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NUMBER 7406/2

PEL 39

OTWAY BASIN

REEDY CREEK 1

TEST REPORTS

Submitted by

SADME

1992

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MINES AND ENERGY
SOUTH AUSTRALIA



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ENVELOPE 7406/2

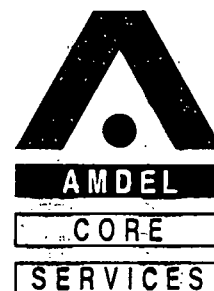
TENEMENT: PEL 39; Otway Basin

TENEMENT HOLDER: Gas and Fuel Exploration NL (operator), Magellan Petroleum Australia Ltd, Cultus Petroleum (Australia) NL and AGL Petroleum Operations Pty Ltd

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	MESA NO.
REPORT: Watson, B.L., 1992. Geochemical source rock analysis of 6 cuttings samples from Reedy Creek 1 for TOC, Rock-Eval pyrolysis and vitrinite reflectance (Amdel Core Services Pty Ltd report no. HH/1959 for SADME, 12/10/92).	7406/2 R 1 Pgs 3-9
APPENDIX 1: Histogram plots of vitrinite reflectance data.	Pgs 10-16

END OF CONTENTS



12 October 1992

Department of Mines and Energy
PO Box 151
EASTWOOD SA 5063

Attention: Rod Austin

REPORT: HH/1959

CLIENT REFERENCE: EX 1243 11/06/0700

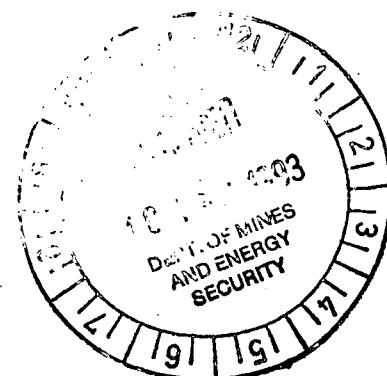
MATERIAL: Rock Samples

LOCALITY: Reedy Creek-1

WORK REQUIRED: Source Rock Analysis

Please direct technical enquiries regarding this work to the signatory below under whose supervision the work was carried out.

BRIAN L WATSON
Laboratory Supervisor
on behalf of Amdel Core Services Pty Ltd



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1. INTRODUCTION

Six (6) samples were received for TOC analysis, Rock-Eval pyrolysis and vitrinite reflectance analysis. This report is a formal presentation of results which were forwarded by facsimile as they became available.

2. ANALYTICAL PROCEDURES

2.1 Sample Preparation

Samples (as received) were ground in a Siebtechnik mill for 20-30 seconds.

2.2 Total Organic Carbon (TOC)

Total organic carbon was determined by digestion of a known weight (approximately 0.2 g) of powdered rock in HCl to remove carbonates, followed by combustion in oxygen in the induction furnace of a Leco WR-12 Carbon Determinator and measurement of the resultant CO₂ by infra-red detection.

2.3 Rock-Eval Pyrolysis

A 100 mg portion of powdered rock was analysed by the Rock-Eval pyrolysis technique (Girdel IFP-Fina Mark 2 instrument; operating mode, Cycle 1).

2.4 Organic Petrology

Representative portions of each sample (crushed to -14+35 BSS mesh) were obtained with a sample splitter and then mounted in cold setting Glasscraft resin using a 2.5 cm diameter mould. Each block was ground flat using diamond impregnated laps and carborundum paper. The surface was then polished with aluminium oxide and finally magnesium oxide.

Reflectance measurements were made with a Leitz MPV1.1 microphotometer fitted to a Leitz Ortholux microscope and calibrated against synthetic standards. All measurements were taken using oil immersion ($n = 1.518$) and incident monochromatic light (wavelength 546 nm) at a temperature of $23 \pm 1^\circ\text{C}$.

3. RESULTS

TOC and Rock-Eval data are listed in Table 1. Figure 1 is a plot of T_{max} versus Hydrogen Index illustrating kerogen Type and maturity. Table 2 is a summary of the vitrinite reflectance measurements which are presented along with histograms in Appendix 1, while Figure 2 is a plot of measured vitrinite reflectance versus depth.

4. INTERPRETATION

4.1 Maturity

Reliable measured vitrinite reflectance values (Table 2, Figure 2) range from 0.41-0.57% over the section studied and indicate that the samples are marginally mature to mature for the generation of liquid hydrocarbons. Oil generation from thermally labile exinites (resinite, bituminite and

suberinite) commences at $VR = 0.45\%$. The maturity versus depth profile indicates that this maturity was reached at approximately 1800 metres depth in this location. Oil generation from the less thermally labile exinites (cutinite, sporinite, etc) commences at higher maturities ($VR > 0.7\%$). Extrapolation of the available data indicates that these maturities should be reached in the sedimentary interval below approximately 2700 metres depth. Rock-Eval T_{max} values are generally in agreement with the measured vitrinite reflectance values, suggesting a maturity range of $VR_{EQUIV} \approx 0.40-0.60\%$ (Table 1, Figure 1).

A high production index ($P.I. > 0.2$; Table 1) suggests the presence of migrated hydrocarbons in the sample at depth 2170-2180 metres. .

