

#### D. Borehole Condition

The borehole condition was monitored during drilling by observing the differential carbide lag time, as well as the type, percentage, size and shape of cavings. During trips, swab and surge, hole drag and fill were monitored.

The 36" hole was drilled and the casing run with no problems.

The 26" hole only experienced difficulty when tripping in after a wiper trip to the 30" shoe when at TD for this section. A bridge was tagged, but this was worked through with the bit. It was not noted during the 20" casing run.

The 12.25" pilot hole experienced no difficulties to 938m (3077'). Rate of penetration through these generally unconsolidated sediments was rapid and hole wash-out was generally severe. Carbide data indicated an average hole diameter of 14", but the caliper log gave values of 15" - 22+". This discrepancy is probably due to mud channelling past some the extensively washed-out zones and thus not being included in the carbide calculations. Below 938m (3077'), tight hole was noted on most connections, ranging to 30 klbs. Two trips were made in the 12.25" pilot hole at casing depth. Both gave drag of 20 - 50 klbs from 1662 - 1085m (5452' - 3560'), but none above this interval. The major lithology in this zone was claystone which appeared to be highly hydratable (shale factors were in the order of 10 - 15 meq). These were not inhibited, with regard to swelling, by the mud system in use. The 17.5" bit run produced high torque over this same interval, most likely due to the clays again become excessively swollen with time. However, a subsequent wiper trip at 162m (5452') produced no drag and only 1.5m (5') of fill. The casing run was trouble-free.