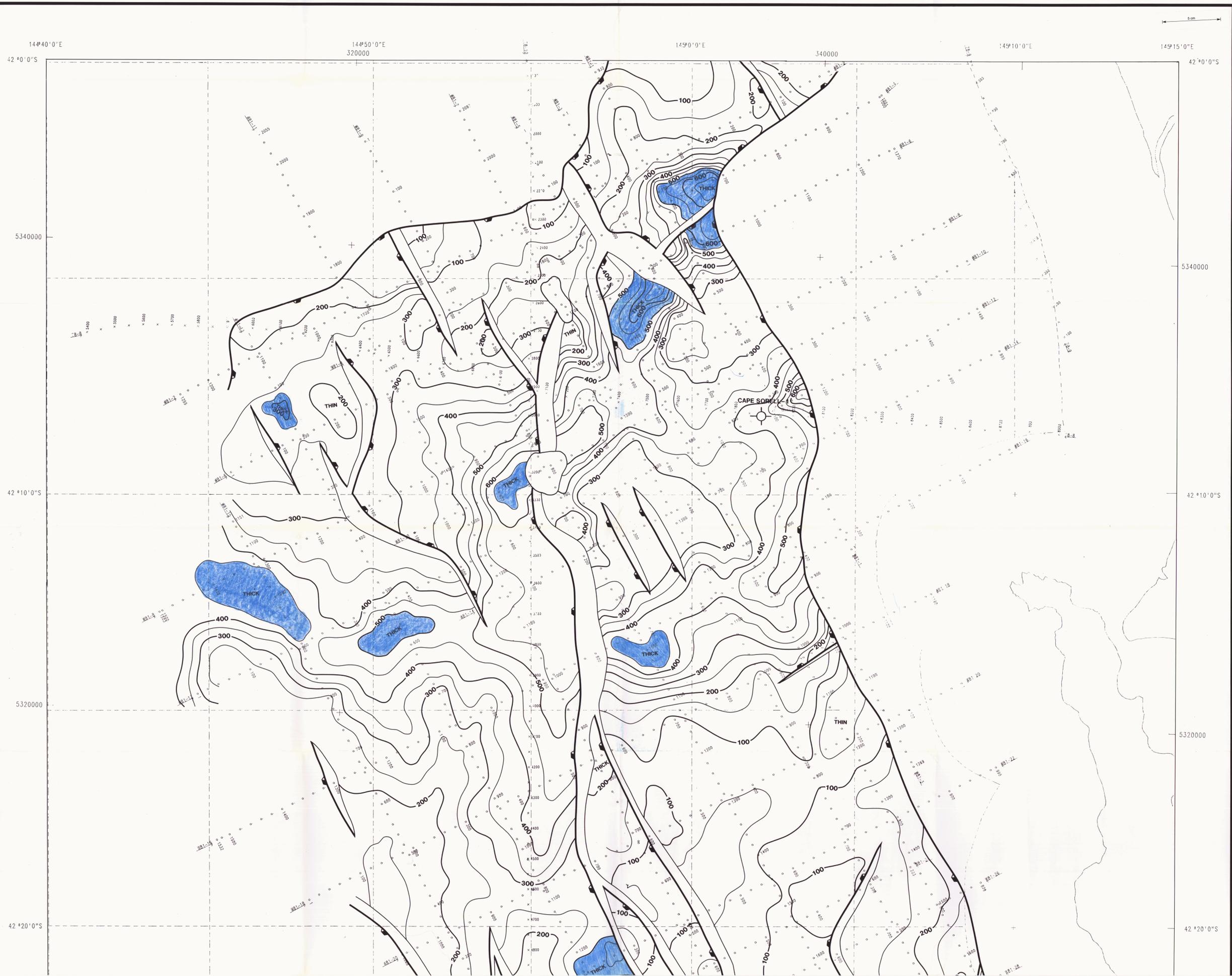


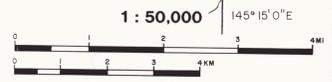
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AUSTRALIA
WEST TASMANIA / SORELL BASIN
T/24P
APPROX. BASE OF EOCENE CHANNEL
(GREEN HORIZON)
TIME STRUCTURE MAP

SCALE: 1:50,000 C.I.: 50ms DATE: 10/90 ③
INTERPRETATION BY: J. HUGHES DRAFTED BY: JC HULL INDEX NO.: TS-WB-15B FILE NO.: B-K12

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AUSTRALIA
WEST TASMANIA / SORELL BASIN
T/24P 264013
E. EOCENE TO L. EOCENE
CHANNEL ISOCHRON
(BROWN TO LT. GREEN)

SCALE: 1:50,000	C.I.: 50ms	DATE: 10/90
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		FILE NO.: B-K12

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