4.2 Source Richness

Both organic richness and source richness are consistently poor in the samples studied ($TOC < 1\%$, $S_1 + S_2 < 2$ kg of hydrocarbons/tonne; Table 1), with the exception of the uppermost samples at depths 1650-1660 and 1690-1700 metres. These samples both have fair organic and source richness ($TOC = 1.22-1.54\%$, $S_1 + S_2 = 2.95-3.49$ kg of hydrocarbons/tonne; Table 1).

4.3 Kerogen Type and Source Quality

Hydrogen Index and T_{max} values (Table 1, Figure 1) indicate that these samples contain organic matter which has a bulk composition of Type III kerogen, again with the exception of the two uppermost samples which contain organic matter which has a bulk composition of Type II-III kerogen.

Pyrolysis-GC analyses may more accurately assess the oil generative potential of the better quality source intervals.

TABLE 1

AMDEL CORE SERVICES

Rock-Eval Pyrolysis

08/30/92

Client: South Australian Department of Mines and Energy

Well: Reedy Creek-1

Depth (m)	T Max	S1	S2	S3	S1+S2	PI	S2/S3	PC	TOC	HI	OI
1650-1660	433	0.16	2.79	2.58	2.95	0.05	1.08	0.24	1.22	228	211
1690-1700	436	0.21	3.28	1.59	3.49	0.06	2.06	0.29	1.54	212	103
1930-1940	430	0.17	0.79	1.19	0.96	0.18	0.66	0.08	0.63	125	188
1965-1975	442	0.07	0.76	0.72	0.83	0.09	1.05	0.06	0.60	126	120
2030-2040	436	0.15	0.81	1.07	0.96	0.16	0.75	0.08	0.69	117	155
2170-2180	432	0.10	0.27	1.46	0.37	0.28	0.18	0.03	0.38	71	384

TABLE 2
SUMMARY OF VITRINITE REFLECTANCE MEASUREMENTS
REEDY CREEK-1

Depth (m)	Mean Maximum Reflectance (%)	Standard Deviation	Range	Number of Determinations
1650 - 1660	0.41	0.03	0.35 - 0.46	22
1690 - 1700	0.44	0.04	0.35 - 0.51	29
1930 - 1940	0.47	0.03	0.40 - 0.53	20
1965 - 1975	0.54	0.04	0.46 - 0.60	16
2030 - 2040	0.52	0.03	0.46 - 0.58	14
2170 - 2180	0.57	0.04	0.48 - 0.63	25

