

GEOLOGICAL-ENGINEERING REPORT No.6 cont'd

HOLE CONDITION

The hole condition, over the interval 3066 - 3311.7m (10059 - 10865'), was generally very good, with carbide and other lag data indicating an average hole diameter of 12.9". Minor drag of up to 20 klbs was noted at approximately 2340m on the trip out at 3311.7m. Tight hole problems, probably due to the volcanic sections collapsing, meant several sections below the volcanics at 2000m-2250m had to be heavily reamed on the trip in at 3311.7m. Drag to 90klb occurred on the wiper trip at 3352m. The average hole diameter from carbide data following the stuck pipe and reaming had increased to 13.4".

PORE PRESSURE

The formation pore pressure was estimated to be normal at 8.6-8.7 ppg EMD. No indicators of abnormal pore pressure were detected while drilling this interval. The only large cavings followed trips and reaming. The mud density while drilling was 9.3 - 9.4 ppg to 3312m and was then increased to 9.5 - 9.6 ppg while reaming.

Lithology Summary

| Depth (m) Interval | Lithology | ROP (ft/hr) | | GAS (units) | |
|-----------------------|--|-------------|-----|-------------|-----|
| | | max | avg | max | avg |
| 2962 - 3114 | Siltstone and sandstone, minor claystone, coal and volcanics | 100 | 8 | 40 | 6 |
| 3114 - 3164 | Volcanics | 25 | 12 | 10 | 5 |
| 3164 - 3340 | Volcanics with minor siltstone, sandstone and coal | 50 | 12 | 128 | 12 |

The volcanics seen below 3114m appear to have been dominantly extrusive (tuffaceous) flows and intrusives.