

The casing shoe, cement and formation to 792m (2600') were drilled using seawater. This was displaced with a seawater/gel/lignosulfonate mud system at 8.8 - 9.2 ppg. The lithology was limestone, claystone, siltstone, sandstone, volcanics and minor coal. Refer to the Formation Evaluation Log, Appendix F, for lithology descriptions. The maximum gas was 19 units from 1164 - 1176m (3820 - 3860'). The maximum deviation survey was 1 degree at 1662m (5452'). Mud losses occurred at 1384m (4540'), probably due to fractured volcanics. At 1662m (5452') a wire-line log was run, see Section IV. The 12.25" hole was then opened to 17.5" and the 13.375" casing was run, with the shoe set at 1651m (5418'). The initial cementation attempt was unsuccessful, requiring that the cement that remained in the casing, and the shoe, be cleaned out. Once this was accomplished, the casing was cemented utilising an EZSV packer.

12.25" Hole section : Interval 1662m - 3900.3m (5452' - 12796')

This section was drilled using 14 bits in 16 bit runs. The bits utilised comprised of 3 milled tooth, 10 insert and one core bit (the latter was run 3 times). The drilling time was 487.3 hours, giving an average ROP of 4.6 m/hr (15.1 ft/hr). Refer to Table 1 for details. After drilling to 1664m (5460'), a Formation Integrity test was run which gave formation breakdown at an equivalent mud density of 14.6ppg. The lithology consisted of interbedded sandstone, siltstone and claystone with coal beds in parts. Volcanic rocks occurred from 2013 - 2266m (6605 - 7435') and were dominant below 3115m (10220'). No hydrocarbon accumulations were encountered and the gas peaks, to a maximum of 413 units at 2348m (7703') were generally associated with the coal beds. Refer to the Formation Evaluation Log, Appendix F, for detailed lithology descriptions.

A fresh-water/gel/polymer mud system was used, with the mud density ranging from