FIGURE 1

HYDROGEN INDEX vs T max

Client :SADME
Location :REEDY CREEK-1

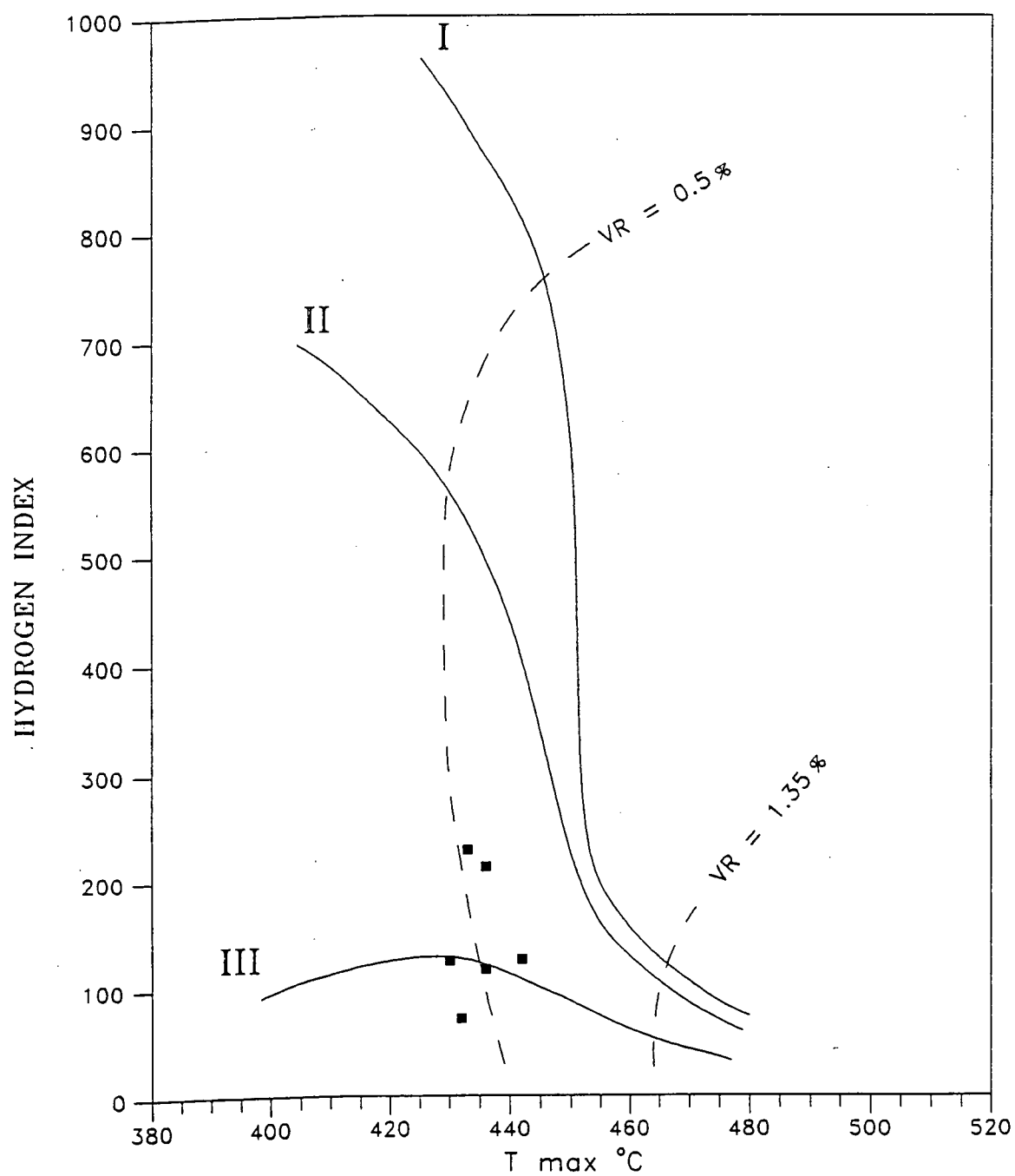
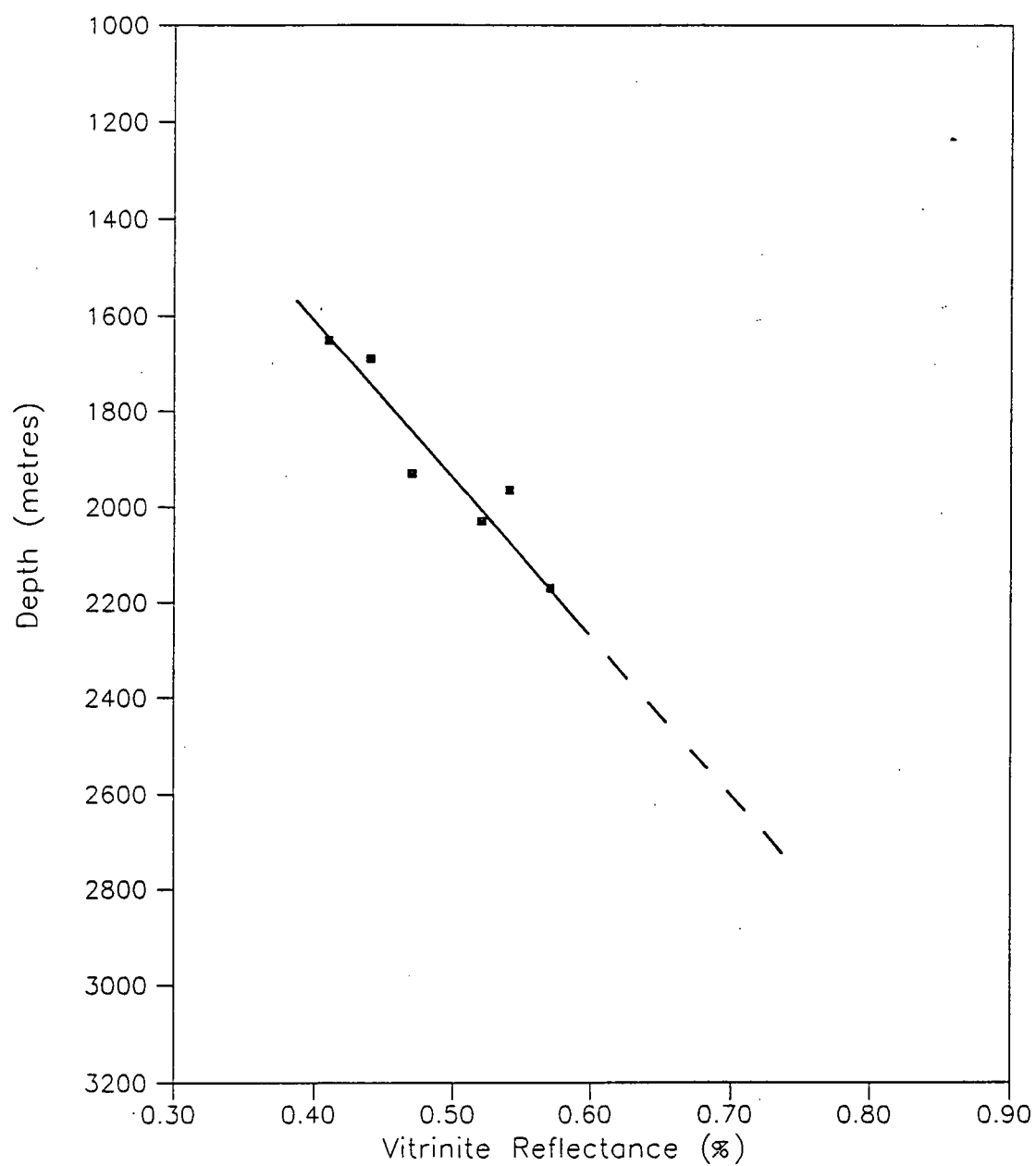


FIGURE 2

VITRINITE REFLECTANCE VERSUS DEPTH
REEDY CREEK-1

APPENDIX 1

HISTOGRAM PLOTS OF VITRINITE REFLECTANCE DATA

REEDY CREEK-1

VITRINITE REFLECTANCE VALUES

Well Name: REEDY CREEK-1
Depth: 1650-1660 m

Sorted List

0.35	0.40	0.45
0.36	0.41	0.46
0.36	0.41	
0.37	0.41	
0.38	0.42	
0.39	0.42	
0.39	0.43	
0.40	0.43	
0.40	0.44	
0.40	0.44	

