

HYDROCARBON OCCURENCES

Reference to the hydrocarbons and other fluids encountered in the Pipipa-1 well are contained in the attachments on Sample Descriptions (Appendix 1), Sidewall Core Descriptions and Analyses (Appendix 2), and Wireline Logging (Appendix 3).

No significant hydrocarbon indications were encountered during the drilling of Pipipa-1. At the primary objective at the top of the Eastern View Coal Measures only a small gas peak of 20 units was recorded. Some fluorescence was detected in the sands between 1940 m and 2050 m, within the Eastern View Coal Measures.

The fluorescence occurred immediately below a major coal/shale sequence correlatable with the 'O' shale level of the nearby Pelican wells. The amount of fluorescence in the cuttings ranged from 0-40% over the interval 1940-2050 m and averaged between 5% and 10%, except for sand from 1945-1952 m where values of up to 40% were observed. The fluorescence was milky yellow green with a moderate to fast milky cut. Over the interval, 1945 - 1952 m, hotwire gas readings ranged from 3 to 44 units, with gas peaks associated with coals. The chromatograph recorded the presence of methane to pentane from 1920 m and also hexane from 1985 m to 2050 m.

From the top of the Eastern View Coal Measures to 1940 m no fluorescence was observed in the cuttings. Gas readings ranged from 1 to 36 units. All peaks, with the exception of the top Eastern View gas peak, were associated with coals.

Water saturation values derived from log analyses indicate the sands are generally water saturated with some possible minor residual hydrocarbons. The lowest calculated values occurred at two points 1950 m and 1992.5 m with water saturations of 76% and 62% respectively. Porosity ranged between 19% and 30%.

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