Number of values= 22

Mean of values 0.41

Standard Deviation 0.03

HISTOGRAM OF VALUES

Reflectance values multiplied by 100

35-37	****
38-40	*****
41-43	*****
44-46	****

VITRINITE REFLECTANCE VALUES

Well Name: REEDY CREEK-1
Depth: 1690-1700 m

Sorted List

0.35	0.43	0.47
0.36	0.43	0.48
0.38	0.44	0.48
0.40	0.44	0.48
0.40	0.44	0.49
0.41	0.45	0.49
0.42	0.46	0.50
0.42	0.46	0.51
0.42	0.47	0.51
0.43	0.47	

Number of values= 29

Mean of values 0.44

Standard Deviation 0.04

HISTOGRAM OF VALUES

Reflectance values multiplied by 100

35-37	**
38-40	***
41-43	*****
44-46	*****
47-49	*****
50-52	***

VITRINITE REFLECTANCE VALUES

Well Name: REEDY CREEK-1
Depth: 1930-40 m

Sorted List

0.40	0.48
0.43	0.48
0.43	0.48
0.44	0.49
0.45	0.49
0.46	0.50
0.47	0.50
0.47	0.50
0.48	0.50
0.48	0.53

Number of values= 20

Mean of values 0.47
Standard Deviation 0.03

HISTOGRAM OF VALUES

Reflectance values multiplied by 100

40-42	*
43-45	****
46-48	*****
49-51	*****
52-54	*

VITRINITE REFLECTANCE VALUES

Well Name: REEDY CREEK-1
Depth: 1965-75 m

Sorted List

0.46	0.55
0.47	0.56
0.51	0.57
0.52	0.58
0.53	0.59
0.53	0.60
0.54	
0.54	
0.55	
0.55	

Number of values= 16

Mean of values 0.54

Standard Deviation 0.04

HISTOGRAM OF VALUES

Reflectance values multiplied by 100

46-48	**
49-51	*
52-54	***
55-57	*****
58-60	***

VITRINITE REFLECTANCE VALUES

Well Name: REEDY CREEK-1
Depth: 2030-40 m

Sorted List

0.46	0.54
0.46	0.55
0.48	0.55
0.49	0.58
0.52	
0.52	
0.53	
0.53	
0.54	
0.54	

Number of values= 14

Mean of values 0.52
Standard Deviation 0.03

HISTOGRAM OF VALUES

Reflectance values multiplied by 100

46-48	***
49-51	*
52-54	****
55-57	*****
58-60	*

VITRINITE REFLECTANCE VALUES

Well Name: REEDY CREEK-1
Depth: 2170-80 m

Sorted List

0.48	0.56	0.61
0.52	0.56	0.61
0.52	0.57	0.62
0.52	0.57	0.63
0.52	0.58	0.63
0.53	0.59	
0.54	0.59	
0.54	0.60	
0.54	0.60	
0.55	0.61	

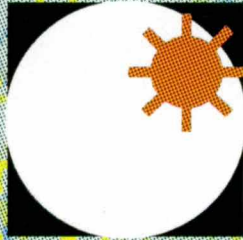
Number of values= 25

Mean of values 0.57
Standard Deviation 0.04

HISTOGRAM OF VALUES

Reflectance values multiplied by 100

48-50	*
51-53	*****
54-56	****
57-59	*****
60-62	*****
63-65	**



G F E Resources Ltd

PEL 39
OTWAY BASIN
SOUTH AUSTRALIA
REEDY CREEK - 1
WELL SITE
ENVIRONMENTAL AUDIT

Mines & Energy SA

R95/00300



00118500

S. ROGERS
MARCH, 1995

R95/00300.

REEDY CREEK POST DRILLING SITE INSPECTION AND EVALUATION

VISUAL APPEARANCE AND STATE OF LAND:

The rig was released in March 1992. To date little rehabilitation/restoration work has been carried out on the well site. A fence completely surrounds the area and a gate leading into the drill area has been erected. Sown pastures with a cover of native grasses dominate the surrounding landscape. Land use in the area is dominated by livestock grazing. The site was photographed in all directions as a means of recording environmental disturbance (figures 1-4). Little land disturbance is evident when looking southerly from the Robe-Penola road onto the well site (figure 5). The only visible disturbance from the road is the topsoil stockpile situated to the north of the site.

INFILLING OF CELLAR, SUMP, WATER PIT AND FLARE PIT:

The current landowner Mr Lea, is completely satisfied with the state of the site and is using the site as an integral part of his ongoing farming operations. The hard standing is used for hay storage and distribution. The sump situated to the southern end of the drill area and to the forefront of the spoil stockpile is full of water and has some form of water weed growing within, which appears to attract various bird life (figure 6). Other biological life, namely various micro-organisms, is evident within the confines of the water. Mr Lea has mentioned using the pit for yabby propagation in the future. The water-pit is also full of relatively clear water and is used for stock watering and yabby propagation (figure 7).

Water samples from both pits have been taken for analysis (Appendix 1). Standard water analysis shows the salt content for the sump to be much greater than that for the water pit (Graph 1). The concentrations of Calcium, Magnesium, Sulphate and Nitrate ions appear to differ by only relatively small amounts (Graph 1). Potassium ions are of a much higher concentration in the sump sample than the water pit sample. Conversely Bi-Carbonate ions are greater in the water pit sample than the sump sample. Both samples have a neutral pH and the total dissolved solids are greater in the sump sample than the water pit sample (Graph 2). Total hardness is greater in the water pit sample than the sump sample and the Sodium/Total Cation Ratio is greater in the water pit sample than the sump sample (Graph 3). The Biochemical Oxygen Demand (BOD) measures the amount of oxygen consumed by a sample of water under standard conditions. It is an indicator of the level of wastes present and measures the organic pollution in a body of water. The greater the amount of wastes present, the higher the consumption of oxygen by organisms living in the water and the higher the BOD. The Biochemical Oxygen Demand was <1mg/L in the water pit and 15mg/L in the sump sample (Appendix 1). The BOD in the sump sample is higher than expected and the level is comparable to high quality sewage effluent. The water in the sump would be useful for irrigation and not for stock watering.

The flare pit situated at the western end of the sump is completely dry and has not been filled with subsoil and respread with associated vegetation. The cellar remains open and Mr Lea has agreed to fill this in before the end of February 1995. The well name and number are clearly displayed on the well head (figure 8).

According to Mr Lea, the two bores drilled by MESA found no pollution of the water table.

TOPSOIL AND ASSOCIATED VEGETATION:

The topsoil stockpile and the pit spoil stockpile located at the southern end of the site have not been used to fill in the pits. Associated vegetation has not been respread over the affected areas. Vegetative growth upon these stockpiles consists predominantly of thistle and various native grasses.

RESTORATION OF ABANDONED DRILL AREA:

The drill site consists of compacted soil and shows very little regeneration of grass on site. It is mainly covered in thistle and interspersed with various native grasses and would most probably have to be deep ripped to break up the compacted layers. This would then allow an even distribution of native grasses to grow. No fragmentation of the land mass is evident. Erosion is not evident, although is possible due to strong winds present. The drill site has been cleared of all debris, including any fuel drums or chemicals used in the drilling process. No fuel appears to have been spilt. A rubbish pit Mr Lea has been using will be infilled.

FINAL STATEMENT:

GFE Resources has operated under the guidelines as set out in "The Environmental Management of Petroleum Drilling and Workover Operations in the South-East of South Australia" in the "Code of Environmental Practice" (November 1990). Mr Lea has sold the land and exchange will take place on 31 March 1995.

**ENVIRONMENTAL QUALITATIVE ASSESSMENT
POST DRILLING SITE INSPECTION AND EVALUATION**

SITE NAME: Reedy Creek-1

DATE: 15.2.95

VISUAL APPEARANCE: Topsoil and spoil stockpiles evident. Little regeneration of grass on site. No infilling of sump, water pit or flare pit.

CONDITION OF SURROUNDING LAND: Good. Used for livestock grazing.

COMPACTION: Yes.

EROSION: Nil - probable.

SOIL SURFACE CONDITION: Average. Deep Ripping required for continuous cover of vegetative growth.

STABILITY OF LAND: Good.

WEED INTRODUCTION: Thistle.

FRAGMENTATION OF LAND MASS: No

WIDTH AND LENGTH OF DRILL AREA (hardstanding): 100m x 95m.

MANAGEMENT: LITTER/WASTE DISPOSED OF ACCORDINGLY: Yes

ANY FUEL SPILLED: No.

LINING OF SUMP: Yes.

INFILLING OF SUMP: No.

INFILLING OF WATER-PIT: No.

INFILLING OF FLARE-PIT: No.

DISPOSAL OF RUBBISH FROM RUBBISH PIT: Yes.

REFILLING RUBBISH PIT Within a week following inspection.

DISTRIBUTION OF TOPSOIL AND SPOIL: No.

STATUS OF CELLAR: Remains open. Will be infilled within a week following inspection.

ACCESS TO SITE: Area is fenced with two gates for access.

CURRENT LAND USE: Livestock watering and yabby propagation.

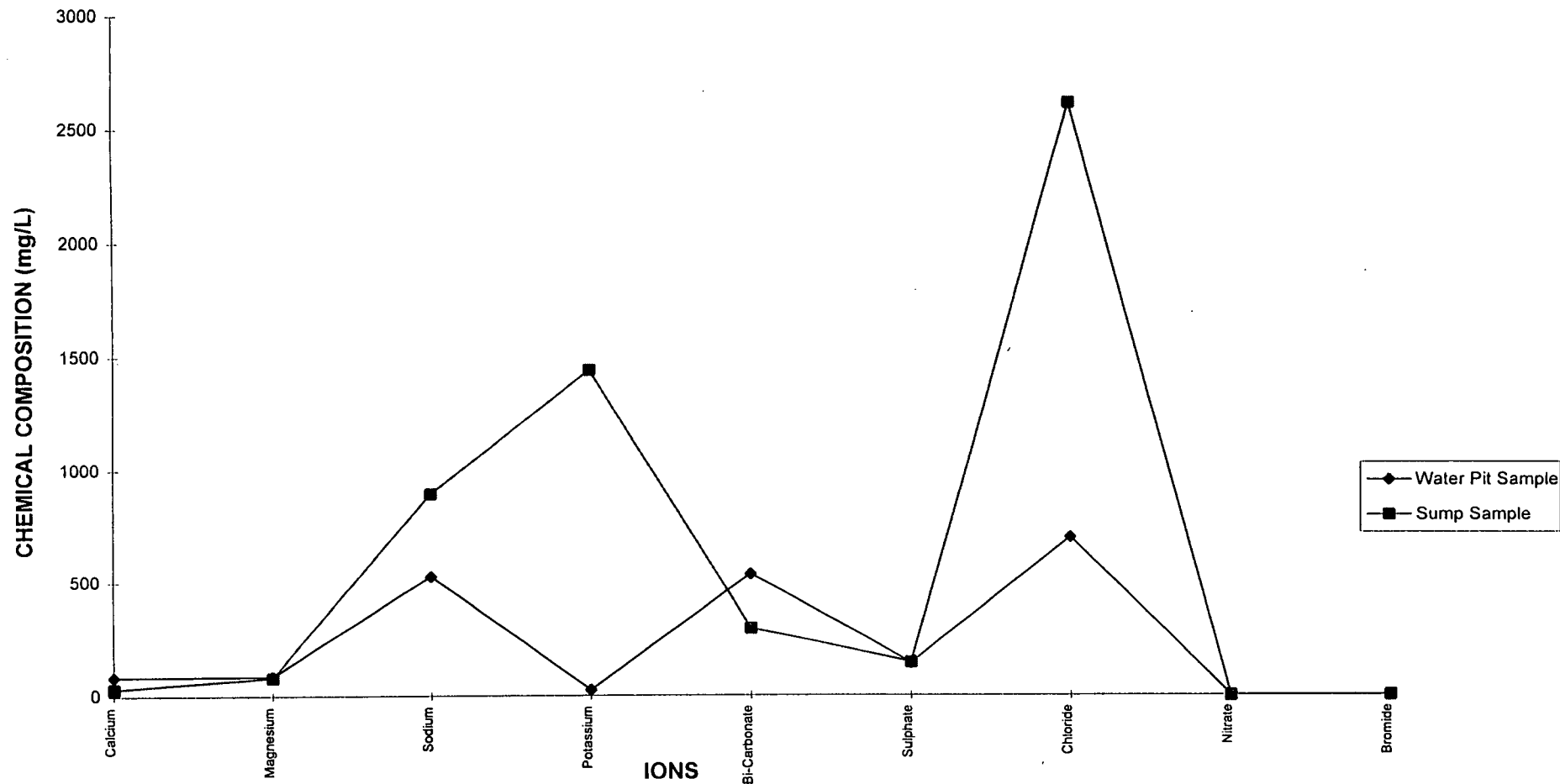
COMMENTS (STATEMENT OUTLINING CLEAN-UP OPERATION):

Mr Lea continues to be happy with the state of the site. He will continue to use the site as part of his farming operations.

GRAPH -1

REEDY CREEK-1

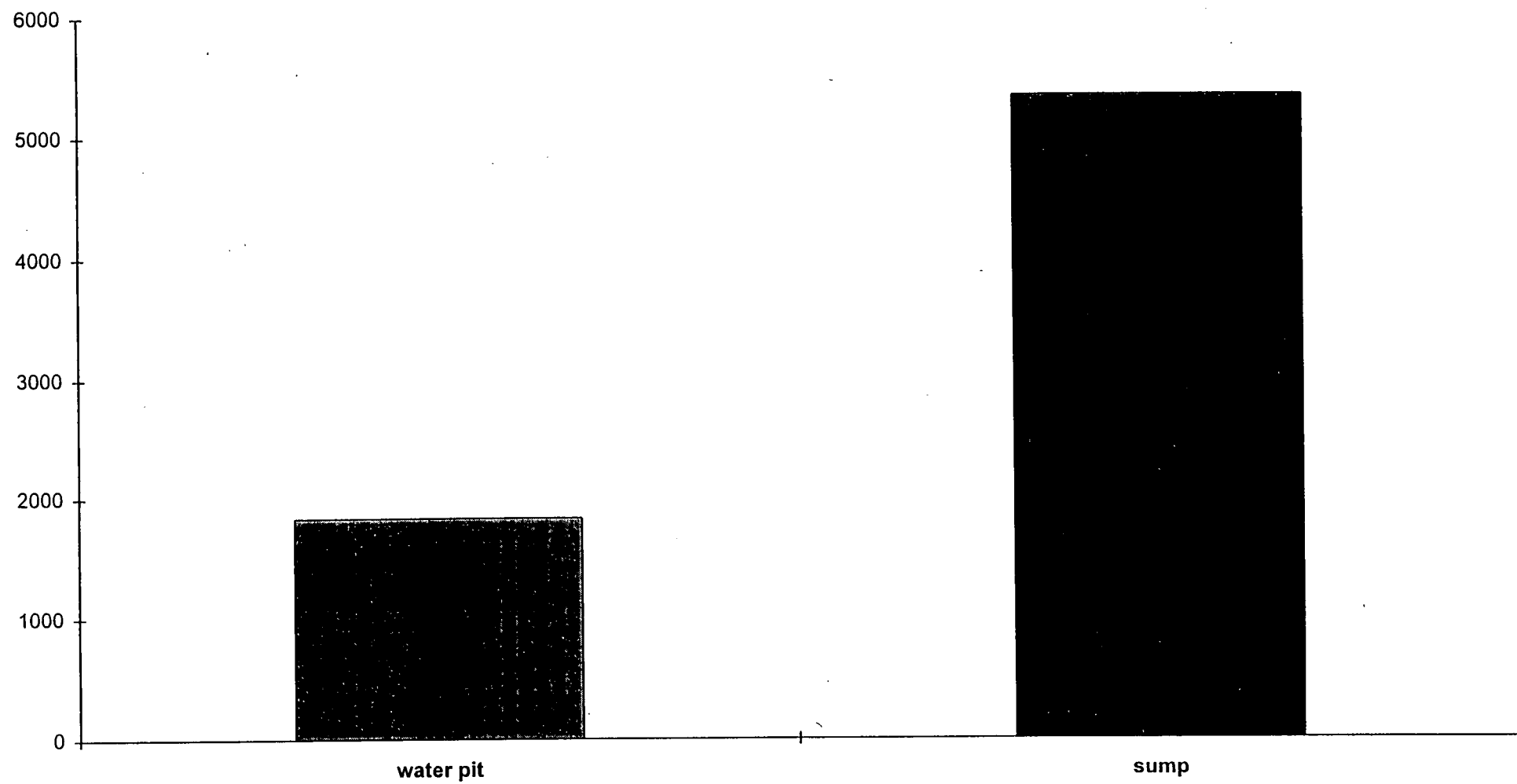
CHEMICAL COMPOSITION OF WATER PIT AND SUMP SAMPLE



GRAPH - 2

Reedy Creek-1

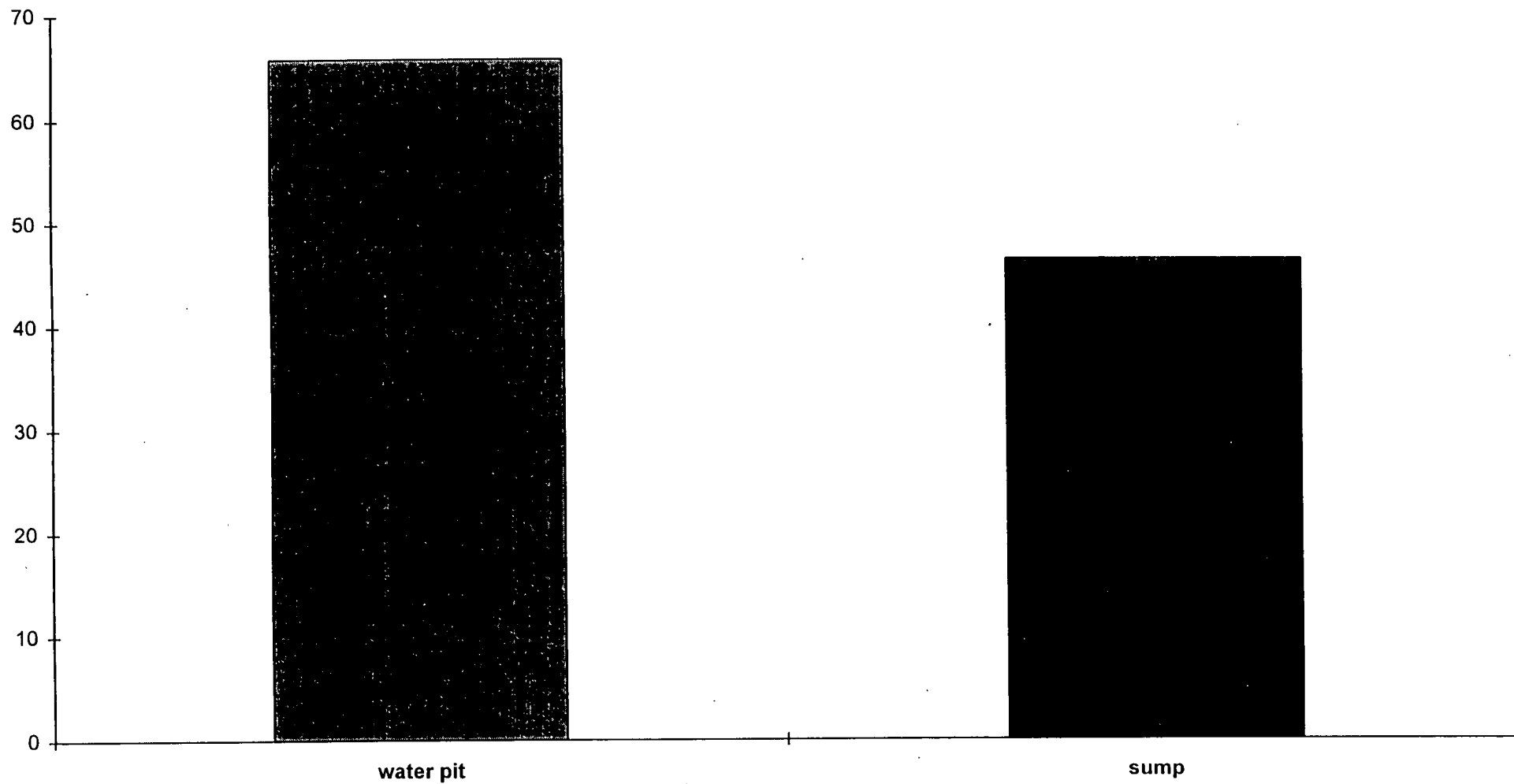
Total dissolved solids (Calculated) (mg/L)



GRAPH -3

Reedy Creek-1

Sodium/Total Cation Ratio (%)



APPENDIX 1

1. INTRODUCTION

Two (2) water samples were received for standard water analysis. In addition, biochemical oxygen demand (BOD) was requested on one of the samples. This report is a formal presentation of results forwarded as they became available.

2. RESULTS

Water analysis results are presented on the following pages. The BOD of the sump sample was determined to be 15 mg/L.



Water Analysis Report

Job No. 95L7553

Method WAT 2

Page 1

Sample ID. REEDY CREEK-1

Chemical Composition				Derived Data	
		mg/L	me/L		mg/L
Cations				Total Dissolved Solids	
Calcium	(Ca)	84.0	4.19	A. Based on E.C.	1952
Magnesium	(Mg)	86.0	7.08	B. Calculated ($\text{HCO}_3=\text{CO}_3$)	1825
Sodium	(Na)	526.0	22.88		
Potassium	(K)	24.0	0.61		
Anions				Total Hardness	563
Hydroxide	(OH)			Carbonate Hardness	472
Carbonate	(CO_3)			Non-Carbonate Hardness	91
Bi-Carbonate	(HCO_3)	534.0	8.75	Total Alkalinity	472
Sulphate	(SO_4)	142.0	2.96	(Each as CaCO_3)	
Chloride	(Cl)	696	19.61	Totals and Balance	
Nitrate	(NO_3)	<0.1			
Bromide	(Br)	0.6			
Other Analyses :				Cations (me/L)	34.8
				Anions (me/L)	31.3
				Diff=	3.45
				Sum =	66.1
				ION BALANCE (Diff*100/Sum) =	5.22%
				Sodium / Total Cation Ratio	65.8%
Reaction - pH					
Conductivity (E.C)					7.5
(micro -S/cm at 25°C)					3050
Resistivity Ohm.M at 25°C					3.28
				mg/L = Milligrams per litre	
				me/L = MilliEqvs.per litre	

Name: S.ROGERS
Address: GFE RESOURCES
PO.BOX 629
MELB. 3000

Date Collected 15/02/95
Date Received 01/03/95
Collected by CLIENT

Formation
Type
Point
Time
Interval
Geologist
Depth

WATER PIT



Figure -1 Looking North onto site from spoil stockpile.



Figure -2 Looking East onto site from Western end of drill area.



Figure -3 Looking West onto site from Eastern end of drill area.



Figure -4 Looking South onto site from top of topsoil stockpile.



Figure -5 Looking South onto site from Robe-Penola Road.



Figure -6 Looking South Westerly onto sump.



Figure -7 Looking Westerly onto water-pit.

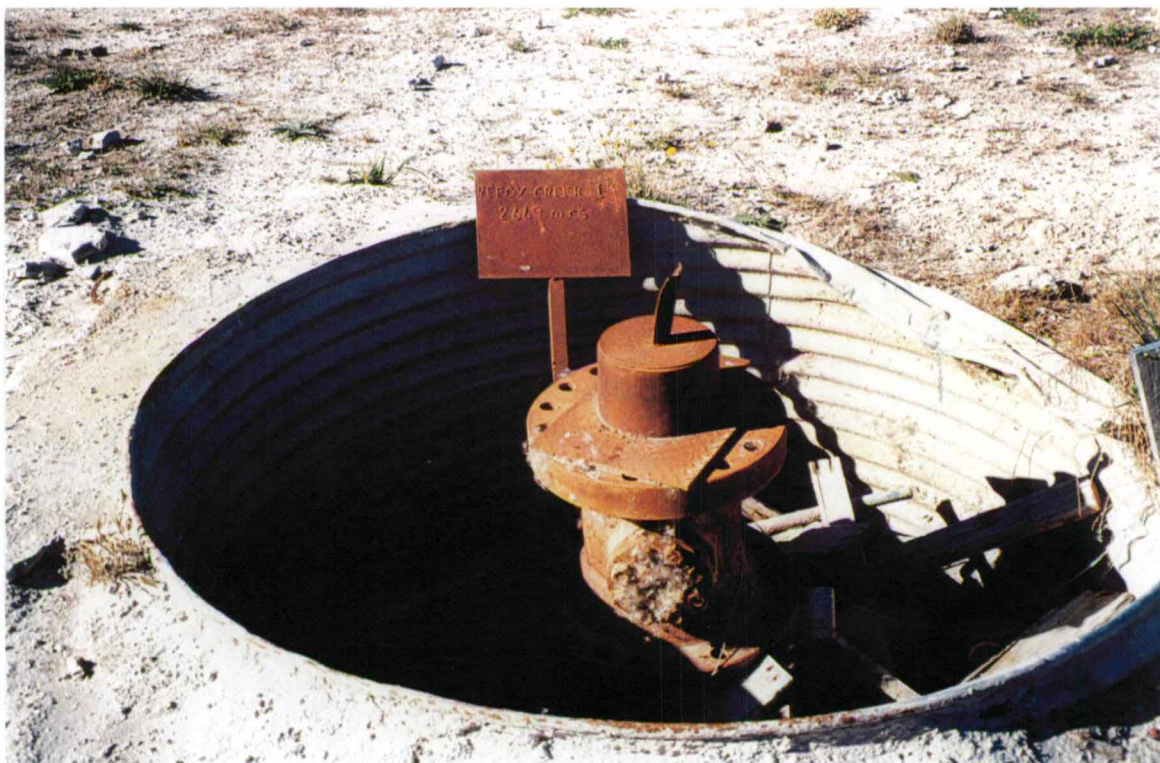


Figure -8 Reedy-Creek well head.

